Annual Report

CONSOLIDATED | CAIXA CENTRAL

2023

CA

Crédito Agrícola

(Free translation from the Annual Report originally issued in Portuguese language. In case of doubt, the Portuguese version will always prevail).

Message From the Chairman of the General and Supervisory Board

The year 2023 was characterised by a tense geopolitical environment, due to the continuation of the war in Ukraine and the start of a new conflict in Israel. The economic context was also challenged by inflationary pressures and some turbulence in the international financial markets, caused by internal control failures at some regional banks in the USA and at Crédit Suisse, the impact of which was mitigated by the action of governments and central banks. As a result of this new context, the banking sector, above all in Europe, showed very positive indicators and results.

Regarding the Crédito Agrícola Group (CA Group), it should be highlighted that the loan portfolio increased by 0.5% compared to the end of 2022, with this growth being due to the loans granted to the corporate segment, which grew 3.3%, having more than offset the 4.2% reduction in loans granted to individual customers, substantially in the mortgage loan portfolio. This evolution corresponded to a year-on-year improvement of market share to 5.79%, reflecting the CA Group's commitment to being a bank of proximity and trust, able to meet the needs of its customers and accompany market trends.

With respect to customer deposits, the CA Group recorded a minor reduction of 1.9% of value in 2023 in comparison with December 2022. However, its market share showed a slight rise to 8.02%. The liquidity and solvency indicators also proved to be robust, standing above the recommended and required levels, consolidating the CA Group's position in the banking sector.

Off-balance sheet funds recorded growth of 8.1% in relation to the end of 2022, reaching a value of 2,180 million euros. This positive evolution is essentially explained by the 8.0% increase of real estate investment funds and 23.5% increase of securities investment funds.

In the CA Group's business activity for which IFRS 17 was implemented in 2023, concerning gross premiums earned, CA Seguros recorded year-on-year growth of 6.7%, while CA Vida, which commemorated its 25th anniversary in 2023, recorded 43.8% lower total production than in the same period of the previous year.

The increased inflation rate, and consequent rise in interest rates applied by central banks, placed pressure on customers with loans, with particular impact on the exacerbation of the gross ratio of non-performing loans (NPL), which stood at 6.2% in December 2023, with a ratio of NPL coverage by NPL impairments of 38%.

In view of the restated net income for 2022, the CA Group presented a significant consolidated net income of 297.2 million euros in 2023, corresponding to a return on equity of 13.1%, which primarily contributed to the very positive performance of the Group's banking component, in particular, the positive evolution of net interest income, which increased by 103.8% year-on-year.

The scale of these results led to common equity tier 1 (CET1) and total capital ratios of 22.3%, with a liquidity coverage ratio (LCR) of 644% and a net stable funding ratio (NSFR) of 172.4%.

Under the Supervisory Review and Evaluation Process (SREP), Banco de Portugal notified the CA Group of the prudential requirements to be met as of 1 July 2024, namely CET1 of 9.16%, Tier1 of 11.13% and total capital ratio of 13.75%, including a combined buffer requirement (CBR) of 2.75% (including a reserve for other systemically important institutions (O-SII) of 0.25%) and a Pillar 2 guidance (P2G) of 0.50%, all of which have already been fully met by the Group.

In 2023, the CA Group carried out its second issuance of preferred senior debt linked to social sustainability, in the amount of 250 million euros, in July and August 2023. 200 million euros were issued, complemented with a tap issuance of 50 million euros, which enabled compliance with the Minimum Requirement for Own Funds and Eligible

Liabilities Total Risk Exposure Amount + Combined Buffer Requirement (MREL TREA + CBR) in force since 1 January 2024, with a comfortable margin.

In turn, Caixa Central's Baseline Credit Assessment rating was revised in November 2023, by Moody's, to Baa3 (Investment Grade), reflecting its credit opinion on the CA Group which incorporates the prevailing solidarity mechanism among its comprising entities, i.e. the Caixas de Crédito Agrícola and Caixa Central.

In addition to focusing on results and on keeping the CA Group appropriately capitalised and financially stable, the CA Group also pursues strategic goals directed at the community, sustainability and the value enhancement of its employees.

The CA Group stands firm in asserting its "Portugality" and proximity to local communities, maintaining a strong presence all over the country, in particular outside major urban centres, with a commitment to decentralisation in decision-making, in distribution and reinvestment of the generated profit in the same region, and to local recruitment, thus contributing to employability and local social development.

Despite the initiatives to merge Caixas de Crédito Agrícola, with a view to strengthening the local dimension, performance and asset solidity, which led to the reduction of the number of Associated Caixas de Crédito Agrícola from 71 to 68 in 2023, the number of CA Group branches increased from 617 at the end of 2022 to 618 by the end of 2023.

From another angle, the CA Group emphasised its commitment to sustainability, having received an Environmental, Social and Governance (ESG) Risk Rating of 20.0 from Sustainalytics in 2023, positioning it favourably in the national banking market. The CA Group communicated its Net Zero Transition Plan in 2023, reinforcing its contribution, and that of the banking sector, to the fight against climate change, in line with the Paris Agreement.

In addition to its physical proximity to its customers, the CA Group has also witnessed a progressive increase in subscription to its digital channels, driven by the broadening of its offer of products developed and provided through these channels. The investments in technological solutions also have underlying goals of enhancing efficiency, increasing productivity and strengthening cybersecurity.

The growing demands on the organisation, both regulatory and business-related, require a critical ability to capture, promote and retain its employees. The CA Group is committed to fostering a culture of ongoing information and learning, and the development of a Career Model, as strategies to achieve success in this important strategic pillar. The number of employees of the CA Group showed a net growth of 146 employees in 2023, to stand at a total of 4,136 employees.

As established in previous years, in terms of the general risk management principles, relative to the organisational and corporate model, regulatory structure, policies and procedures, the corresponding management of financial and non-financial risks arising from its business activity, including the crucial credit risk cycle, consist of a priority axis of action for the CA Group, with recognition of its impact on value creation and on its fundamental role in the construction of a cohesive and solid internal control system.

Throughout 2023, the General and Supervisory Board monitored the activities developed by the CA Group, in the exercise of its powers and the specific powers of its specialised committees (Financial Matters Committee; Remuneration Committee, Risk Committee, Supervisory Matters Committee), in conformity with the internal regulations and Banco de Portugal Notice 3/2020, as disclosed in the Activity Report.

The CA Group remains attentive to the challenges posed by the current national and international situation to households, companies and other institutions, and the consequent impacts that may be reflected in its activity. The values of inclusion, sustainability and innovation, comprising the CA Group's culture, are allied to its mission and goals of contributing to the economic and social progress of communities, through the practice of solid local financial activity, with social and sustainable goals and a strong presence in all regions.

Ricardo Pinheiro

Chairman of the General and Supervisory Board

Message of the Chairman of the Executive Board of Directors

It gives me great pleasure to highlight the results recorded by the Crédito Agrícola Group in the financial year of 2023. This year was marked not only by challenges and opportunities, but also by notable achievements and recognition in the market. As a result, 2023 stands as the most successful financial year in the long history of Crédito Agrícola, both in terms of net income and the Group's solvency levels.

The Portuguese economy remained resilient in 2023, despite the global slowdown, ongoing conflicts and domestic political tension. Economic growth in Portugal in 2023, which stood at 2.3%, was considerably lower than the 6.8% recorded in 2022. However, it exceeded expectations (1.8%) and surpassed the Eurozone average (0.5%), owing to the positive impact of the tourism sector.

In 2023, the banking market in Portugal[1] experienced a decrease of 5.8 billion euros in the deposit stock, bringing it to 244 billion euros (-2.3%), and a decrease of 3.4 billion euros in the credit stock, bringing it to 201 billion euros (-1.6%), which returned the credit market back to the volumes recorded in 2021. The high interest rates driven by the restrictive monetary policy aimed at controlling inflation, along with a shortage of housing supply, constrained the demand for home purchases in 2023. This led to a 17% decrease in sales, with a total of 131,000 homes sold in Portugal, accompanied by an average sale price increase of approximately 9%.

In a particularly complex macroeconomic environment, characterised by the risk of recession, inflationary pressure, high interest rates and financial market volatility, compounded by the geopolitical conflicts between Russia and Ukraine and between Israel and Hamas, the Crédito Agrícola Group consolidated its position as the 6th largest financial group operating in Portugal, in terms of total net assets. The Group also climbed one position in terms of loans granted compared with 2022, to occupy the 6th place, with its market share in gross loans increasing from 5.65% to 5.79%. In a fiercely competitive environment, this sustainable growth was only possible thanks to the proactive, diligent, close and cohesive efforts of the employees and managers of the 68 Caixas Agrícolas and Caixa Central, in compliance with the applicable legislation and regulations, as well as the Group's values, the code of ethics and conduct and the risk appetite of each institution within the integrated system.

In 2023, the household savings rate at current prices decreased from 6.336% to 6.316%, continuing to fall below the historic low of 6.562% recorded in 2017. The Crédito Agrícola Group's customer deposits totalled 20.004 billion euros, maintaining a high granularity and low concentration (average balance of 12,600 euros), thus ensuring a coverage of over 80% by the Deposit Guarantee Fund. The market share of the Crédito Agrícola Group in deposits went up slightly from 7.97% to 8.02%, reflecting customer confidence. However, this was not sufficient to prevent the loan to deposit ratio from increasing from 57.0% to 58.3%, which nevertheless remains the lowest in the market.

The cooperative business model, based on the solidity and proximity afforded by the multichannel approach, as well as the 618 branches distributed across the country (accounting for a market share of 18%[2]), provided the necessary conditions for the Crédito Agrícola Group to achieve a net income of 297.2 million euros in 2023 (+238.6% compared with 2022) and to increase its total own funds and common equity tier 1 ratios by 241 basis points to 22.3%[3].

The consolidated profit of 297.2 million euros benefited from contributions of 7.9 million euros from CA Seguros and 6.6 million euros from CA Vida, with the companies recording growth in the non-life insurance (+3%) and life insurance (+5%) portfolios, as well as pension fund contracts (+8%).

1 Excluding Public Administration; Source: BPStat.

2 Source: APB, Jun 2023.

3 Incorporating the net income for the year.

The net income generated and the issuance of senior preferred debt of €250M in the 3rd quarter of 2023 allowed the Crédito Agrícola Group to meet the binding $MREL_{TREA+CBR}$ and $MREL_{LRE}$ requirements as of 1 Jan 2024, with a comfortable margin.

It is worth highlighting that the profitability achieved by the Crédito Agrícola Group was determined by the extraordinary 103.8% growth in net interest income, bringing it to 749.5 million euros, driven by the significant volume of variable-rate loans. This development impacted the net intermediation margin between loans and deposits, which stood at 443 basis points. Profitability was also boosted by a 10.7% increase in net commissions, which stood at 153.0 million euros, supported by an increase in Customer and Associate transactions, as well as an increase in the number of Automatic Payment Terminals and continuous growth in the issuance of cards, both physical and virtual.

On the other hand, the cost of credit risk rose from 0.45% to 0.77% and the cost of net risk from uncollectible credit recoveries increased from 0.26% to 0.58% in 2023, both compared with 2022.

Faced with high and rising interest rates, which increased the financing costs of companies, prompted the postponement of investment decisions and significantly raised the cost of living for families, the Crédito Agrícola Group intensified its granular monitoring of credit exposures, continued to offer support to families and ensured compliance with the measures outlined in Decree-Law no. 80-A/2022 and Decree-Law no. 20-B/2023, in order to mitigate the effects of rising indexing rates on debt servicing capacity. However, stage 3 exposures increased by 145 million euros (+23.5%) in 2023, primarily driven by a 70 million euros rise in restructurings due to signs of financial difficulties associated with DL80/A in mortgage loans, as well as an increase of 114 million euros due to signs of financial difficulties stemming from the significant inability of companies to generate future cash flows. These developments led to a worsening of the NPL, the NPL (EBA) and the NPE (EBA) ratios, to 6.2%, 5.5% and 3.2%, respectively.

The exposure of the Crédito Agrícola Group to non-performing assets (NPA) has significantly decreased in recent years. At the end of 2023, exposure to real estate assets available for sale stood at 341 million euros, representing a year-on-year decrease of 66 million euros. Together with the 729 million euros of the NPL portfolio, this amount resulted in a total NPA of 1,070 million euros, equivalent to an NPA ratio of 8.9%, compared with 8.3% at the end of 2022 and 11.1% at the end of 2021.

The increasingly stringent legal and regulatory requirements in the banking and insurance sectors, along with improved service levels in the branch network and complementary channels, as well as the updating of salaries for all employees of the Crédito Agrícola Group, effective from the beginning of the year, led to an increase in structural costs, which went up from 401 million to 421 million euros. However, the efficiency ratio of the Crédito Agrícola Group improved from 70% to 42%, due to an increase in operating income from 573 million to 1,008 million euros.

The Crédito Agrícola Group continues to invest in innovation and digital transformation, having launched several products and services, namely "CA Crédito Pronto", for fast digital credit contracting, "CA Crédito Fast", to support corporate treasury, and "CA Fundos Comunitários", to identify and advertise investment opportunities under the PT 2020, PRR and PT 2030 Community Programmes. Additionally, the Group launched fixed-rate (or mixed-rate) credit, thus meeting the need to provide customers with greater predictability in budget management through stable credit instalments.

These initiatives and the demonstrated performance have earned the Crédito Agrícola Group market recognition through awards such as the Consumer Choice 2023 and the Customer Experience Index – BECX 2022, in the Banking, Non-Life and Life Insurance categories. Additionally, the Group received the Platinum Award for the Best Quality Operations Processing without Human Intervention in Portugal (BNY Mellon). According to the Behavioural Supervision Report issued by the Bank of Portugal, Crédito Agrícola once again stood out in the ranking of Portuguese banks with the fewest complaints in 2023, in all categories.

The year of 2023 was marked by record temperatures and CO2 emission levels, suggesting a potential cause-effect relationship between these indicators and possibly indicating the onset of global climate collapse. In order to strengthen its commitment to the UN Sustainable Development Goals and the Paris Agreement on climate change, the Crédito Agrícola Group reduced its CO2e emissions from direct activities (scopes 1 and 2) by 24%. In 2023, the Crédito Agrícola Group operated more than 760 ATMs (47% of the total) and 250 branches (40% of the total) in locations lacking other banking institutions, as the Group believes that territorial cohesion and access to banking services are not only critical factors for economic development but also universal rights.

The Portuguese economy is expected to continue growing in 2024, albeit at a slower rate than in 2023, due to a slowdown in external demand. The Portuguese banking sector faces significant risks due to evolving geopolitical tensions, particularly the two current conflicts, the deterioration of economic conditions, intensified banking competition (and eventual consolidation and/or entry of new competitors), regulatory shifts, and the digital and cyber challenges envisaged.

The Crédito Agrícola Group feels prepared to face future challenges and opportunities, adopting a strategic vision of bancassurance and prudent management, including a decrease in non-performing assets. Additionally, the Group pursues a social mission, assisting SMEs in accessing European funds, facilitating the digital transition and implementing ESG practices.

In the year under review, which included the launch of “A Banca Cooperativa e o Desenvolvimento Regional e Local” (Cooperative Banking and Regional and Local Development), a book based on a research study conducted by professors Luís Antero Reto, Paulo Bento and Nuno Crespo, from the Public and Social Economy Study Centre, it is worth noting that European cooperative banks serve over 200 million customers (40% of which are Members), employ over 700,000 people, operate more than 35,000 branches and boast net assets of around 10 trillion euros. These institutions stand out from other European banks by adopting a business model that prioritises local communities and focuses on a medium- and long-term vision (which represents an additional resilience factor in economic crises), in addition to fostering the democratic participation of Members and promoting inclusion and sustainable development, particularly in disadvantaged regions.

On my own behalf and on behalf of the Executive Board of Directors of Caixa Central, I would like to extend heartfelt congratulations to all employees, managers, partners and other stakeholders of the Crédito Agrícola Group. Additionally, I wish to express our gratitude to our Members and Customers, including the approximately 48,000 private customers and 6,000 companies that joined us in 2023, for their preference for the Crédito Agrícola brand. Your ongoing support serves as our motivation to continue promoting the socio-economic development of all regions of mainland Portugal, the Azores and Madeira, encouraging responsible and conscientious behaviour, and generating value to effectively address the challenges that await us in 2024.

Licínio Pina

Chairman of the Executive Board of Directors

Management Report

(Consolidated and Caixa Central)

1. KEY INDICATORS

EVOLUTION OF CRÉDITO AGRÍCOLA GROUP — In million euros, except %

	Dec. 2021	Dec. 2022	Dec. 2022 R	Dec. 2023
BALANCE SHEET				
Total net assets	26,002	24,895	24,981	25,302
Total loans and advances to customers (gross) [1]	11,726	11,982	11,982	12,059
Total customer funds	21,059	22,396	22,396	22,165
Accumulated impairment and provisions	502	501	501	587
of which: accumulated impairment of credit	333	350	350	389
Equity	2,019	2,042	2,107	2,438
RESULTS				
Net interest income	313	368	368	749
Technical margin of insurance activity	66	145	88	91
Net fees and commissions	123	146	138	153
Core net operating income	503	659	594	993
Net trading income	63	-3	-15	29
Other net operating income	4	-4	-7	-13
Operating income	570	652	573	1,008
Operating costs	373	401	401	421
Impairment and provisions for the period	2	-57	-57	-129
Consolidated net income	159	144	88	297
EFFICIENCY AND PROFITABILITY RATIOS				
Cost-to-income	65.4%	61.5%	70.0%	41.8%
Return on Assets (ROA)	0.6%	0.6%	0.3%	1.2%
Return on Equity (ROE)	8.1%	7.1%	4.3%	13.1%
CAPITAL AND LIQUIDITY RATIOS				
Common equity tier 1 ratio [2]	19.2%	19.9%	19.9%	22.3%
Total own funds ratio [2]	19.2%	19.9%	19.9%	22.3%
Leverage ratio	8.7%	7.6%	7.6%	9.6%
Loan-to-deposit ratio [3]	59.2%	57.0%	57.0%	58.3%
Liquidity coverage ratio (LCR)	477.2%	499.9%	499.9%	644.1%
Net stable funding ratio (NSFR)	150.2%	167.7%	167.7%	172.4%
ASSET QUALITY RATIOS				
NPL Ratio [4]	7.2%	5.1%	5.1%	6.2%
NPL coverage by NPL impairments	32.6%	41.2%	41.2%	38.0%
NPL coverage by NPL impairments and collaterals [5]	133.5%	151.3%	151.3%	140.1%
NPL coverage by NPL impairments and collaterals (FINREP) [5 6]	87.6%	91.9%	91.9%	89.4%
Texas Ratio [7]	38.8%	27.3%	27.3%	29.9%
Cost of risk	0.04%	0.45%	0.45%	0.77%
INSURANCE ACTIVITY				
CA Seguros				
Net income	6	11	10	8
Gross premiums earned	145	152	152	162
Solvency II Ratio	166.5%	165.9%	165.9%	180.7%
CA Vida				
Net income	6	48	-8	7
Gross written premiums	141	248	248	139
Solvency II Ratio	250.0%	181.0%	181.0%	202.0%
OTHER INDICATORS				
# of employees [8]	3,933	3,990	3,990	4,136
# Associated Caixas Agrícolas	75	71	71	68
# of bank branches	624	617	617	618

RATING MOODY'S (last rating action, November 2023)	
Outlook	Stable
Counterparty Risk Rating (CRR)	Baa1/Prime-2
Bank Deposits	Baa2/P2
Baseline Credit Assessment (BCA)	baa3
Adjusted Baseline Credit Assessment	baa3
Counterparty Risk Assessment (CR)	A3(cr) / Prime-2(cr)
Senior Unsecured Notes	Ba1

(1) Includes Customer debt instruments (commercial paper operations).

(2) The ratio incorporates net income for the period.

(3) Ratio calculated in accordance with BdP Instruction 23/2012, determined by the ratio between net loans and advances to customers and customer deposits.

(4) Ratio calculated according to BdP Instruction 20/2019.

(5) Applying haircuts and recovery costs. (6) Coverage limited to exposure of each contract.

(7) Determined by: NPL / (Tangible equity + Stock of Impairments).

(8) The values refer to employees with open-ended indefinite contracts and fixed term contracts (position at year-end). Excludes employees with an absence of more than 30 days on the reference date (eg. leave of absence, sick leave) or with a suspended contract.

Note: for comparability purposes, there was an unaudited restatement of figures relative to the period ended in 31 December 2022, noted where applicable. This restatement is related to the implementation of the accounting standards IFRS 17 and 9, as from 1 January 2022, impacting only the individual accounts of the insurance companies of the CA Group and, consequently, the consolidated accounts. All comparisons are made with reference to the restated 2022 figures.

2. DISTINCTIONS AND MAIN EVENTS

Distinctions achieved by the Crédito Agrícola Group

Crédito Agrícola was selected by "Escolha do Consumidor 2023" (Consumer Choice 2023) as the best Bank, in the Category of Small and Medium-Sized Banks, thus conquering the preference of the Portuguese consumers by having been ranked in the first place in 8 of the 10 categories under assessment, for the second year running.

Crédito Agrícola, CA Seguros and CA Vida were distinguished as Best Companies in the Customer Experience Index – BECX 2022, in the Banking, Non-Life Insurance and Life categories, respectively. Crédito Agrícola was distinguished for the 3rd time, CA Seguros for the 5th consecutive year, and CA Vida for the 5th time. This is a Best European Customer Experience distinction.

Crédito Agrícola was distinguished by The Bank of New York Mellon (BNY Mellon), for the extraordinary quality levels in the automatic formatting of international transfers, with the Platinum Award for the Best Quality Processing of Operations without Human Intervention in Portugal, in 2022. This recognition is due to Crédito Agrícola's commitment to innovative solutions using relational technology, performing routine tasks while minimising the need for human intervention and improving overall efficiency.

Quality of Service of the Crédito Agrícola Group

According to the Behavioural Supervision Report, issued by Banco de Portugal, relative to the year of 2023, Crédito Agrícola stood out in the ranking of national banks with less complaints.

Indeed, it was the second institution with fewest complaints concerning demand deposits (0.17 complaints per 1000 current accounts, compared to the banking system average of 0.37), the second institution with fewest complaints in mortgage loans (1.18 complaints per 1000 consumer credit contracts, compared to the banking system average of 2.53), and standing out in consumer loans with 0.36 complaints per 1000 contracts, compared to the banking system average of 0.59.

CA Seguros was indicated as the insurer with the least Motor Insurance claims in 2022, in the Report on Regulation and Supervision of Market Conduct published by ASF – Autoridade de Supervisão de Seguros e Fundos de

Pensões (Portuguese Insurance and Pension Funds Supervision Authority), with 0.16 complaints per 1000 insured vehicles, compared to an average of 1.02 for the market as a whole.

Main events for 2023

- **January**:
  - Launch of the book "A Banca Cooperativa e o Desenvolvimento Regional e Local" (Cooperative Banking and Regional and Local Development), based on the research study carried out by professors Luís Antero Reto, Paulo Bento and Nuno Crespo, from the Centre for Public and Social Economy Studies. The study, which assessed the period from 2015 to 2020, focuses on the contribution of Cooperative Banking to regional and local development, its role in the European banking system and in development and social cohesion in Portugal, as well as the main challenges it faces.
  - Mário Patrão, a pilot sponsored by Crédito Agrícola, completed his participation in the 45th running of the Dakar rally with a win in the veterans class and third place in the Original by Motul competitors (a double podium).
  - Crédito Agrícola and Welectric launched a new season of talks on sustainability with 12 episodes in 2023.

- **February**:
  - Launch of the CA Agriculture campaign, with solutions for farmers and agri-food companies, under the motto "We invest in agribusiness for the greater good".
  - Crédito Agrícola was elected "Consumer Choice 2023" as Best Bank in the "Small and Medium Banks" category for the second year running.
  - Crédito Agrícola launched the diversified investment fund "*AMUNDI Funds Multi-Asset Sustainable Future - A EUR*", which seeks to invest in economic activities which contribute to a sustainable future, addressing some of the global challenges to reach sustainable growth.

- **March**:
  - CA marks 112 years of history with the "DIA CA Sempre Sustentável" (Always Sustainable CA DAY) campaign.
  - Disclosure of the Results for the year of 2022, with a Net Income of 144.3 million euros.
  - Crédito Agrícola has announced two new offers for term deposits with yields between 2% and 2.15%. These offers complement the Bank's customers' savings solutions, reflecting the progressive rise in interest rates by the European Central Bank.
  - Launch of the 10th edition of the Crédito Agrícola Entrepreneurship and Innovation Award, an initiative aiming to reward innovative projects or companies in the agricultural, agri-food and

forestry sectors in Portugal. In this edition, the new categories were Energy Transition and Carbon Neutrality, Response to Biotic and Abiotic Stresses, Enhancement of Endogenous Resources and Nutritional and Food and Nutritional Securety.

- **April**:
  - Crédito Agrícola launches the CA Associados (Capital) campaign, under the motto "CA Associados só vêem vantagens" (CA Members only see advantages), offering special conditions for new members, aimed at Individual and Corporate Customers.
  - Crédito Agrícola launched a publicity campaign promoting mortgage loan solutions under the motto “We are with families, for the greater good”.
  - Launch of the 2nd edition of Crédito Agrícola’s internship programme (“CA EDUCA”), reinforcing its social responsibility and focusing in young students and recent graduates’ talent.
  - Crédito Agrícola was once more the official sponsor of Ovibeja, which took place between 27 April and 1 May at the Manuel Castro e Brito Beja Exhibits and Fairs Park. It was also, for the eighth year running, the exclusive sponsor of the International Extra Virgin Olive Oil Competition “Prémio CA Ovibeja”, which aims to foster a culture of excellence in the Portuguese olive oil production.
- **May**:
  - Sustainalytics, an independent rating and analysis agency for ESG and Corporate Governance criteria, gave Crédito Agrícola an ESG Risk Rating of 20.0, considered medium risk, very close to the low risk level, positioning Crédito Agrícola favourably in the context of the national market.
  - Crédito Agrícola has established a partnership with Wisecrop, the Portuguese start-up responsible for developing the Agriculture Operating System, with the aim of boosting the business and profitability of companies and entrepreneurs in the agricultural sector by making a significant contribution to the digitalisation of this sector.
  - Crédito Agrícola has announced a new update to the interest rates on various term deposits, with yields ranging from 1% to 2.75%. These changes were aimed at improving the attractiveness of the savings solutions available to the Bank's customers, reflecting the upward trend in interest rates.
  - Disclosure of the Results for the first quarter year of 2023, with a Net Income of 95.8 million euros.
  - At the Ordinary General Meeting of 20 May 2023, Caixa Central passed a resolution to issue bonds during 2023 for an amount of up to 500 million euros, in order to comply with the MREL (Minimum Requirement for own funds and Eligible Liabilities) binding requirement in force as of 1 January 2024.
  - On 26 May, Moody's published an update to its credit analysis of Caixa Central, raising the Baseline Credit Assessment (BCA) by one level, from "ba1" to "baa3", which represents and investment grade rating. The rise in the Baseline Credit Assessment to Investment Grade enables the Crédito Agrícola Group to implement its financing strategy more efficiently.

- Crédito Agrícola made available the new CA Mobile App to all Customers and the new CA Online service for Individual Customers (in a version which, comparing to the previous 2016/17 iteration, introduced new features and forms of relationship, in response to the changes in Customers' behaviour and preferences in their relationship with the Bank).

- **June**:
  - Crédito Agrícola, CA Seguros and CA Vida were distinguished as Best Companies in the Customer Experience Index – BECX 2022, in the Banking, Non-Life Insurance and Life categories, respectively. Crédito Agrícola was distinguished for the 3rd time, CA Seguros for the 5th consecutive year, and CA Vida for the 5th time. This is a Best European Customer Experience distinction.
  - On 27 June 2023, the Crédito Agrícola Group, through Caixa Central, issued debt on the international market in the form of preferred senior debt securities linked to Social Sustainability. The issue settled on 4 July 2023, amounting to 200 million euros, has a term of 4 years, with an early repayment option at the end of the third year and an issue price of 99.681%, with an annual coupon rate of 8.375% for the first 3 years, and remunerated thereafter at the 3M Euribor rate, plus a margin of 4.974%. Moody's Investor Services gave this issue a "Ba1" rating.
  - Crédito Agrícola marked its 112th anniversary by announcing the 4 winners of the competition "Dia CA Sempre Sustentável" (Always Sustainable CA Day), who received a monetary award in order to finance projects contributing to decarbonisation, economic circularity and protection and restoration of natural ecosystems.
  - Crédito Agrícola participated, as an official sponsor, in the 31st edition of the Agricultural, Commercial and Industrial Fair of Cantanhede (EXPOFACIC), which took place from 27 July to6 August.

- **August**:
  - On 1 August 2023, the Crédito Agrícola Group concluded, through Caixa Central, a tap issue on the international market for 50 million euros, related to and fungible with the issue of senior preferential debt linked to Social Sustainability, previously launched on 27 June, for 200 million euros. Following the bonds' fungibility, the issuance of senior preferred debt linked to Social Sustainability amounted to 250 million euros in 2023.
  - The CA Group was informed by the Resolution Authority (Banco de Portugal) of the revision of its Minimum Requirement for Own Funds and Eligible Liabilities (MREL). As of 1 January 2024, the CA Group will have to hold an amount of own funds and eligible liabilities equivalent to 25.28% of the total risk exposure amounts (TREA) (including the combined buffer requirement (CBR) of 2.50% and the reserve for other systemically important institutions (O-SII) of 0.25%) and 5.92% of the leverage ratio exposure (LRE);

  - Crédito Agrícola has announced the launch of a campaign aimed at Portuguese households, the CA Solução Família. With the motto "Embrace life safely", the campaign aims to meet all family needs, encompassing various Crédito Agrícola solutions: the CA Family Protection Life Insurance; the CA Hospital Protection Life Insurance and the CA Health Insurance.
  - Disclosure of the Results for the first half of 2023, with a Net Income of 174.1 million euros.
  - Crédito Agrícola sponsored, as its official bank, the 42nd Fair of Handicraft, Tourism, Agriculture, Commerce and Industry of Lagoa (FATACIL).
- **September**:
  - CA Seguros, the CA Group's non-life insurance company, featured prominently in the 2022 Market Conduct Regulation and Supervision Report, published by the Insurance and Pension Funds Supervisory Authority (ASF), standing out in terms of customer satisfaction due to the low number of complaints.
  - Launch of the 10th edition of the Crédito Agrícola Wine Competition, with a new award, “Sustainable Production Wines” and a debate dedicated to the subject of “Future Perspectives in the Wine Market”. Already with more than 600 wines recognized in past editions, the Competition aims to continue promoting and putting to the test the quality of Portuguese wines, generating new business opportunities and fostering the local origin communities.
  - Crédito Agrícola sponsored the “Alma do Vinho” (Soul of Wine) event at the Urban Park of Romeira, in Alenquer.
  - Crédito Agrícola was present at “Fruit Attraction”, the biggest internation fair of the fruits and vegetables sector, which took place in Madrid.
- **October**:
  - Crédito Agrícola has announced a new update to the interest rates on various term deposit products. This change has reinforced the attractiveness of its differentiating offers, including DP Net Super with a rate of 3.750%, an increase in the DP Net rate to 3.500%, and DP Rende já, with a single rate of 3.000%.
  - Caixa Central disclosed the payment of interest relative to Coupon number 2 of its bond issue “€300,000,000 2.50 per cent. Fixed/Floating Rate Callable Senior Preferred Notes due 2026” (ISIN PTCCCAOM0000.
  - Crédito Agrícola sponsored the 9th edition of Agroglobal, an event for professionals focusing on sharing knowledge and innovative ideas powering businesses in the agricultural sector.
  - Crédito Agrícola launched an awareness initiative within the scope of the National Breast Cancer Prevention Day, aimed at women between the ages of 25 and 50, also helping to fund the acquisition of digital breast cancer screening equipment.
- **November**:
  - Disclosure of the Results for the first nine months of 2023, with a Net Income of 224.4 million euros.

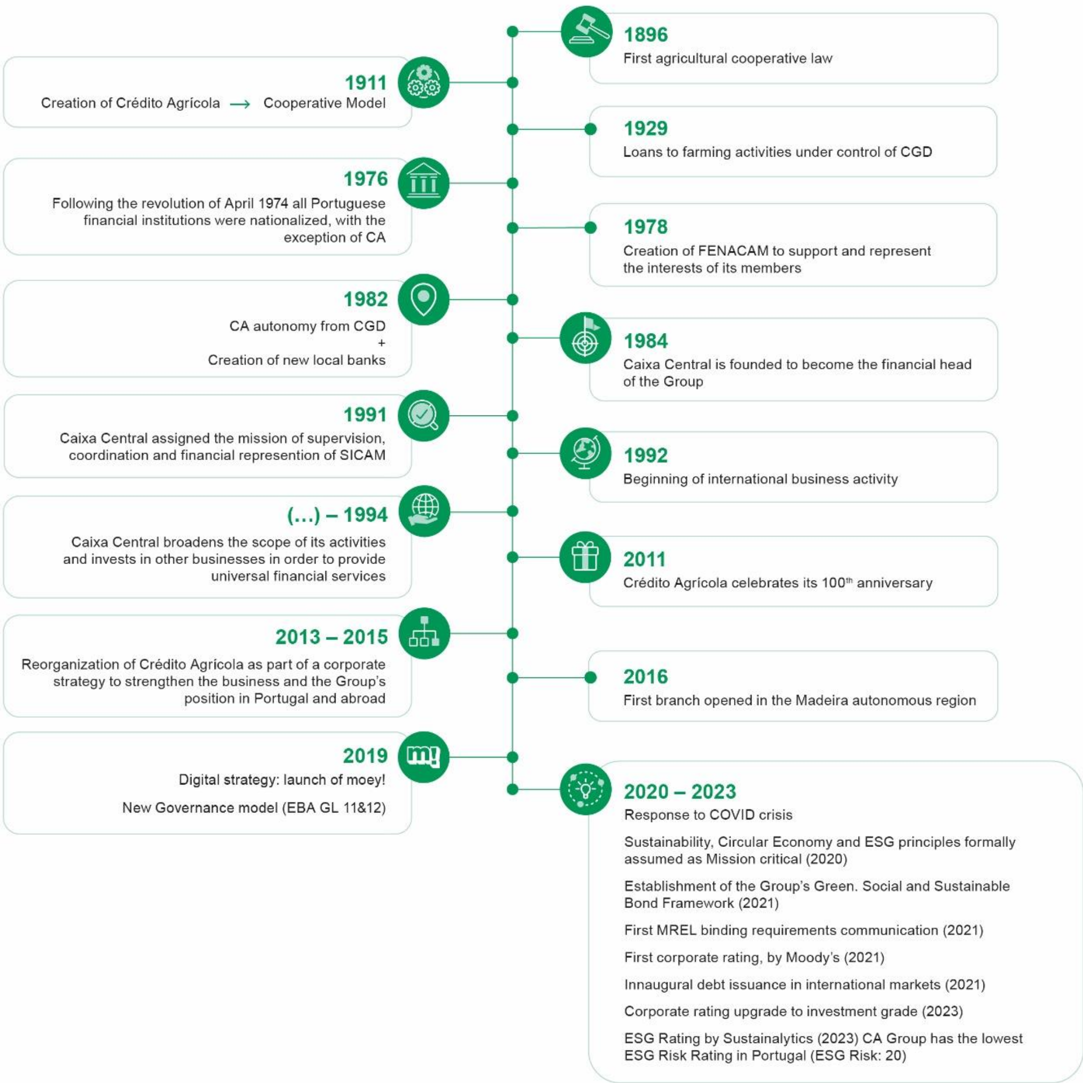
- Communication from Banco de Portugal identifying the CA Group as an "other systemically important institution" (O-SII) in the financial year of 2023, thus determining a reserve of 0.25% of the total amount of exposures, to be applied as of 1 January 2024.
- Crédito Agrícola was present at COP28, with the aim of reinforcing its message in the discussions on two issues of high importance for a just climate transition – gender equality and sustainable financing instruments, emphasising the importance of cooperative values in this mission.
- The Rating Agency Moody's reaffirmed the ratings assigned to Caixa Central, namely the Baseline Credit Assessment of "baa3".
- The awards-giving ceremony of the 10th edition of the Crédito Agrícola Entrepreneurship and Innovation Award took place at the auditorium of the Torre do Tombo, in Lisbon, integrated in an initiative of the Rural National Network concerning its new ACP. This award was organised by Crédito Agrícola, in partnership with P-BIO, with the Ministry of Agriculture and Food as an institutional partner.
- Crédito Agrícola sponsored the 2nd edition of the "Lisbon Agri-Conferences", which gathered national and international experts to reflect on the consumer, sustainability, production and the future of the sector.
- The app moey! launched an insurance product for pets, with the aim of helping its current and potential Customers protect and look after their dogs and/or cats.
- CA Seguros enhanced its digital channels with the launch of WhatsApp as a tool for interacting with its Customers and managing their insurance.

- **December**:
  - Crédito Agrícola has launched a Position Paper to communicate its Net Zero Transition Plan, reinforcing its contribution and that of the banking sector to the fight against climate change, in line with the Paris Agreement. In line with its unique cooperative values in the Portuguese market and its responsibility towards sectors of activity with high exposure to climate risks, the Crédito Agrícola Group is committed to becoming Net Zero by 2050 and has joined the Net Zero Banking Alliance of the Glasgow Financial Alliance for Net Zero, the world's largest coalition of financial institutions committed to the transition of the global economy to a Net Zero scenario.
  - Crédito Agrícola recognized the 120 portuguese students, holders of a Poupança Futura (Future Savings) account, which stood out the most through their performance in school in the year 2022/2023, within the scope of the 9th edition of the programme "CA Nota 20".
  - As part of the Supervisory Review and Evaluation Process (SREP), Banco de Portugal notified the CA Group of the prudential requirements to be met, on a consolidated basis, as of 1 July 2024, namely CET1 of 9.16%, Tier1 of 11.13% and Total Capital Ratio of 13.75%, including a combined buffer requirement (CBR) of 2.75% (including a reserve for other systemically important institutions (O-SII) of 0.25%) and a Pillar 2 guidance (P2G) of 0.50%, all of which have already been fully met by Crédito Agrícola.

3. PRESENTATION OF THE CRÉDITO AGRÍCOLA GROUP

3.1. VISION, MISSION, VALUES AND STRATEGY OF THE CRÉDITO AGRÍCOLA GROUP

The centenary history of the Crédito Agrícola Group is inseparable from its contribution to society and the country's economy, as well as its territorial cohesion. Embodying a path of 113 years since its creation in 1911, the Group has been a pillar of cooperative banking, continuing on a path of evolution and innovation, guided by its Vision, Mission and Values.



GROUP MISSION

To **contribute to the social and economic progress of communities,** by carrying out **purposeful and sustainable proximity banking** practices

GROUP VISION

To **become a reference in inclusion, sustainability and innovation**, maintaining recognition as **the most trusted Financial Group in Portugal**

CORE VALUES

SUSTAINABILITY AS CORE OF THE GROUP'S DNA

CREDITO AGRICOLA GROUP BELIEVES IT IS ITS DUTY TO CONTRIBUTE TO:

- The reduction of the physical impacts of climate change
- The preservation of ecosystems
- The fight against social inequalities
- The reduction of waste generation

Strategic Pillars 2023-2025 of the Crédito Agrícola Group:

1. TO BECOME A REFERENCE IN SUSTAINABILITY, RESILIENCE AND "PORTUGALITY"
2. TO STRENGTHEN FOCUS ON CUSTOMERS AND THEIR NEEDS
3. TO EVOLVE IN DIGITAL AND PERSONAL CUSTOMER PROXIMITY
4. TO DRIVE EFFICIENCY AND PRODUCTIVITY, ACCELERATING DIGITAL TRANSFORMATION
5. TO PROMOTE A CULTURE OF ATTRACTING, FOSTERING AND RETAINING TALENT
6. TO MAINTAIN THE GROUP'S CAPITALIZATION AND FINANCIAL SUSTAINABILITY

For the CA Group, becoming a benchmark in Sustainability, Resilience and Portugality is intrinsic to its DNA and the values it embodies. Crédito Agrícola's value proposition is being continuously diversified through a range of products and services in which there is a growing emphasis on sustainability. Crédito Agrícola's resilience can be seen in its long history, spanning more than a century, as the only cooperative bank with a national dimension, including a vast physical presence in many parts of the country (in many cases in isolation), with its proximity to the local population also giving it a strong Portuguese character, which was taken on as a strategic pillar for this three-year period.

With the aim of continuing to improve the Customer experience and further strengthening the link between the Bank and its Customers and Members, for the 2023-2025 period, Crédito Agrícola has also made it a priority to strengthen its Customer centricity and focus on their needs. The positive recognition Crédito Agrícola has achieved through the "Consumer Choice" awards, as well as the low level of complaints, according to Banco de Portugal's "Behavioural Supervision Report", is proof of this focus on the Customer.

Another of Crédito Agrícola's strategic priorities is to maximise the availability of its services, bringing the Bank closer to its Customers and Members on a permanent basis. In a context of constant and accelerated technological and, consequently, behavioural evolution, with regard to the way in which the various financial services are accessed and subscribed to, it is crucial to invest in the evolution of Crédito Agrícola's points of contact, whether physical or digital, in order to be present and available to the Customer in the most convenient, efficient and effective way, from a commercial and relational point of view.

The digital transition is also fundamental internally, in order to obtain additional benefits in terms of commercial effectiveness and organisational efficiency, leading to better performance in operational and, consequently, financial terms, through the increasing digitalisation of processes, centralisation of support functions and optimisation of the Group's structure and its commercial network.

The implementation of the Crédito Agrícola Group's strategic priorities also requires that the Organisation be endowed with the human resources, talent and skills necessary to do so. This in itself is a strategic pillar of the Group for the next three years. Promoting a culture of information and constant learning, speeding up and continually improving decision-making processes, is essential for the constant evolution of Crédito Agrícola and, consequently, for the pursuit of its objectives.

The Group's financial sustainability and solidity are the foundations on which the development of its activities is based and, in an economic, political and social context marked by uncertainty, they continue to be preponderant in a cooperative group where profits are the main source of capitalisation. Strengthening, standardising, simplifying and automating the processes of risk analysis, granting, monitoring and recovering loans, as well as optimising financing and capital management, are fundamental to the Group's increasingly solid and sustainable financial performance.

These six strategic pillars give rise to medium to long-term objectives that Crédito Agrícola has set itself, translating the desirable trajectory in the different areas into concrete and measurable targets. These objectives are summarised in the table below, and it can be seen that most of the indicators have evolved very positively up to the end of 2023 towards achieving or even exceeding the targets set.

Main mid-long term strategic targets

	2019	2020	2021	2022	2022R	2023	Mid-Long Term Target
Sustainability							
% Green and social loans in total customers loans (gross)	n.a.	n.a.	12.0%	13.1%	13.1%	15.2%	> 30,0%
Women representation in leadership roles	n.a.	25.9%	25.7%	26.7%	26.7%	29.4%	> 1/3
Business Growth							
Loans Market Share	5.4%	5.5%	5.6%	5.6%	5.6%	5.8%	> 6,0%
Loyal Customers[1]	50.9%	52.8%	53.3%	52.1%	52.1%	55.2%	> 54,0%
Digital Customers	37.1%	40.9%	42.7%	45.2%	45.2%	47.5%	> 50,0%
Profitability & Soundness							
ROE	8.2%	4.9%	8.1%	7.1%	4.3%	13.1%	> 7,5%
Cost-to-Income	67.0%	64.1%	65.4%	61.5%	70.0%	41.8%	< 60,0%
CET 1[2]	16.1%	18.6%	19.2%	19.9%	19.9%	22.3%	> 15,0%
NPL Ratio	9.2%	8.1%	7.2%	5.1%	5.1%	6.2%	< 4,9%
# Local Banks	79	75	75	71	71	68	< 60

(1) Loyal customers refer to individuals (customers) with product ownership of, at least, 4 of these 22 product groups families: sight deposits, term deposits and savings, mortgages, consumer loans, credit card accounts, corporate accounts, liquidity loans, investment loans, other loans, leasing, investment funds, real estate investment funds, capitalization insurance, risk insurance, non-life insurance, debit cards, share capital, online, mobile, direct debits, salary domiciliation, pension funds.

(2) Incorporates Net Income for the period.

3.2. STRUCTURE OF THE CA GROUP

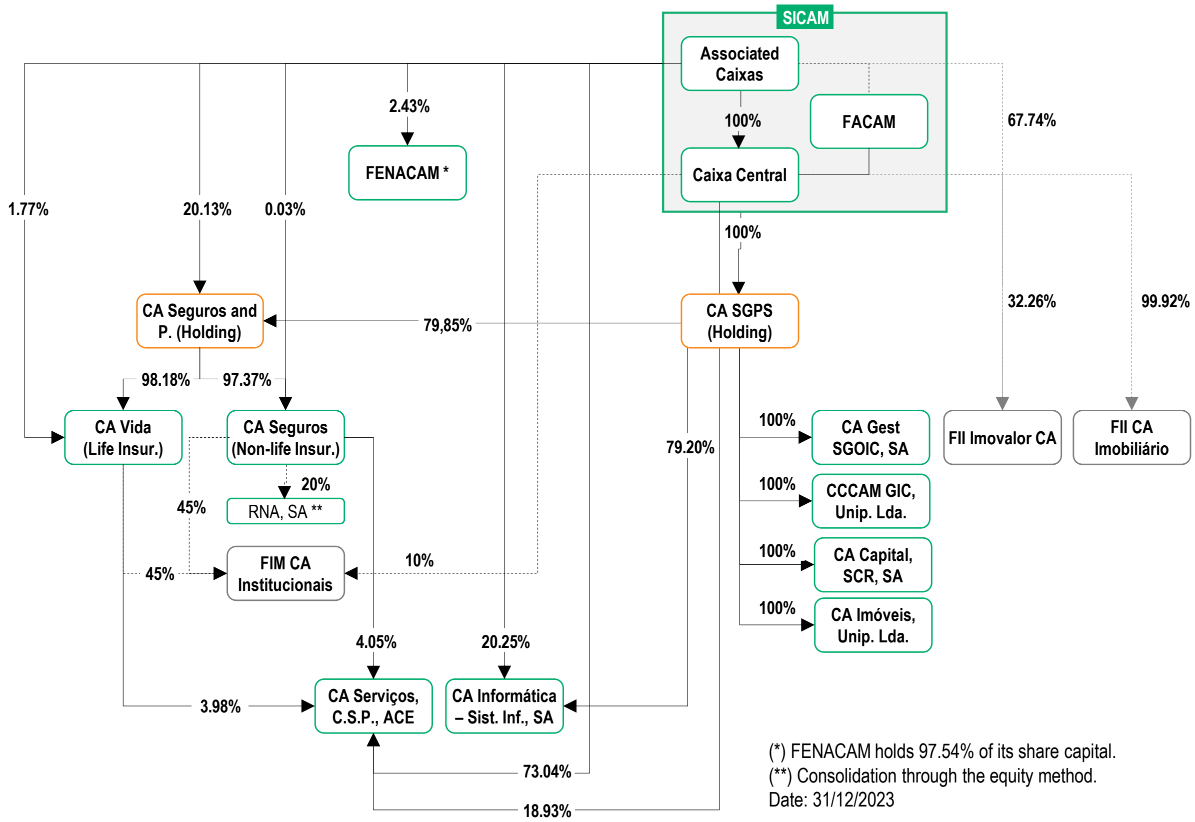
a) Corporate Structure

The Crédito Agrícola Group (CA Group) is a Cooperative Financial Group composed of Caixa Central – Caixa Central de Crédito Agrícola Mútuo, C.R.L., its Associated Caixas de Crédito Agrícola Mútuo, the Life Insurance, Non-Life Insurance, Asset Management and Ancillary Service Companies, also referred to as Invested Companies, as well by an Agrupamento Complementar de Empresas (ACE) (complementary company group), a financial assistance fund for the CCAM (FACAM), and FENACAM – Federação Nacional das Caixas de Crédito Agrícola Mútuo.

Caixa Central and its Associated Caixas de Crédito Agrícola Mútuo, that are a part of Crédito Agrícola, are Credit Institutions that, in view of their cooperative legal nature, are governed both by the provisions in the Legal Framework of Credit Institutions and Financial Companies (RGICSF) and by the Legal Framework for Crédito Agrícola Mútuo and Agricultural Credit Cooperatives (RJCAM), as well as the Cooperatives Code and the Código das Sociedades Comerciais (CSC), or Commercial Companies Code.

Caixa Central and its 68 (sixty-eight) Associates are also referred to, under the terms of RJCAM, as the Sistema Integrado do Crédito Agrícola Mútuo (SICAM or Integrated System of Crédito Agrícola Mútuo), with Caixa Central acting as the Central Body that, among other aspects, is empowered to guide, monitor, oversee and supervise its Associates.

The organogram below shows the structure of the Crédito Agrícola Group as at 31 December 2023.



b) Capital Structure of the Crédito Agrícola Group

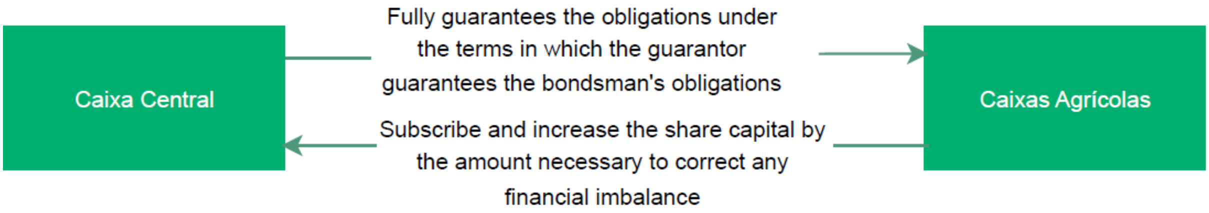
The Crédito Agrícola Group's Capital Structure has gradually increased, year after year, mostly due to the incorporation of the net income for the year which, combined with the reinforcement of the stake held by the current Members, in addition to the entry of new Members, contribute to the consistent increase of the Group's capitalisation levels.

Over the last 5 years, the total equity of the Crédito Agrícola Group has increased by 922 million euros from 1,516 million euros in 2018 to 2,438 million euros in 2023, mainly explained by the positive contribution of the incorporation of 817 million euros of profits for the year generated and 24 million euros in ordinary and extraordinary capital securities of Members over this period.

c) Cooperative Model of Crédito Agrícola and SICAM

The cooperative and mutualist nature of SICAM and the CA Group is based on a mechanism of reciprocal solidarity and crossed guarantee, meaning that all the Associated Caixas de Crédito Agrícola Mútuo support and guarantee Caixa Central and that Caixa Central supports and guarantees each of its Associates that may, at any given time, be in an imbalanced situation.

Pursuant to the RJCAM rules, this solidarity system is founded on a mechanism of crossed guarantees where:



Notwithstanding the mechanism of crossed guarantees underpinning SICAM's solidarity system, Crédito Agrícola also has autonomous assets of associative nature, Associação – Fundo de Assistência do Crédito Agrícola Mútuo (FACAM), to embody the sphere of financial assistance to the Caixa Central's Associated Caixas de Crédito Agrícola Mútuo, ensuring SICAM's solidity and sustainability at all times.

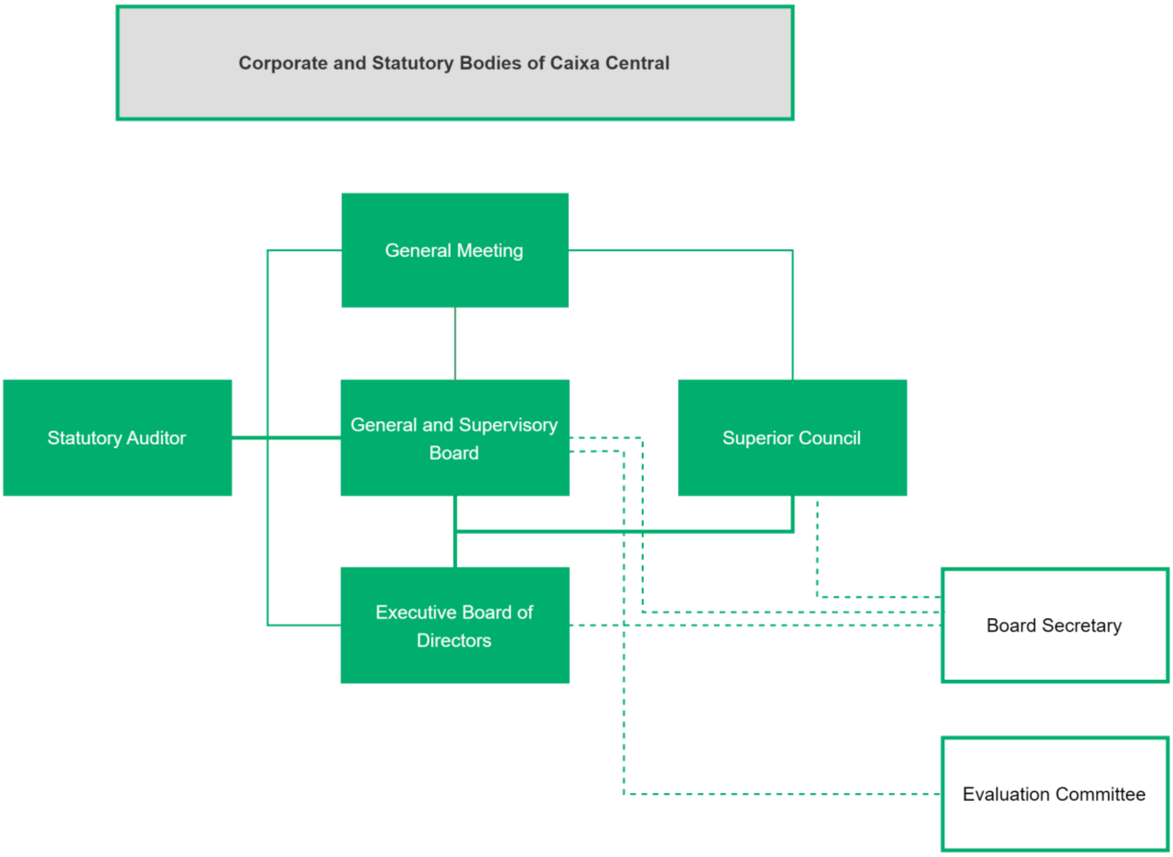
FACAM is governed by its own Statutes and Internal Regulations, which provide for the existence of a General Meeting composed of all its Members – all the Credit Institutions that make up SICAM – and equipped with the necessary Board of the General Meeting, made up of natural persons appointed by three (3) of the Members elected to the position, it is administered by a Governing Board and supervised by a Supervisory Committee, made up of independent, suitable and qualified natural persons, also elected at the General Meeting. All of FACAM's social and statutory bodies are supported by the structures and services of Caixa Central, together with which, under the terms of the law, it operates and has its head office.

3.3. CAIXA CENTRAL AND GOVERNANCE OF THE GROUP

a) Caixa Central and Governance of the Crédito Agrícola Group

Caixa Central, as the Central Body, coordinates and represents the Crédito Agrícola Group (GCA) and is therefore responsible for planning GCA's activities, integrated liquidity management, global risk monitoring and control, including ensuring the functioning of the internal control system, centralised human resources management, reporting to supervisory bodies and defining and implementing GCA's communication plans. It is also responsible for defining and promoting an organisational conduct and culture across the whole Group, and it is responsible for defining, spreading and monitoring the implementation, throughout the CA Group, of the main policies and standards required for the consistent and harmonised implementation of applicable legislation and regulations, and for consolidating and reflecting the values and principles adopted in the CA Group.

In its governance, Caixa Central adopts the model commonly known as the "Germanic Model". Its governing bodies are made up of a General and Supervisory Board, a Chartered Accountant (ROC) and an Executive Board of Directors, as well as Statutory Bodies – the Board of the General Meeting, the Superior Council (of an advisory nature) and the Assessment Committee.



Caixa Central's Associated Caixas de Crédito Agrícola Mútuo are involved in Caixa Central's governance model through their representation on its statutory governing bodies and participation in the General Meeting. Each Associated Caixa de Crédito Agrícola Mútuo can only belong to one governing body through its representatives and cannot therefore accumulate functions on more than one body.

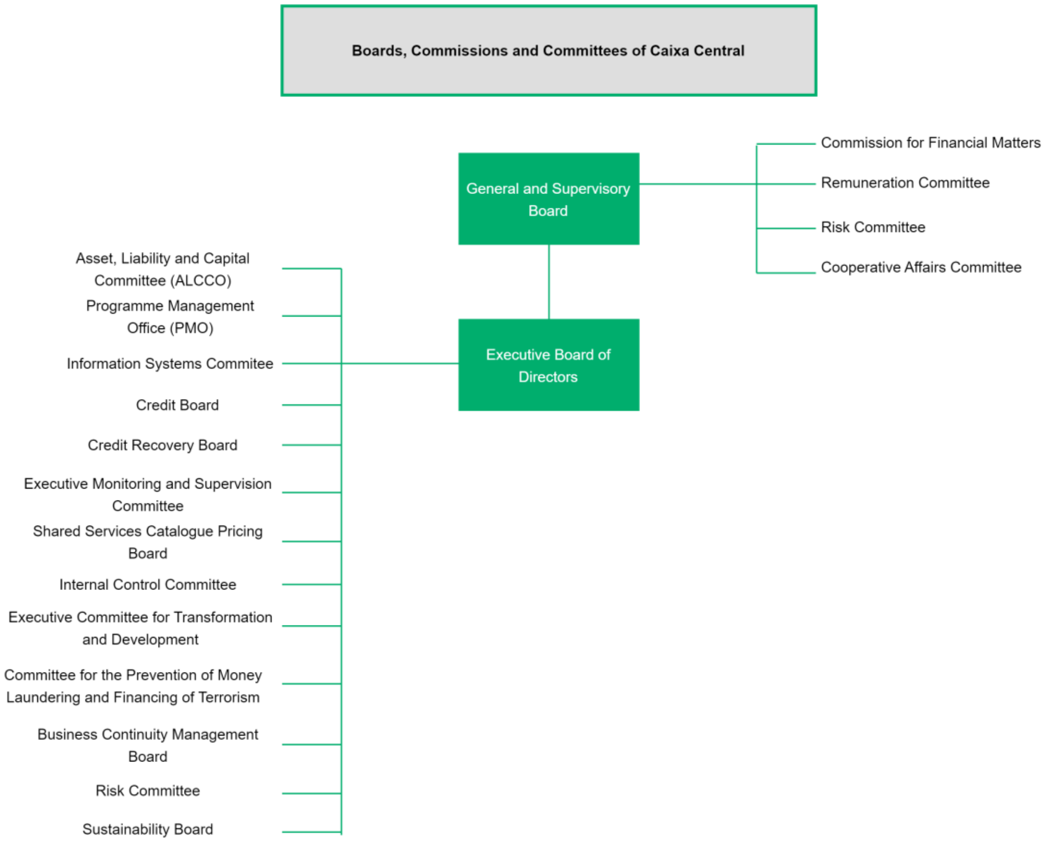
Thus, the Board of the General Meeting and the Superior Council are composed exclusively of Caixa Central's Associates, which designate natural persons who hold office in their own name and are elected at the General Meeting.

In turn, the General and Supervisory Board is composed of members elected at the General Meeting, the majority of whom, including its Chairman and Vice-Chairman, are independent and qualified natural persons, none of whom may be represent and/or be appointed by the Associates. All of the remaining members of the General and Supervisory Board may be Associates of Caixa Central that are entitled to full rights, appoint, even before their election at the General Meeting, the natural person who shall hold the position in their representation, but in their own name.

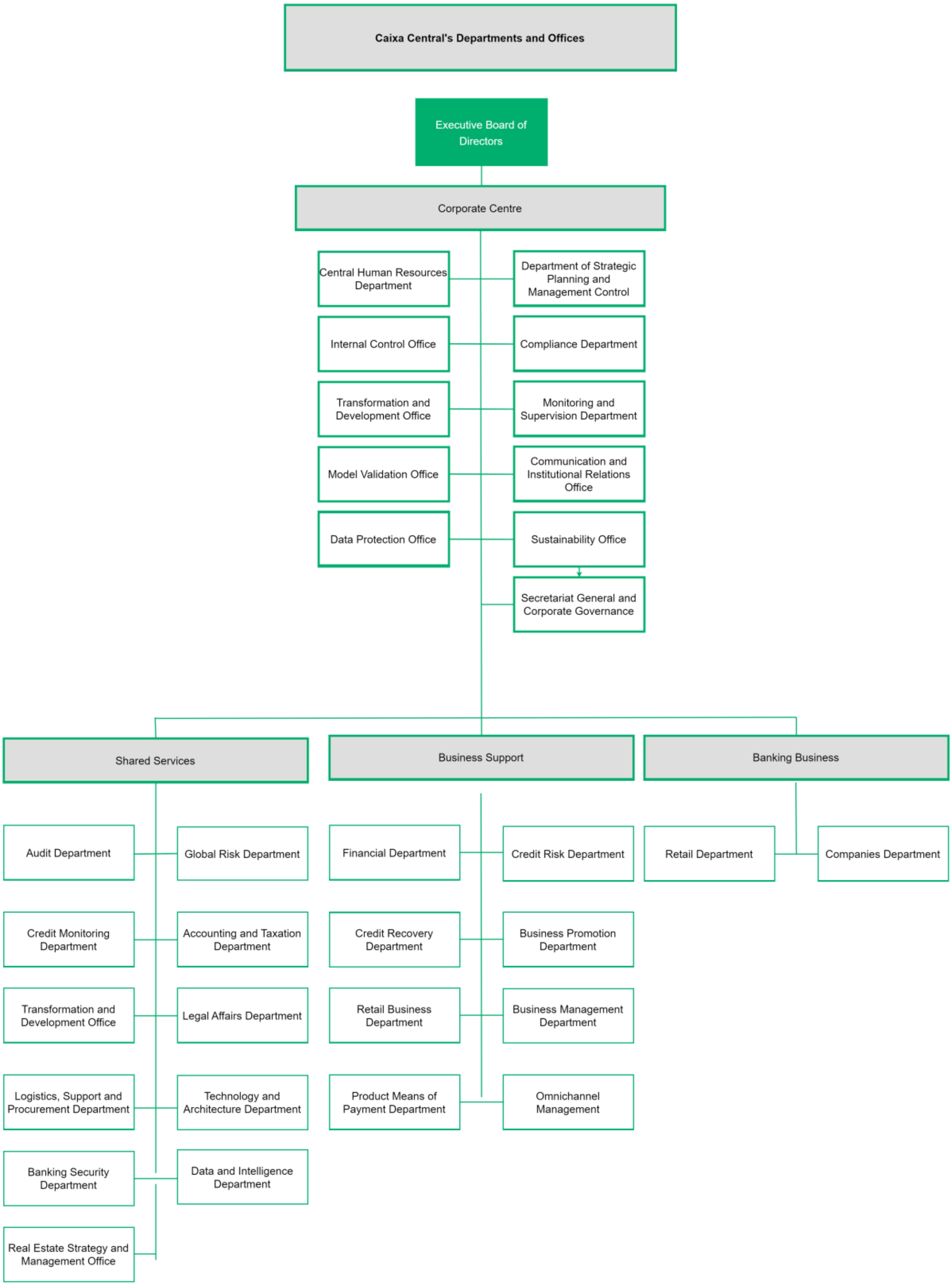
Caixa Central’s Assessment Committee, as a Statutory Body, is composed of 3 (three) of its Associated Caixas de Crédito Agrícola Mútuo, appointed by the General and Supervisory Board from among the Associates that do not hold any corporate or statutory position at Caixa Central, with each Associate appointed to be a member of the Assessment Committee, having accepted the position, shall appoint the natural person to represent it in holding this position, which shall be performed in their own name.

The Executive Board of Directors is elected at the General Meeting and is made up of natural persons with or without a connection to GCA.

In addition to the Corporate and Statutory Bodies identified above, Caixa Central's structure also comprises the Boards, Commissions and Committees appointed by the General and Supervisory Board and the Executive Board of Directors to support the performance of their respective duties, as identified in the organisation chart below:



Finally, the structure of Caixa Central includes the following Departments and Bureaus:



b) Internal Control Functions of the Group

Caixa Central, as SICAM's Central Body, under the terms of RJCAM and the Banco de Portugal Notice no. 3/2020, (Notice no. 3/2020) ensures, through its internal control functions, that its activity, as well as that of each of its Associated Caixa de Crédito Agrícola Mútuo, is carried out in a sound and prudent manner, without prejudice to the responsibilities of the respective Management and Supervisory Bodies.

Using the option provided for in Article 50(3) of Notice no. 3/2020, under which institutions that are part of a financial group may establish common services for the development of the responsibilities assigned to the risk management, compliance and/or internal audit functions, the Crédito Agrícola Common Services Policy was defined and approved by Caixa Central on 11 November 2021, and came into force at the beginning of 2022.

This Policy regulates the provision of common internal auditing and risk management services by Caixa Central, with the support of the complementary group of companies (Crédito Agrícola Serviços – Centro de Serviços Partilhados, ACE) to the Caixas Agrícolas included in SICAM, under the guidance, monitoring and supervision powers of Caixa Central. Under the terms defined in the aforementioned Policy on Shared Services of Crédito Agrícola, the shared services of the internal audit function and the shared services of the risk management function follow the provisions set out in Notice 3/2020 in matters related to the function in question and are based on the provisions of the respective policies defined by Caixa Central for SICAM.

The compliance function is ensured by each of the Caixas Agrícolas, through its Compliance Monitor, with guidance, as well as monitoring and supervision by Caixa Central, through the Compliance Department.

Without prejudice to the specific competencies of the Internal Control Functions, as mentioned above, in relation to the Caixas de Crédito Agrícola Mútuo, Associates of Caixa Central, the Supervisor considered that the Monitoring and Supervision Department (DAS) falls within Caixa Central's second line of defence, along with the risk management and compliance functions, given the relevant responsibilities entrusted to it in terms of monitoring and supervising the Caixas Agrícolas included in SICAM, and for this reason some of the rules of Notice no. 3/2020 regarding internal control functions apply to it.

Lastly, the mission of Caixa Central's Internal Control Office is to promote the resolution of all GCA deficiencies and improvement opportunities identified with relation to GCA’s internal control system, optimising the governance model and methodology for resolving deficiencies, in conjunction with internal control functions, also liaising with the various parties involved in the process of resolving deficiencies in order to promote their resolution and ensuring timely reporting to supervisors on matters associated with internal control deficiencies, namely within the scope of the respective regulatory reports.

The other institutions belonging to the CA Group have their respective control functions in accordance with the legislation and regulations governing their respective sectors of activity, namely the insurance sector, asset management and collective investment and venture capital bodies.

3.4. BUSINESS MODEL OF THE CRÉDITO AGRÍCOLA GROUP

The Crédito Agrícola Group's universal offer is embodied in a comprehensive range of financial products and services, including solutions for day-to-day management, financing for corporate and individual customers, savings and investment products, as well as capitalisation and protection insurance for customers and their assets.

Whether they are individuals or companies, within the scope of its business model, Crédito Agrícola seeks to serve its Customers in a segmented way, adjusting its offer to each profile and specific needs.

The Group’s Business Model is underpinned by the sustainability and solidarity of the 68 Caixas de Crédito Agrícola Mútuo, which differentiates Crédito Agrícola from all other financial institutions at a national level, particularly due to the fact that one of its primary objectives is contributing to the development of local and regional communities, with Crédito Agrícola being the only Portuguese financial institution in which:

- the profit generated by each Associated Caixa is distributed or reinvested in the region itself;
- the deposits are mostly applied in financing projects in the region of the depositors;
- the majority of the employees are recruited locally;
- albeit with a Group framework in which, as a rule, decisions are decentralised or arise from an interactive process between Caixa Central and the Associated Caixas de Crédito Agrícola Mútuo.

Business Model of the Crédito Agrícola Group

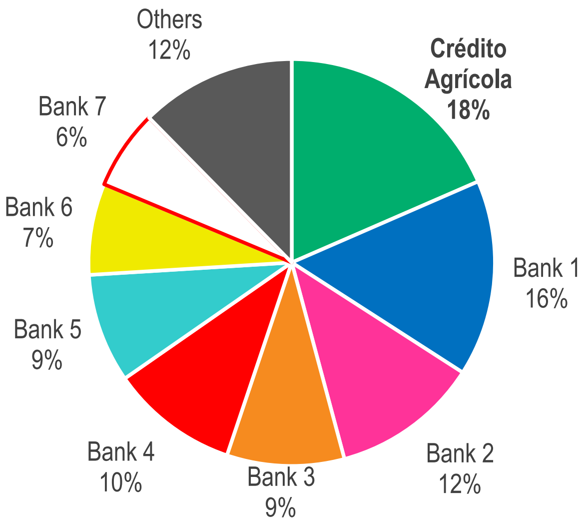
(*) managed by Square Asset Management (**) managed by IM Gestão de Ativos, SGFI, SA

The close relationship with its Customers and Members is part of Crédito Agrícola's DNA, which is why it has continuously simplified the subscription processes for the most relevant products, with the aim of providing a superior experience. Crédito Agrícola's comprehensive range of financial products and services is made available through its nationwide presence, with the most extensive branch network of any bank operating in Portugal (with 618 branches), a network of ATMs with more than 1,600 points, permanent telephone hotlines and digital banking channels, which continued to show remarkable growth in 2023.

a) Crédito Agrícola branch network

As previously stated, Crédito Agrícola's DNA as a bank that works closely with and supports local communities is reflected in its structure, business model and distribution and communication channels with Customers and Members. In practice, this proximity is carried out in the field through the widest bank branch network in Portugal. At the end of 2023, Crédito Agrícola had 618 branches, demonstrating its extensive capillarity. Accordingly, at the end of June 2023, Crédito Agrícola had 18% of the country's branches, compared to 16% for the next ranked bank and 12% in the case of the third largest bank network.

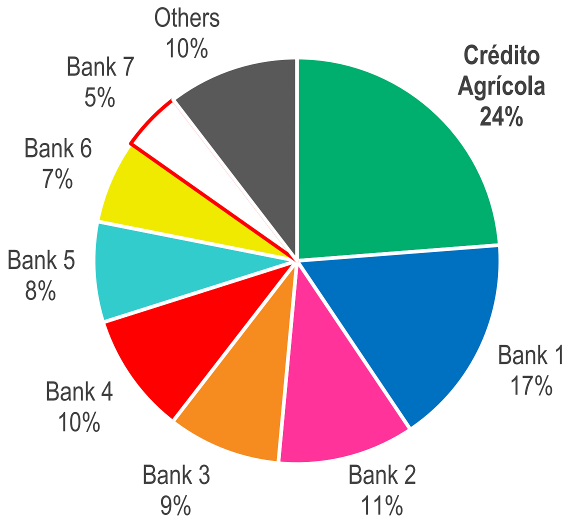
Distribution of Bank Branches in Portugal



Source: Associação Portuguesa de Bancos. Data for June 2023.

In line with its objective of contributing to the development of local and regional communities, Crédito Agrícola's branch network is not only the most extensive: its geographic distribution is particularly incident outside major urban centres. As such, Crédito Agrícola is the only banking institution with more than 80% of its branches outside the districts of Lisbon and Porto, reflecting a policy of proximity and support to all Portuguese, of all regions of the country; indeed, being the sole point of physical contact with the Portuguese banking system available to certain populations, with more than 256 branches in localities without the presence of any other banking institutions. This geographical decentralisation is demonstrated by the share of bank branches at national level, excluding the districts of Lisbon and Porto, where Crédito Agrícola's share is 24%, compared to 18% at national level (in the case of the institution with the second largest branch network, 17% share excluding Lisbon and Porto, compared to 16% at national level).

Breakdown of the Branch Network, excluding Lisbon and Porto districts



Source: Associação Portuguesa de Bancos. Data for June 2023

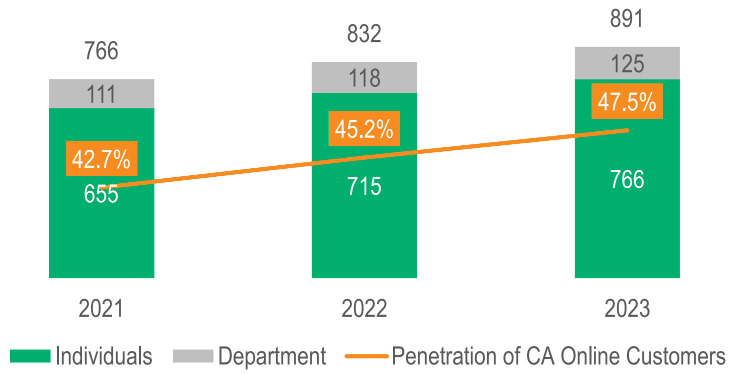
b) Digital Banking

Therefore, the Crédito Agrícola Group has a unique presence among the Portuguese, from the point of view of physical access, through its extensive branch network. However, the proximity to its Customers and Members, whether individuals or companies, is also complemented by its digital channels, ensuring them permanent access to Crédito Agrícola's products and services. By reinforcing the digitalisation of customers' transactional needs, the commercial network will be able to focus more on activities with greater added value and personalisation, namely financial advice, enabling a higher quality and more relevant relationship to be established with the customer.

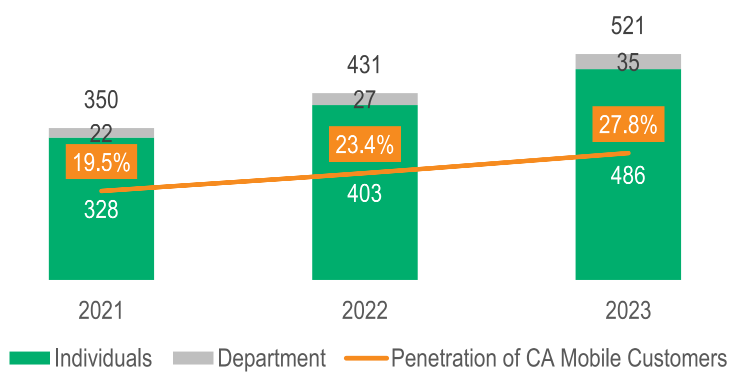
In 2023, there was once again a strong growth trend in digital channels as a way for Crédito Agrícola customers to access its range of financial services. As in recent years, and with the contribution of the pandemic period to changing consumer habits, in 2023 there was continued growth in the number of users of the CA Online platforms (+7.0% compared to the end of 2022) and, above all, CA Mobile (+20.9% compared to the same period of the previous year). The CA Mobile application was overhauled during the year, with the main new features being a modernised, more streamlined and functional design, a new area for personalised widgets – "My CA", the availability of an activity feed, the possibility of sending money to the contact list, integration of MBWay features, access to information on contracted loans, and biometric authorisation of transactions (Face ID / Touch ID), among other features.

However, it is not only the number of users of digital channels that has seen significant growth, but also the intensity of use by Customers has continued to grow, with an increase in the absolute number of transactions (including consultations and operations) on both platforms of more than 20%, as well as an increase in the average number of transactions per user of around 13.3% compared to 2022 (+12.1% on CA Online and +15.0% on CA Mobile).

Number of CA Online Customers (thousands)



Number of CA Mobile Customers (thousands)



The growing digitalisation of the relationship between Customers and Crédito Agrícola is also evident in the significant increase in the amounts of loans granted through CA Pronto (a digital personal credit solution, available through CA Online and CA Mobile) which, in 2023, registered an increase of more than 35% compared to 2022.

This digitalisation trend is also demonstrated by account openings using the Digital Mobile Key, which grew by more than 90% in 2023. Subscriptions to Apple Pay, which Crédito Agrícola pioneered in Portugal, also continued at a very positive level, with around 12,000 new subscriptions in 2023. Also noteworthy is the robust growth in 2023 of the penetration of the "CA Teen" application, launched in 2021 and aimed at the youth sub-segment, with a growth of around 46% in the number of active members.

Evolution of moey! in 2023

The moey! app is a 100% digital banking solution from the Crédito Agrícola Group, launched in the fourth quarter of 2019. The strategic objectives it has set itself are i) to rejuvenate the Crédito Agrícola Group's customer base; ii) to increase its market share in the main urban centres, where the capillarity of Crédito Agrícola's physical branch network is lower; and iii) to be a focal point for the Group's digital transformation.

2023 was moey!'s fourth full year of activity, and the strategy implemented led to a continuous increase in the volume of accounts opened, which grew by more than 38,000 accounts compared to the end of 2022, not forgetting the alignment with the defined target audience (young people, located in the main urban centres), which remained above 80%, a target achieved since 2021. The transactional level has continued to evolve positively, with the number of transactions, total and per user, increasing by 55% and 38% respectively, compared to the previous year. With regard to the total balance of deposit accounts, both the total amount and the balance per user have increased in comparison to 2022 by 21% and 8%, respectively.

Accounts opened	Target	Total balance	Transactions
+38 thousand vs 2022	> 80%	+21% vs 2022	+55% vs 2022

MOEY! CUSTOMERS In thousands

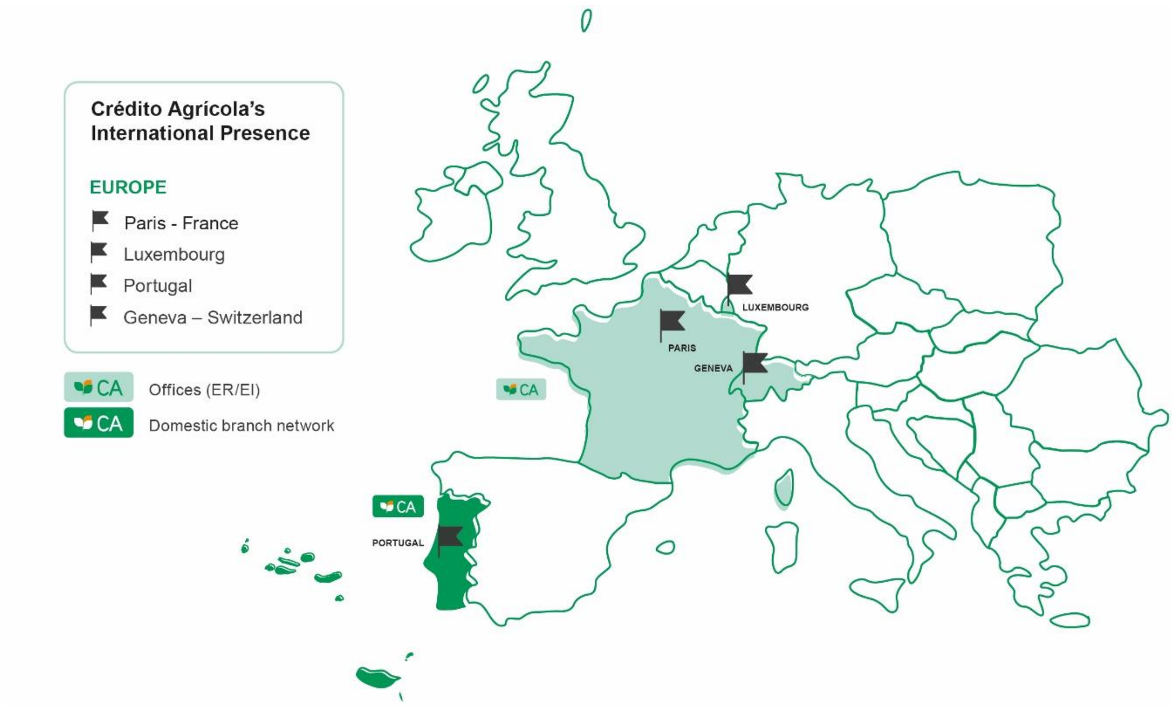
	2021	2022	2023	Variation	
				Abs.	%
Online active subscriptions	99	153	172	19	12.4%
# Transactions	21,112	44,076	68,266	24,190	54.9%
Transactions per user	213	288	397	109	37.8%
Deposit account balance (thousand €)	58,750	114,960	139,545	24,585	21.4%
Balance per user (€)	593	751	811	60	8.0%

In 2023, the Pets insurance was launched, whose coverage can include reimbursement of medical expenses, civil liability, an annual vaccine, medical support and services at home and access to a vast network of partners. The fully digitally subscription is done in the app, quickly and in a simple manner.

c) International Presence

Through its three Representation Offices, in 2023 the Group maintained its support to the Portuguese communities residing in France, Luxembourg and Switzerland, to the local communities with a relationship with Portugal, especially at the enterprise segment level, as well as a relevant support to the promotion of businesses of Grupo Crédito Agrícola customers in those geographies. They also play an invaluable role in institutional representation at embassies, consulates, chambers of commerce, business associations and associations representing local communities.

The map below illustrates the international presence of the Crédito Agrícola Group.



3.5. CORPORATE RATING AND PREFERENTIAL SENIOR DEBT ISSUES

Caixa Central de Crédito Agrícola Mútuo received its first rating from Moody's in July 2021, starting coverage with a Baseline Credit Assessment level of Ba1.

The current Baseline Credit Assessment rating was reviewed in May 2023 and confirmed in November 2023. The Baa3 level (Investment Grade) is a reflection of Moody's credit opinion of the Crédito Agrícola Group, which incorporates the solidarity mechanism prevailing between its constituent institutions, namely the Caixas de Crédito Agrícola and Caixa Central. The Baseline Credit Assessment rating is complemented with the Baa2/Prime-2 deposit rating and Counterparty Risk Rating (CRR) of A3/Prime-2.

Ratings - Moody's November 2023 - Last Rating Action	
Caixa Central de Crédito Agrícola Mútuo	
Outlook	Stable
Counterparty Risk Rating (CRR)	Baa1/P-2
Bank Deposits	Baa2 / P-2
Baseline Credit Assessment (BCA)	baa3
Adjusted Baseline Credit Assessment	baa3
Counterparty Risk Assessment (CR)	A3 (cr)/P-2(cr)
Senior Unsecured Notes	Ba1

Caixa Central's obtaining of a rating is part of its financing strategy, within the scope of its compliance with the regulatory requirements determined by the Resolution Authority (minimum requirement for own funds and eligible liabilities, also known as MREL).

Moody's has rated Caixa Central's senior preferred debt Ba1 (one level below the Baseline Credit Assessment), taking into account the loss given failure methodology applied and the capital and liabilities structure of Caixa Central, which is supported by equity in the case of the former, and deposits, in the case of the latter. Two senior preferred debt issues are currently active, both linked to Social Sustainability.

The inaugural issuance took place in October 2021, amounting to 300 million euros, with a term of 5 years and an early repayment option at the end of the fourth year, as well as an issue price of 99.906%, an annual coupon rate of 2.50% for the first 4 years, being remunerated thereafter at the 3M Euribor rate, plus a margin of 260 basis points.

The second debt issue took place in June and August 2023, for a total amount of 250 million euros. Initially, 200 million euros were issued, followed by a tap issue of 50 million euros. This issuance has a maturity of 4 years, with an early repayment option at the end of the third year and an issue price of 99.681%, with an annual coupon rate of 8.375% in the first 3 years, and bearing interest at the 3M Euribor rate, plus a margin of 4.974%.

4. ACTIVITY OF THE CRÉDITO AGRÍCOLA GROUP IN 2023

4.1. ACTIVITY FRAMEWORK

a) International economy

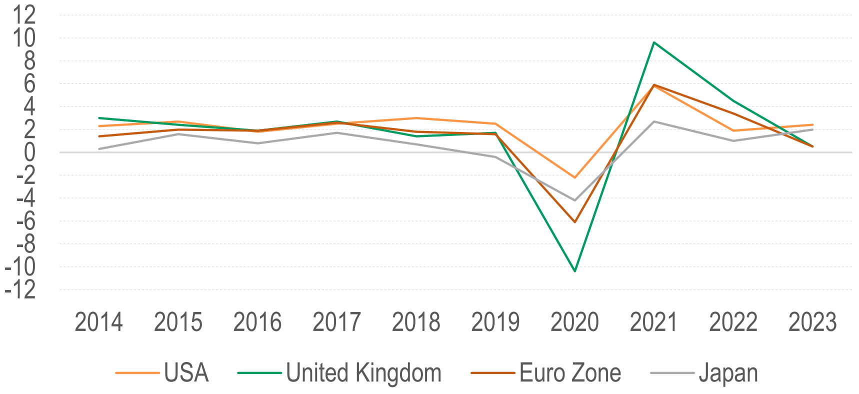
In 2023, geopolitical issues continued to influence the global economy through new areas of tension. In Ukraine, the situation has remained virtually unchanged since the beginning of the conflict, with intense fighting throughout 2023. At the beginning of October, Hamas invaded southern Israel from the Gaza Strip, killing and kidnapping hundreds of people, according to Israeli records, and in retaliation, Israel bombed Gaza and began a large-scale military operation. Tensions between China and the United States of America (US) also continued, with issues related to technology trade and Taiwan remaining the main points of contention.

As the impacts of the interest rate hikes decided by the main central banks were passed on to the economies, inflation began to slow down. Although inflation has not yet reached the targets of the main central banks, it has fallen significantly in 2023. Lower energy prices and the stabilisation of supply chains have been key elements in the slowdown in prices, but underlying inflation, which excludes energy and food, although also falling, has been more resilient.

The banking systems in the US and Europe have been put to the test. In the US, successive increases in interest rates have put a number of regional banks under pressure, showing flaws in their business models and risk management, with a high concentration of funding sources (particularly concentration in large depositors). Silicon Valley Bank (SVB) was the first to succumb to intense pressure on its liquidity, followed by Silvergate and Signature Bank. Faced with these circumstances, the world's main central banks had to take measures to provide extraordinary liquidity, where necessary. Shortly after those falls in the US, First Republic Bank began to show problems and was eventually acquired by JP Morgan Chase. In Europe, the focus was on Credit Suisse, following the disclosure of flaws in the internal control procedures of its financial reports over the last two years. The institution revealed that there was no effective risk assessment policy to identify and analyse the risk of errors in financial reports. The pressure from the markets, together with a significant flight of deposits, led to the sale of the bank to UBS, in a solution that involved political support and the provision of guarantees by the Swiss government and which generated controversy because of the preferential treatment given to shareholders to the detriment of Additional Tier 1 (AT1) debt holders, a possibility foreseen in Swiss regulations but contrary to the regulations applicable to eurozone banks under the supervision of the European Central Bank.

According to the World Bank, global growth in 2023 will have slowed down again to 2.6%. For 2024, the global gross domestic product (GDP) growth rate is expected to continue to fall, which, if it does, will represent the third consecutive year of reduction. The institution indicates that this is likely to be the weakest start to the decade in terms of global growth since the 1990s – another period characterised by political tensions and a global recession.

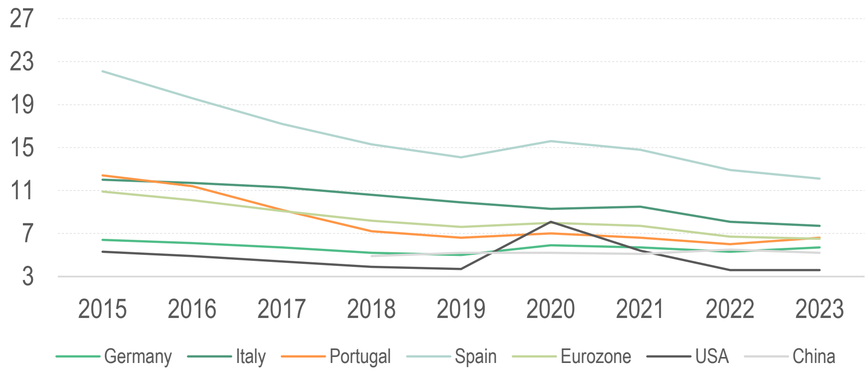
Annual real GDP Growth (%)



Source: Bloomberg, January 2024

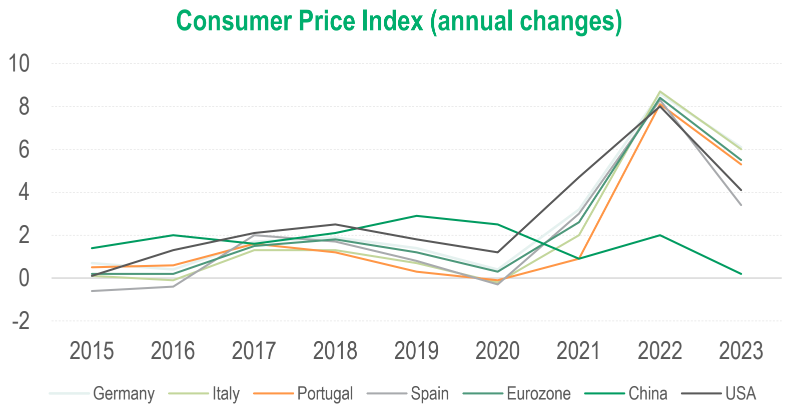
The eurozone economy has been under pressure, suffering from the effects of high inflation and rising benchmark interest rates in European economies, which have led to the restriction of credit, consumption and investment. The manufacturing purchasing managers' index (PMI) indicator ended the year at 44.4 points – values below 50 points signal contraction – which represented the 18th month below 50 points. Industrial production has been falling, as has the level of factory employment. The services PMI stood at 48.8 points in December, signalling the fifth month of contraction, although it represents the highest level during this period. The composite PMI, which has been below 50 points since June, ended the year at 47.6 points. Even so, the evolution of the unemployment rate should be highlighted, which in 2023 is expected to stand at 6.5%, slightly down on the 6.7% recorded in the previous year.

Unemployment rates (% total population)



Source: Bloomberg, January 2024

In the eurozone, inflation has been falling throughout the year. However, it is still above the central bank's 2% target. In December, inflation accelerated by 0.5 percentage points (p.p.) compared to November, reaching 2.9%. The biggest contribution to the increase came from services (+1.74 p.p.), followed by food, alcohol and tobacco (+1.21 p.p.) and non-energy industrial goods (+0.66 p.p.), while energy made a negative contribution (-0.68 p.p.).



Source: Bloomberg, January 2024

Throughout 2023, the European Central Bank (ECB) continued with its strategy of tightening its monetary policy with reference interest rates rising by 200 basis points (bp) over the course of the year. At the end of the year, the central bank's reference rates were as follows: the interest rate on the main refinancing operations rose to 4.5%; the interest rate on the marginal lending facility rose to 4.75%; the rate on the deposit facility rose to 4.0%.

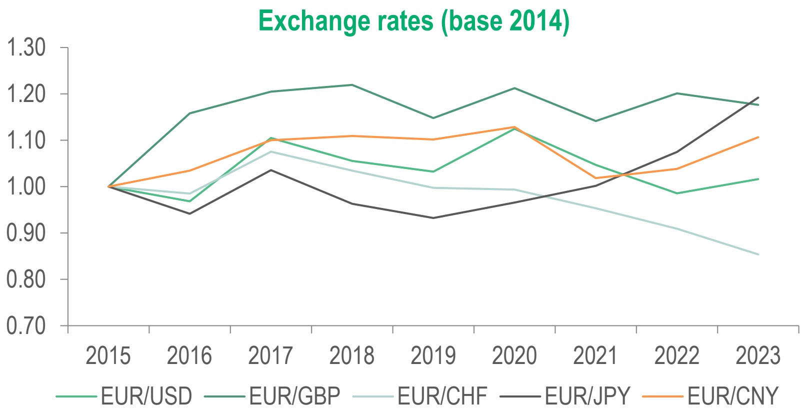
In the US, the Fed pursued a similar monetary policy. The upper limit of the Fed's key interest rate increased by 100 bp to 5.5%. For 2024, the institution expects the key interest rates to be between 4.5% and 4.75% and, for 2025, the estimate is that the reference interest rates will be between 3.5% and 3.75%.

b) Financial Markets

Monetary markets – Exchange rates and reference interest rates

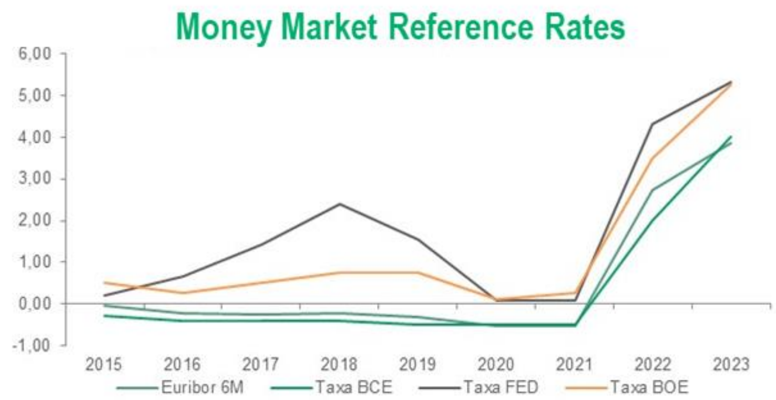
Contrary to the situation in Europe and the US, the Bank of Japan's expansionary monetary policy remained practically unchanged, increasing the interest rate differential with other developed economies and negatively impacting the relative value of the yen.

The predominance of the dollar in international trade has slowed down this year due to the aforementioned geopolitical changes. As a result of the sanctions imposed on several countries, particularly Russia, 2023 saw a substantial increase in bilateral trade (including energy markets) in alternative currencies, such as the Russian rouble and the Chinese yuan, among others. In annual terms, the euro rose 3.1% against the dollar, fell 2.1% against the pound, rose 10.9% against the yen and fell 6.1% against the Swiss franc.



Source: Bloomberg, January 2024

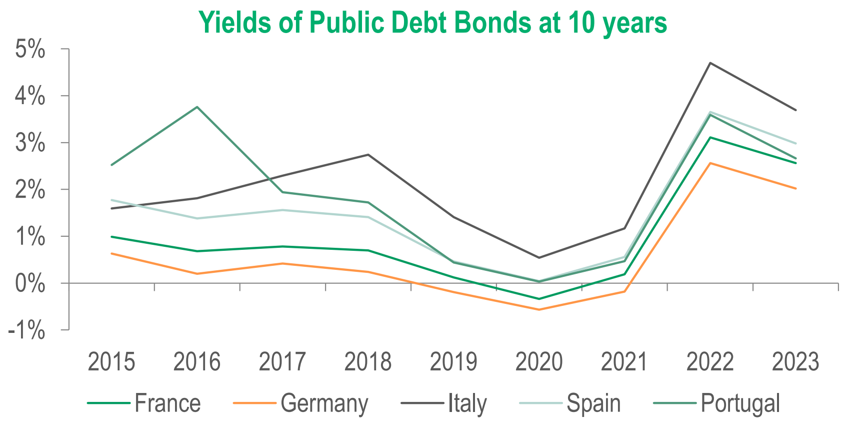
In the money market, the 6-month Euribor closed the year at 3.861% (+116.8 b.p.) and the 12-month Euribor rose to 3.513% (+22.2 b.p.). These levels reflect the rate adjustment in the last quarter of 2023, with 6-month Euribor and 12-month Euribor reaching annual highs of 4.143% and 4.228%, respectively.



Source: LSEG, January 2024

Bond market

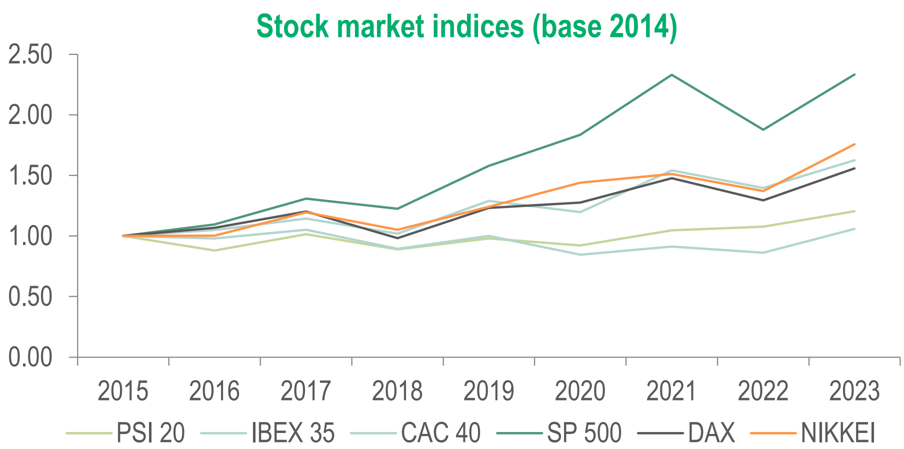
In the US, the aggressive pace of hikes by the Fed and the uncertainty over raising the debt ceiling, putting a possible temporary default on the table, has pushed volatility in the bond market to levels not seen since 2009. However, the last quarter of the year saw a sharp reversal of trend, a move supported by the expectation that the main central banks had already finished their process of adjusting reference rates upwards and that the movement to cut interest rates would begin in the first half of 2024. As a result, the yield on American 10-year debt ended the year at 3.88% (no change). In the eurozone, yields in Portugal, Spain, Italy and Germany closed the year at 2.66% (-93 b.p.), 2.98% (-67 b.p.), 3.69% (-101 b.p.) and 2.02% (-54 b.p.).



Source: Bloomberg, January 2024

Stock market indices

The stock market showed significant gains in 2023, driven by the fall in inflation, the prospect that the key rates of the main central banks have already reached their maximum and that in the first half of 2024 there may already be some fall in them. The fact that the economy remained more resilient than previously expected also boosted market sentiment. Over the year as a whole, the PSI 20 gained 11.71%, the DAX rose 20.31%, the CAC 40 advanced 16.52%, the IBEX 35 rose 22.76%, the S&P 500 appreciated 24.23% and the Nikkei 225 climbed 28.24%.



Source: Bloomberg, January 2024

c) National economy

The Portuguese economy will have ended the year with GDP growth of 2.3%, which compares with growth of 6.8% the previous year. This reflects weaker external demand as a result of a more aggressive monetary policy and the cumulative effects of inflation. Gross fixed capital formation grew similarly in 2023 in comparison to 2022 (-0.6 p.p.

in comparison to the previous year).

The services sector has been more resilient, with its growth in the number of workers outstripping that of the economy as a whole, supporting the labour market. Although employment remained resilient, it showed signs of slowing down in the second half of the year. The unemployment rate reached 6.5%, having declined 0.2 p.p. compared to 2022.

Inflation has been falling, with the reduction in production costs being passed on to consumer prices and the transmission of monetary policy. The inflation indicator stood at 5.3% in 2023.

Also noteworthy is the significant reduction in the level of public debt, with a positive impact on the Portuguese Republic's rating, which over the course of the year was revised upwards by the various international agencies to A (DBRS), A- (Fitch), A3 (Moody's) and BBB+ (S&P).

Macroeconomic indicators (2021-2023)

		2021	2022	2023
External Demand	avr	10.2	7.8	-0.3
EUR/USD Exchange Rate (%)	avr	-6.93	-6.21	3.58
	cv	1.14	1.07	1.10
Price of Oil (%)	avr	50.2	10.5	-10.3
	cv	77.8	85.9	77.0
Gross Domestic Product	avr	5.9	6.8	2.3
Private Consumption	avr	4.7	5.6	1.6
Public Consumption	avr	4.6	1.4	1.2
Gross Fixed capital Formation	avr	8.7	3.0	2.4
Exports	avr	13.5	17.4	4.2
Imports	avr	13.3	11.1	2.2
Harmonised Consumer Price Index	avr	0.9	8.1	5.3
Saving rate (%)	aav	10.6	6.3	6.3
Employment	avr	2.0	1.5	0.9
Unemployment rate	%	6.0	6.7	6.5
Remunerations declared to Social Security	avr	4.6	4.8	7.3
Current and Capital Balance (% GDP)	avr	1.0	-0.2	2.7
Balance of Goods and Services (% GDP)	avr	-2.7	-1.9	1.2
ECB Reference Rate (average)	%	0.00	0.62	3.83
3-Month Euribor (average)	%	-0.55	0.35	3.43
Yield of German 10 Y Treasury Bonds (average)	%	-0.31	1.19	2.46
Yield of Portuguese 10 Y Treasury Bonds (average)	%	0.29	2.16	3.22

Source: Banco de Portugal (Economic Bulletin March 2024), Bloomberg and LSEG (January 2024)

d) National banking market

At the end of December 2023, the Portuguese banking sector showed a slight decrease of 0.4% in total assets compared to the end of 2022, mainly reflecting the evolution of "Other assets" (-7.6% compared to December 2022), which include cash and deposits/investments in central banks, deposits in other credit institutions, derivatives, tangible and intangible assets, and other assets, which was offset by the increase in the heading of "Debt securities" (+8.9% compared to December 2022).

In terms of profitability, measured as a proportion of assets and equity, there was a very significant improvement of 0.6 p.p. in 2023. (to 1.3%) and 6.1 p.p. (to 14.8%), respectively, in comparison to the same period of the previous year. The improvement in profitability was driven by the strong increase in Net Income, by 78.2%, as well as the decrease in Average assets by 3.9% compared to December 2022.

The sector's non-performing loan (NPL) ratio continued its downward trend, standing at 2.7%, compared to 3.0% at the end of 2022, a decrease of 0.3 p.p. during 2023.

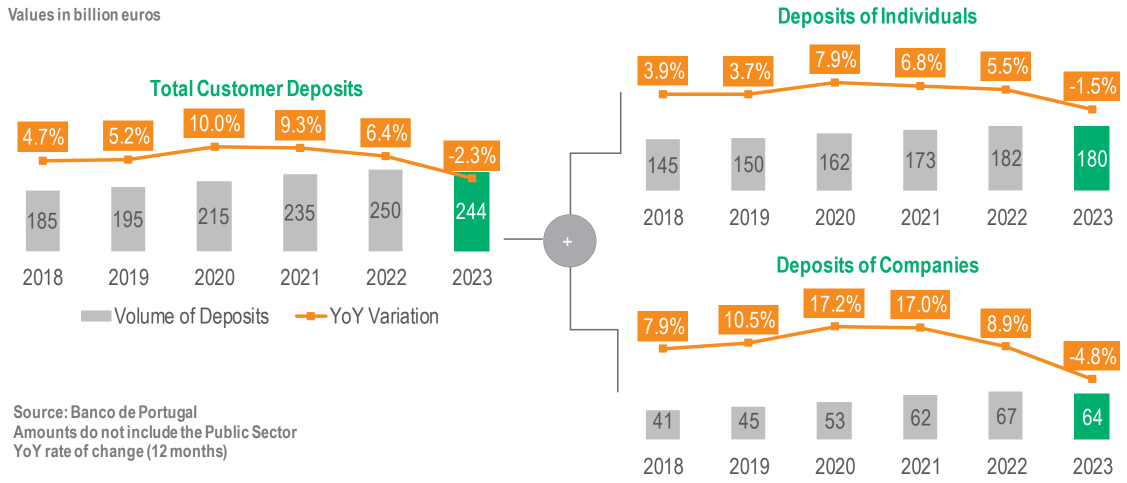
At the end of December 2023, the Common Equity Tier 1 (CET1) capital ratio for the sector as a whole was higher than at the end of 2022, with an increase of 1.7 p.p. to 17.1%, mainly reflecting the increase in CET1 capital, in a context of a slight decrease in risk-weighted assets.

Also noteworthy is the continued growth in the cost of credit risk from 0.3% at the end of December 2022 to 0.4% at the end of December 2023, as well as the aforementioned improvement in Net Income up to December 2023, benefiting from the growth in Net Interest Income. As a proportion of Average Assets, Net Interest Income increased from 1.7% at the end of 2022 to 2.8% at the end of 2023.

Evolution of the national deposit market (Dec. 2018 – Dec. 2023)

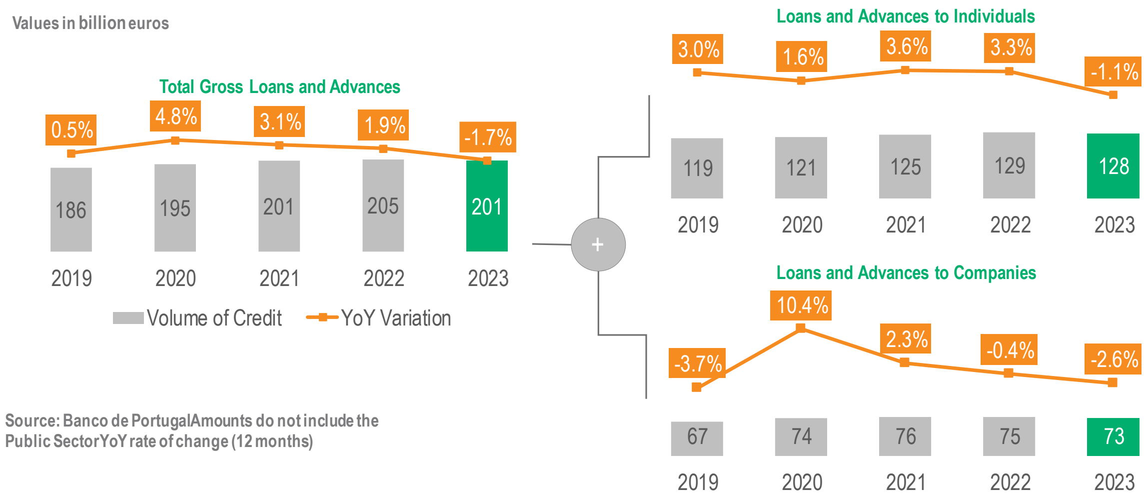
According to the information provided by Banco de Portugal through BPStat, at the end of 2023, the volume of deposits in the banking market as a whole had fallen by 2.3% year-on-year, a trend that contrasts with the growth seen in previous years – which reached 10.0% and 9.3% in 2020 and 2021, marked by the COVID-19 pandemic. The decrease in 2023 corresponds to an absolute amount of 5.8 billion euros.

The biggest decrease was in corporate deposits, with a drop of 3.1 billion euros (-4.6%) compared to the end of 2022. In the case of individual depositors, the drop amounted to 2.7 billion euros (-1.5%) compared to the end of the previous year.



Evolution of the national credit market (Dec. 2018 – Dec. 2023)

As with deposits, there was also a contraction in total loans granted by the Portuguese banking market as a whole. The decrease stood at 3.4 billion euros and corresponded to a variation of -1.6% compared to the end of 2022. Loans to individuals fell by 1.1% year-on-year, corresponding to -1.4 billion euros, while in the case of loans to companies the decrease of 2.0 billion euros represented a fall of 2.6% over the same period.



Lending by region showed an annual decline in practically all regions, with the exception of Lisbon, where there was marginal growth of 0.1%, and the Azores, which experienced an increase of 1.2%. In both cases, growth was driven exclusively by loans granted to companies (+2.1% and +4.4%, respectively), as individuals experienced decreases of 1.0% and 0.4%, respectively.

The regions with the biggest declines were Madeira, with decreases of more than 5% for individuals and companies, and the Central region, where the 1.5% drop for individuals was accompanied by a 7.2% decrease for companies.

TOTAL LOANS AND ADVANCES BY REGION - DEC.2023 — Million euros

	Credit			Total Weight	YoY Variation		
	Individuals	Corporate	Total	%	Individuals	Corporate	Total
North	38,131	21,918	60,049	29.8%	-0.6%	-4.8%	-2.2%
Centre	23,249	12,831	36,081	17.9%	-1.5%	-7.2%	-3.6%
Lisboa NUTS II	46,158	27,541	73,699	36.6%	-1.0%	2.1%	0.1%
Alentejo	8,465	4,789	13,253	6.6%	-1.3%	-2.4%	-1.7%
Algarve NUTS II	5,678	2,706	8,384	4.2%	-0.4%	-4.8%	-1.9%
Autonomous of Azores NUTS II	3,272	1,723	4,995	2.5%	-0.4%	4.4%	1.2%
Madeira NUTS II	2,915	1,890	4,805	2.4%	-5.2%	-5.1%	-5.1%
Total	127,868	73,398	201,266	100.0%	-1.1%	-2.4%	-1.6%

Source: Banco de Portugal

A deeper analysis of loans to individuals by type shows that the main contribution to the decrease came from mortgage loans, which fell by 1.4% year-on-year, due to the higher interest rate environment that characterised 2023, the savings accumulated during the pandemic and the suspension of the possibility of charging fees for early repayment imposed by law (Decree-Law no. 80-A/2022). However, special reference is made to the low proportion of overdue loans, at just 0.2%, compared to 0.3% at the end of 2022, the lowest figure ever recorded since records have been kept in 1998.

In 2023, loans for "Other purposes" fell by 4.3% year-on-year. Conversely, consumer credit grew by 2.0% compared to December 2022.

LOANS AND ADVANCES TO INDIVIDUALS BY TYPE - DEC.2023 — Million euros

Type	Volume of Credit	Total Weight %	Var. YoY	Overdue Credit	OC Weight %	Var. YoY OC	YoY OC Weight
Mortgage	98,861	77.3%	-1.4%	238	0.2%	-19.6%	0.3%
Consumer credit	21,173	16.6%	2.0%	770	2.7%	-20.5%	3.3%
Other purposes	7,835	6.1%	-4.3%				
Total	127,868	100.0%	-1.1%	1,008	0.8%	-20.3%	1.0%

Source: Banco de Portugal

The 2.4% decrease in loans granted to companies in 2023 is mainly explained by the reduction in loans granted to the "Manufacturing" sector, which fell by 9.9%, or 1.527 billion euros, compared to December 2022. The other sectors where there was a significant drop in loans granted over the last year were "Accommodation and Food Service" (-4.7%, 325 million euros) and "Trade" (-2.0%, or 281 million euros). The "Mining Industries" sector also saw a significant drop, of 6.3%, although it is not very significant in terms of absolute size (-17 million euros). On the other hand, there was a very significant increase of 14.9% in loans granted to the "Electricity, Gas and Water" sector, corresponding to 507 million euros. The other sectors in which lending grew were "Consulting and Administrative" (+1.7%) and "Other" (+0.7%).

As a whole, overdue corporate loans remained at 2.0%, with the "Construction" (4.2%), "Manufacturing" (2.8%) and "Mining Industries" (2.7%) sectors showing the highest overdue credit ratios. On the positive side, the sectors with the lowest overdue credit ratios were "Electricity, Gas and Water" (0.2%), "Accommodation and Restaurants" and "Other", both with 0.9%.

LOANS AND ADVANCES TO COMPANIES BY ECONOMIC ACTIVITY CLASSIFICATION (CAE) - DEC.2023 Million euros

Economic Activity	Total Credit 2023	Weight %	Var. YoY	Overdue Credit	% Overdue Credit
Manufacturing Industries	13,830	18.9%	-9.9%	386	2.8%
Trade	13,668	18.7%	-2.0%	274	2.0%
Real Estate Activities	9,168	12.5%	-2.1%	214	2.3%
Accommodation and Restaurants	6,611	9.0%	-4.7%	58	0.9%
Construction	6,271	8.6%	-1.0%	266	4.2%
Other	5,236	7.1%	0.7%	47	0.9%
Consulting and Administrative	5,267	7.2%	1.7%	63	1.2%
Transport and Storage	4,964	6.8%	-2.6%	75	1.5%
Electricity, gas and water	3,907	5.3%	14.9%	7	0.2%
Agriculture and Fisheries	3,108	4.2%	-1.0%	57	1.8%
Information and Communication	971	1.3%	-0.5%	18	1.9%
Mining Industries	254	0.3%	-6.3%	7	2.7%
Total	73,254	100.0%	-2.6%	1,471	2.0%

Source: Banco de Portugal. Excludes Public Administration.

Regarding the segmentation of companies by size, micro-enterprises continue to be the segment with the greatest exposure to bank credit, with 29.3% of the total, and also the one with the highest ratio of overdue credit (3.1%), although this is lower than at the end of 2022 (3.6%) and 2021 (4.1%), thus showing a downward trend.

LOANS AND ADVANCES TO COMPANIES BY SIZE - DEC.2023 Million euros

Economic Activity	Total Credit 2023	Weight %	Var. YoY	Overdue Credit	Overdue Credit % 2023	Overdue Credit % 2022	Overdue Credit % 2021
Micro-Enterprises	21,444	29.3%	-4.4%	667	3.1%	3.6%	4.1%
Small Enterprises	18,367	25.1%	-4.8%	470	2.6%	2.2%	2.5%
Medium Enterprises	17,544	23.9%	-5.1%	260	1.5%	1.3%	1.0%
Large Companies	13,777	18.8%	4.8%	64	0.5%	0.5%	0.5%
Total Segmented Companies	71,132	97.1%	-3.0%	1,461	2.1%	2.1%	2.3%
Non-segmented companies	2,122	2.9%	13.8%	9	0.4%	0.5%	2.5%
Total	73,254	100.0%	-2.6%	1,471	2.0%	2.0%	2.3%

Source: Banco de Portugal

Regarding the evolution of the number of companies, in 2023 there was a slowdown in the growth of the number of new emerging companies (+6.0% in 2023, compared to +15.8% in 2022 and 11.3% in 2021). On the other hand, the number of closures grew by just 1.3% compared to 2022, which is a drop compared to the change in the number of closures in 2022 (+3.2%). The number of insolvency proceedings grew by 18.0% in 2023, compared to decreases of 16.8% and 13.9% in 2022 and 2021, respectively. Nevertheless, business revitalisation ended up being slightly higher in 2023 (3.1) than in 2022 (3.0) and 2021 (2.6).

EVOLUTION OF THE NUMBER OF COMPANIES - DEC.2023

	2021	2022	2023	Variation 23/22	Variation 22/21	Variation 21/20
New companies	42,338	49,018	51,962	6.0%	15.8%	11.3%
Closures	14,235	14,692	14,889	1.3%	3.2%	-4.6%
Insolvency	1,957	1,629	1,923	18.0%	-16.8%	-13.9%
Business Revitalisation *	2.6	3.0	3.1	2.9%	14.9%	18.2%

Source: Informa DB Barometer

* New companies / (Closures + Insolvency)

e) National insurance market

In 2023, the national insurance market was characterised by a year-on-year drop of 2.0% in total production, compared to a decrease of 9.7% in the previous year. Total production in 2023 amounted to 11.8 billion euros, compared to 12.1 billion euros in 2022.

As in 2022, the decrease came from life insurance products (-14.3%), especially life insurance linked to investment funds, which fell by 52.8%. Conversely, non-Life continued to accelerate its year-on-year growth trend, with 10.2% in 2023 compared to 2022 (when it had grown by 7.4%), with a positive trend in all lines of business.

Premiums and Amounts Paid

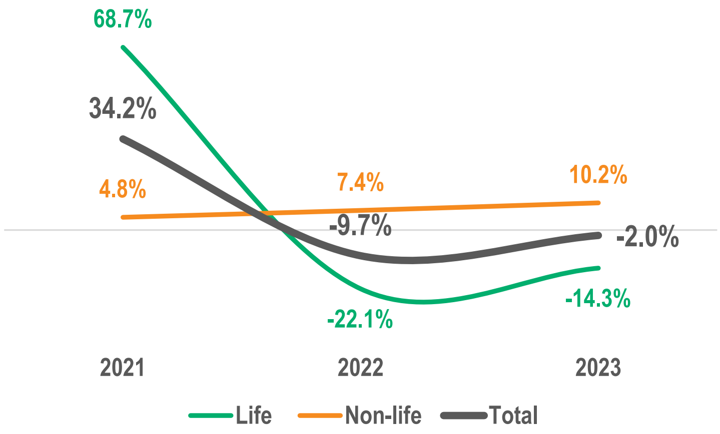
Million Euros

Businesses	2021	2022	2023	% 2023 / 2022
Life Insurance Business	**7,727**	**6,021**	**5,159**	**-14.3%**
Life Not Linked	**3,063**	**2,963**	**3,712**	**25.3%**
Excluding PPR, PPE, PPR/E	2,312	2,127	2,696	26.8%
PPR, PPE, PPR/E	751	835	1,016	21.6%
Life Linked to Investment Funds	**4,664**	**3,058**	**1,445**	**-52.8%**
Excluding PPR, PPE, PPR/E	3,507	2,389	1,175	-50.8%
PPR, PPE, PPR/E	1,157	669	270	-59.6%
Capitalisation Operations	**1**	**0**	**2**	**n.a.**
Linked to Investment Funds	0	0	0	n.a.
Not Linked to Investment Funds	1	0	2	n.a.
Non-Life Sector	**5,621**	**6,035**	**6,651**	**10.2%**
Accident & Health	**2,185**	**2,387**	**2,700**	**13.1%**
Fire and Other Damage	**1,000**	**1,072**	**1,181**	**10.1%**
Motor	**1,898**	**1,966**	**2,098**	**6.7%**
Marine & Transportation	**28**	**31**	**30**	**-0.2%**
Air Travel	**10**	**11**	**9**	**-19.9%**
Cargo & Goods in Transit	**20**	**22**	**16**	**-26.7%**
Civil Liability	**163**	**182**	**196**	**7.7%**
Various	**317**	**364**	**420**	**15.4%**
Total	**13,348**	**12,056**	**11,810**	**-2.0%**

Source: Associação Portuguesa de Seguradores (APS or Portuguese Association of Insurers)

The renewed decrease in the production of insurance business in 2023, combined with the maintenance of a positive variation in GDP, led to the Insurance Sector's penetration ratio in economic activity maintaining the previous year’s downward trend, from 4.9% in 2022 to 4.7% in 2023. The premium per capita indicator regressed once again, having shifted from 1,152 euros in 2022, to 1,146 euros in 2023.

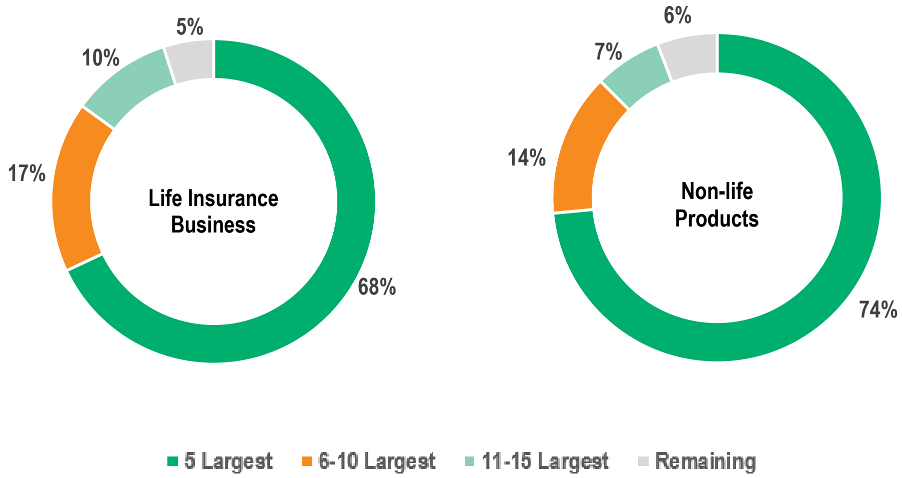
Nominal Growth Rate of the Insurance Premiums and Amounts Paid



Source: Associação Portuguesa de Seguradores.

The Insurance Market in Portugal continued to be characterised by strong concentration regarding the volume of production of its main players. In the Life Insurance Business, the concentration value of the five largest insurers fell slightly by approximately 1 p.p., where they now account for 68% of this Business. In Non-Life, there was the same level of concentration as in the previous year, with the 5 largest insurers accounting for 74% of production volume.

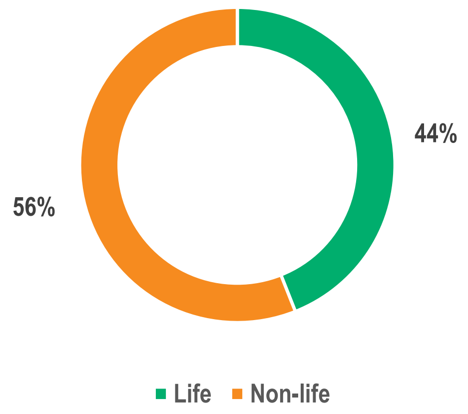
Concentration of Market Operators



Source: Associação Portuguesa de Seguradores.

As a result of the continuation of the downward trend in Life and the solid growth in Non-Life, Non-Life showed a greater weight in terms of production in 2023, with 56%, compared to an almost perfect distribution (50%) in 2022.

Distribution of the Insurance Market by Business Line



Source: Associação Portuguesa de Seguradores.

Life Insurance Business

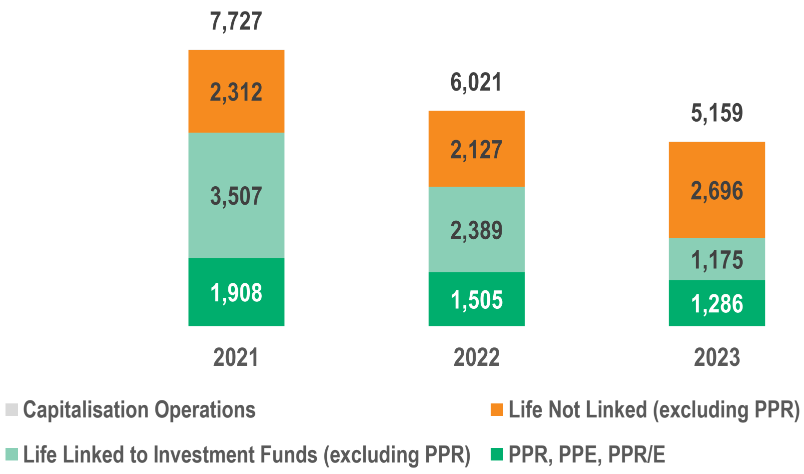
Life insurance production in 2023 amounted to 5,159 million euros, compared to 6,021 million euros in 2022. This significant year-on-year decrease, of 14.3% in 2023, follows an even more pronounced decline in 2022, of 22.1%.

This negative performance was mainly due to the decrease in production of life insurance linked to investment funds, which fell by 52.8%, especially in PPR (retirement saving plans), PPE (education saving plans) and PPR/E (retirement/education saving plans), with "PPR, PPE and PPR/E" products having fallen by 59.6%, and the remaining products falling by 50.8% year-on-year.

In the case of life insurance not linked to investment funds, there was the opposite trend, with year-on-year growth of 25.3%, reflecting the positive performance of the "PPR, PPE and PPR/E" products, which grew by 21.6%, and the other products, whose production volume increased by 26.8% compared to the previous year.

Capitalisation operations remain the least representative, amounting to 750 thousand euros in 2021 and 2 million euros in 2023.

Life Insurance Business Production (million euros)



Source: Associação Portuguesa de Seguradores.

Non-life insurance business

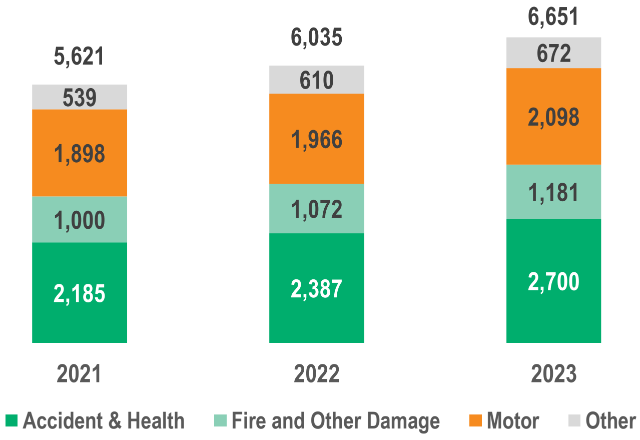
As in previous years, the Non-Life insurance market grew in terms of gross premiums written, influenced by the level of inflation. In 2023, the year-on-year variation of +10.2% even represented an acceleration in growth compared to 2022, when growth had reached 7.4%. Total non-life insurance production in 2023 thus amounted to 6,651 million euros, compared to 6,035 million euros in 2022.

It is noteworthy that the four non-life insurance lines showed a growth rate, as shown in the chart below, with the main driver of the increase in 2023, compared to 2022, once again being the accident and health insurance line, with an increase of 13.1% (or +313 million euros compared to 2022). Specifically in the Work Accidents insurance business there was 11% growth of the gross written premiums, while the Sickness insurance business continues with a very favourable evolutionary profile (+17%). This growth is explained by the increased total number of insured persons and the respective average premium, reflecting the strong demand for health protection solutions.

The Motor business grew by 6.7% (+132 million euros year-on-year), which was essentially underpinned by the growth of the average premium. The growth of the revenue of the Motor insurance business continued to be strongly influenced by the evolution recorded in the coverage of own damage. Insurance against fire and other damage grew by 10.1% in relation to 2022 (+108 million euros).

Consequently, in the structure of the Non-Life portfolio there was an increase in the weight of the Accident and Health branches (to 40.6%), as well as a decrease in the Motor branch (which now accounts for 31.5%).

Non-Life Insurance Business Production (million euros)



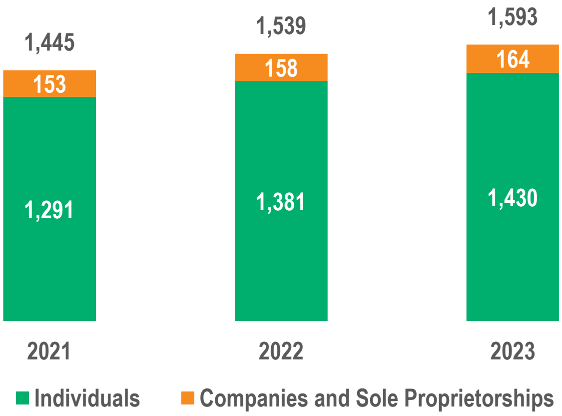
Source: Associação Portuguesa de Seguradores.

4.2. BANKING ACTIVITY OF THE CA GROUP IN 2023

a) Evolution of the Customer and Associate base

The growth trend in Crédito Agrícola's customer base continued in 2023. At the end of the year, the number of customers stood at 1,593 thousand, representing net year-on-year growth of 54 thousand customers over the year. As a whole, Individual Customers amounted to 1,430 thousand at the end of 2023, while Customers in the Corporate macro-segment amounted to 164 thousand. There was a 2.0% reduction in the number of Members, mainly due to deaths and termination of activity, in the case of Enterprise Members.

Evolution of the customer base (thousand customers)



Note: The customers refer to the primary holders of any product, including moey! customers.

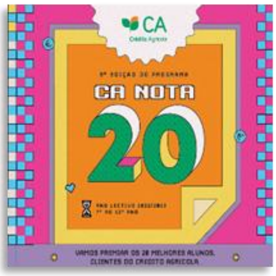
In 2023, as foreseen in the Group’s marketing plan, various initiatives were implemented for the various segments of individual and sole proprietorship customers, with the aim of promoting the offer and supporting the attraction of customers and increasing the loyalty of these segments.

Among the various activities carried out for the retail customer segments, the campaigns considered in the marketing plan were implemented to promote the offering of personal loans, mortgage loans, life and non-life insurance, term deposits, investment funds and capitalization insurance, public offers and to communicate the range of benefits made available to Members, both individuals and sole proprietorships (ENI).

For the young segment, a campaign was also carried out to promote savings accounts, means of payment, and life and non-life insurance.

The following initiatives were also publicised through digital channels, social networks and traditional channels:

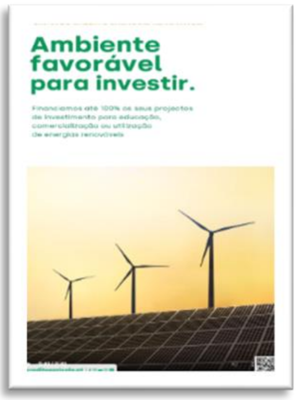
- **Clube do Cristas** to promote financial literacy and savings habits among junior customers and their legal representatives;
- **CA Note 20** to recognise the academic merit of students from the 7th to the 12th grades of secondary school;
- and the 5th edition of **National Multipli** which promotes the Cristas multiplication table game with the aim of encouraging young people's interest in mathematics and, at the same time, in saving money.



Among the initiatives implemented to publicize the offer of products and services for various segments, we would also highlight those that promoted the subscription of credit cards to customers with a pre-approved credit limit, carried out continuously throughout the year, and the specific promotion of the fast-track credit product **CA Crédito Pronto**.

Over the course of the year, a number of promotional initiatives were also implemented with specific objectives, namely for segments (e.g. insurance and CA Mulher credit card), to publicise services (e.g. Western Union transfers) and to present the investment solutions on offer (e.g. IMGA Financial Bonds).

Among the various activities carried out for sole proprietorships are the various initiatives implemented for companies, which also took this segment into account. Due to its relevance for entrepreneurs, special reference is also made to the launch of **CA Crédito Fast**, the new immediate credit product for sole proprietorships and corporate customers, the promotion of various credit lines and other specific solutions which also covered the business segment.



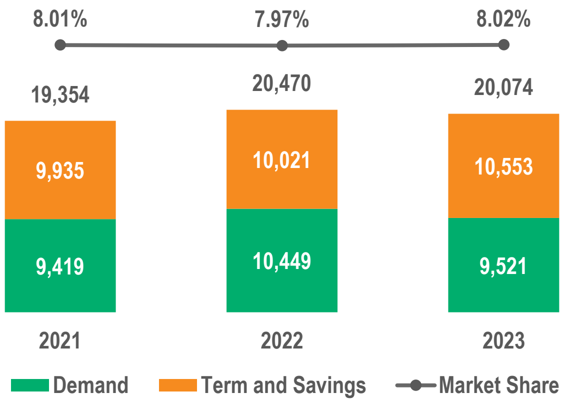
The digital versions of the newsletters for individuals, sole proprietorships, companies and members were also published periodically, which are sent to both individuals and sole proprietorship, which boosted the regular dissemination of products and services and of actions and initiatives of interest to customers.

b) Evolution of deposits and other funds[4]

During 2023, Crédito Agrícola's customer deposits recorded a negative year-on-year change of 1.9% (-396 million euros), reaching a total value of 20,074 million euros, resulting from the combination of a 5.3% increase in term deposits (+532 million euros, to 10,553 million euros) and an 8.9% decrease in demand deposits (-928 million euros, to 9,521 million euros). Time deposits accounted for 53% of total deposits at the end of 2023, compared to 49% in the same period of the previous year.

The negative variation in Crédito Agrícola's customer deposits was, however, less than the decline in the market as a whole (-2.3% at the end of 2023), which enabled it to improve its market share by 0.05 p.p. to 8.02%, compared to 7.97% in December 2022.

Customer Deposits (million euros)



Crédito Agrícola's off-balance sheet resources once again recorded a positive performance in 2023, having grown by 8.1% (+164 million euros) to 2,180 million euros. This growth is essentially explained by the increase in real estate investment funds, which rose by 88 million euros (+8.0%) compared to the end of 2022, and by the 75 million euro increase in securities investment funds.

4 Values relative to the banking business (SICAM).

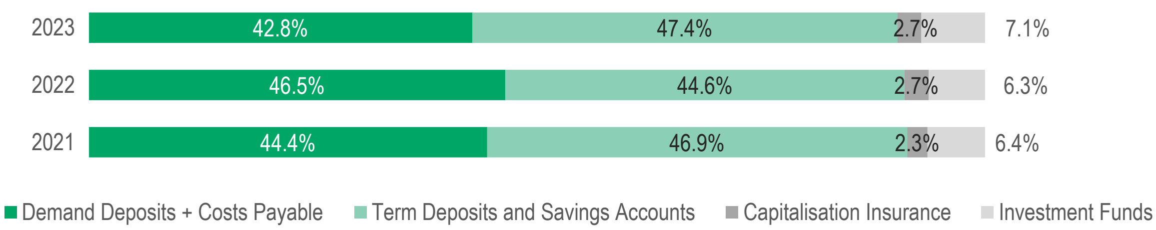
OFF-BALANCE SHEET FUNDS OF CRÉDITO AGRÍCOLA — Million euros

	2021	2022	2023	Abs. Δ	Δ %
Investment Funds	1,360	1,415	1,578	163	11.5%
Securities (FIM and FEI)	402	318	393	75	23.5%
Real estate	958	1,097	1,185	88	8.0%
of which: retail	934	1,067	1,153	86	8.1%
of which: institutional	24	31	32	2	5.5%
Capitalisation insurance [1]	483	601	602	1	0.1%
TOTAL	**1,843**	**2,016**	**2,180**	**164**	**8.1%**
of which: FIM - OICVM (Securities investment fund - Undertakings for collective investment in transferable securities) (Group	20	18	19	1	4.5%
Total excluding CA Group companies	**1,824**	**1,998**	**2,161**	**163**	8.2%

[1] Includes value of mathematical provisions and financial liabilities of insurance contracts considered for accounting purposes as investment contracts, relative to CCAM of SICAM.

Consequently, the total value of customer funds managed by Crédito Agrícola reached 22,255 million euros, corresponding to year-on-year decrease of 1.0%. In 2023, term deposits represented the largest component of Customers' resources at Crédito Agrícola, surpassing the weight of demand deposits (47.4% and 42.8% of the total, respectively). The weight of capitalisation insurance and investment funds grew slightly by 0.83 p.p., from 8.97% (2.67% + 6.29%) in 2022 to 9.80% (2.70% + 7.09%) in 2023, compared to December 2022.

STRUCTURE OF CUSTOMER FUNDS



c) Evolution of the loan portfolio[5]

LOANS AND ADVANCES TO CUSTOMERS	2021	2022	2023	Abs. Δ	Δ %
In million euros, except %					
Individuals	4,396	4,457	4,268	-189	-4.2%
Mortgage Loans	3,368	3,510	3,389	-121	-3.4%
Consumer Credit	546	553	555	2	0.4%
Other	483	395	324	-71	-18.0%
Corporate	7,416	7,619	7,868	249	3.3%
Investment	3,341	3,596	3,935	339	9.4%
Liquidity	1,026	1,100	1,157	57	5.2%
Other	3,049	2,923	2,776	-147	-5.0%
Gross Loans and Advances to Customers	**11,813**	**12,077**	**12,137**	**60**	**0.5%**
of which: Loans to CA Group companies	86	95	78	-17	-17.6%
Gross Loans and Advances to Customers excluding loans to CA Group companies	**11,726**	**11,982**	**12,059**	**76**	**0.6%**
Market share	5.62%	5.65%	5.79%	0,14 p.p.	

Note: Loans and advances to companies include loans granted to the public sector.

In 2023, Crédito Agrícola's total loan portfolio increased by 0.5% compared to the end of 2022 (+60 million euros). This growth was due to loans to the Corporate segment, which increased by 3.3%, or 249 million euros, more than offsetting the 4.2% decrease in loans to Individuals, which fell by 189 million euros, of which 121 million euros in the mortgage loans portfolio.

Thus, Crédito Agrícola's loan portfolio still showed an inverse trend to that of the market as a whole, which decreased by 1.8%[6] compared to the end of 2022, giving rise to an expansion of Crédito Agrícola's market share by 0.14 p.p., to 5.8%.

NEW PRODUCTION OF LOANS TO CUSTOMERS	2021	2022	2023	Δ Abs.	Δ %
In millions of euros, except %					
Loans to Enterprises	1,104	1,296	1,521	226	17.4%
Loans to Individuals	606	546	430	-116	-21.2%
of which: mortgage loans	411	372	260	-112	-30.2%
Total new operations	**1,711**	**1,841**	**1,952**	**110**	**6.0%**

LOANS TO CUSTOMERS REPAYMENTS AND SETTLEMENTS	2021	2022	2023	Δ Abs.	Δ %
In millions of euros, except %					
Loans to Enterprises	706	1,093	1,272	180	16.4%
Loans to Individuals	452	485	619	135	27.8%
of which: mortgage loans	210	230	380	150	65.1%
Total repayments and settlements	**1,158**	**1,577**	**1,892**	**314**	**19.9%**

[5] Values relative to the banking business (SICAM) including loans to CA Group companies. Includes Customer debt instruments (commercial paper operations)

[6] Including the Public Sector.

In the Individuals segment, Crédito Agrícola's annual decrease of 4.2% in 2023 was greater than the 1.1% of the market as a whole, and as a result its market share fell from 3.5 to 3.3%. The main contribution to the reduction in loans to Individuals came from mortgage loans (-3.4%, or 121 million euros), while consumer credit grew (+0.4%, or 2 million euros), albeit only slightly, and were also penalised by a decrease of 18.0% (or 71 million euros) in loans for other purposes. It is important to note that, in 2023, the decline seen in mortgage loans is explained by the 65.1% increase of prepayments and settlements in comparison to the previous year, which was not offset by the amount of new operations of mortgage loans granted (-30.2%), mainly linked to the trend of families using savings to anticipate repayment (partial or total) of their loans, as a response to greater financing costs arising from the context of higher interest rates, and benefitting from the waiver of prepayment fees (total or partial) in variable rate mortgage loans (within the scope of Decree-Law no. 80-A from November 2022, currently in force).

In the Corporate segment, Crédito Agrícola showed an increase of 3.3%, compared to the market reduction for this segment of -2.9%[7]. As a result, the market share Crédito Agrícola increased by 0.58 p.p., from 9.2% to 9.8%.

The biggest contributor to the growth in loans to companies was investment loans (+9.4%, or 339 million euros), followed by treasury loans (+5.2%), while loans for other purposes showed a negative variation of 5.0% compared to the end of 2022.

LOANS AND ADVANCES TO COMPANIES BY ECONOMIC ACTIVITY CLASSIFICATION (CAE) — In million euros, except %

Economic activity	Total CA Credit	Var. YoY	CA % Weight	Total Credit Market	Market % Weight
Real Estate Activities	1,079	8.4%	13.7%	9,168	11.4%
Trade	996	-0.5%	12.7%	13,668	17.0%
Agriculture and Fisheries	991	0.8%	12.6%	3,108	3.9%
Manufacturing Industries	865	5.3%	11.0%	13,830	17.2%
of which: Agroindustry	361	7.1%	4.6%	n.a.	n.a.
Public Administration	641	-1.0%	8.1%	7,264	9.0%
Accommodation and Restaurants	631	-3.2%	8.0%	6,611	8.2%
Construction	518	12.0%	6.6%	6,271	7.8%
Health and Social Support	348	-3.0%	4.4%	n.a.	n.a.
Transport and Storage	162	16.9%	2.1%	4,964	6.2%
Water and Sanitation	126	8.6%	1.6%	n.a.	n.a.
Energy	98	110.0%	1.2%	3,907	4.9%
Mining Industries	23	4.1%	0.3%	254	0.3%
Other	2,030	0.4%	25.8%	18,738	23.3%
Total	**7,868**	**3.3%**	**100.0%**	**80,518**	**100.0%**
Total excluding Public Administration	**7,227**	**3.7%**	**-**	**73,254**	**-**

Note: The information of this table refers to the volume of gross loans granted by SICAM to companies, sole proprietorships and public administration. Gross loans include Customer debt instruments (commercial paper operations).

[7] Including the Public Sector.

With regard to the breakdown of loans to companies granted by Crédito Agrícola by economic activity, we highlight the greater weight of the Real Estate sector, with 13.7% of total loans, Trade (12.7%), Agriculture and Fisheries, with 12.6%, and Manufacturing with 11.0%, with Agroindustry accounting for around 42% of this activity.

The activity that showed the most significant growth compared to 2022, in terms of loans granted, was once again Energy (+110.0%), Transport and Storage (+16.9%), Construction (+12.0%), Water and Sanitation (+8.6%) and Real Estate Activities (+8.4%), while the sectors of Accommodation and Restaurants (-3.2%) and Health and Social Support (-3.0%) stood out in the opposite direction.

d) Quality of the Loan Portfolio

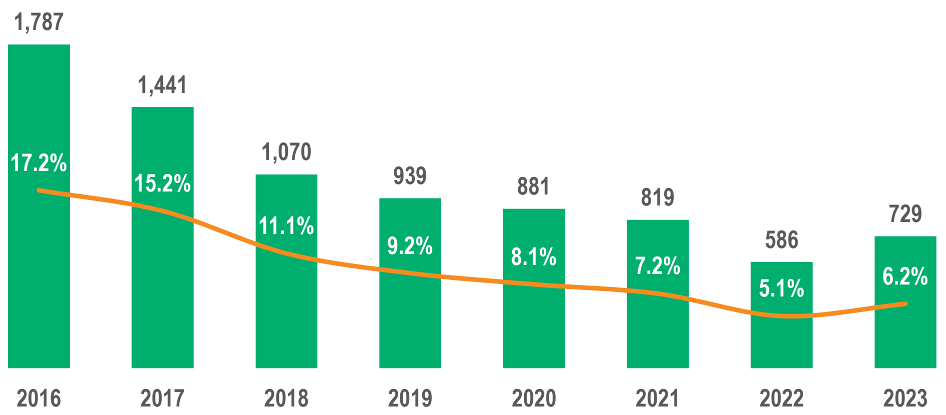
GCA's total exposure showed a favourable evolution in comparison to the previous year, mainly due to the growth of loans to customers, which increased 0.6% in comparison to 2022. Additionally, there was an increase in the coverage ratio of 0.3 p.p., stemming from the greater constitution of impairments in 2023 (an 11.2% increase in comparison to 2022). In terms of its breakdown by stages, it can be seen in the table below that stage 2 exposures declined by 7.2% in comparison to the previous year, mainly due to the unmarking of the indication of financial difficulties "Others – DL 80-A" and to the review of the "SICR – significant increase in credit risk" criteria. On the other side, there was a 23.5% increase of exposures in stage 3, due to: (i) greater exposure in default in mortgage loans (+113 million euros), in particular restructuring due to financial difficulties of customers with the DL80-A indication and contracts overdue for more than 90 days, with the materiality criteria and (ii) increased exposure in default in credit granted to companies (+39 million euros) mainly originating from the following criteria: a) customers marked in financial difficulties with characteristics which mandate the immediate classification of the exposure as in default, namely "insolvency" and "significant incapacity for generating future cashflows"; b) credit overdue for over 90 days; and c) "contagion" effect.

Exposure by stage — In millions of euros, except %

	2022	2023	Var. 23/22		Weight in % 2022	Weight in % 2023	Impairment		Coverage	
			Abs.	%			Abs.	Var. 23/22	%	Var. 23/22
Stage 1	**11,585**	**11,675**	**90**	**0.8%**	**82.2%**	**82.2%**	**48**	**8.9%**	**0.4%**	**0,03 .p.p.**
Companies	6,418	6,963	545	8.5%	45.5%	49.0%	45	11.0%	0.6%	0,01 .p.p.
Individuals	4,338	3,985	-353	-8.1%	30.8%	28.1%	3	-17.2%	0.1%	-0,01 .p.p.
of which: mortgage loans	3,149	2,837	-312	-9.9%	22.3%	20.0%	1	8.8%	0.0%	0,01 .p.p.
Others[1]	829	727	-102	-12.4%	5.9%	5.1%	0	6.0%	0.0%	0,01 .p.p.
Stage 2	**1,896**	**1,758**	**-137**	**-7.2%**	**13.4%**	**12.4%**	**71**	**-5.5%**	**4.1%**	**0,07 .p.p.**
Companies	973	821	-152	-15.7%	6.9%	5.8%	38	-24.1%	4.6%	-0,51 .p.p.
Individuals	913	928	15	1.6%	6.5%	6.5%	34	30.0%	3.6%	0,79 .p.p.
of which: mortgage loans	596	638	42	7.1%	4.2%	4.5%	23	63.7%	3.6%	1,24 .p.p.
Consumer credit	152	138	-14	-9.4%	1.1%	1.0%	7	7.9%	5.0%	0,8 .p.p.
Individual Entrepeneurs	107	98	-9	-8.7%	0.8%	0.7%	4	-31.5%	3.8%	-1,26 .p.p.
Credit Cards	58	54	-4	-6.8%	0.4%	0.4%	0	42.8%	0.5%	0,17 .p.p.
Others[1]	9	10	0	3.4%	0.1%	0.1%	0	1346.3%	0.6%	0,53 .p.p.
Public Sector	9	10	0	2.4%	0.1%	0.1%	0	1346.3%	0.6%	0,53 .p.p.
Credit institutions	0	0	0	n.a.	0.0%	0.0%	0	n.a.	0.0%	n.a.
GCA	0	0	0	n.a.	0.0%	0.0%	0	n.a.	n.a.	n.a.
Stage 3	**619**	**764**	**145**	**23.5%**	**4.4%**	**5.4%**	**283**	**16.8%**	**37.0%**	**-2,1 .p.p.**
Companies	448	487	39	8.7%	3.2%	3.4%	184	12.4%	37.7%	1,23 .p.p.
Individuals	171	277	106	61.9%	1.2%	2.0%	99	26.0%	35.8%	-10,18 .p.p.
of which: mortgage loans	56	169	113	201.4%	0.4%	1.2%	47	119.1%	27.9%	-10,5 .p.p.
Others[1]	0	0	0	n.a.	0.0%	0.0%	0	n.a.	0.0%	n.a.
Total	**14,099**	**14,197**	**98**	**0.7%**	**100.0%**	**100.0%**	**402**	**11.2%**	**2.8%**	**0,27 .p.p.**

(1) Includes Public Sector.

Evolution of NPL and the NPL Ratio (million euros, %)



Crédito Agrícola's total non-performing loans (NPL) at the end of 2023 amounted to 729 million euros, compared to 586 million euros at the end of 2022, representing an NPL ratio of 6.2%, with NPL impairment coverage standing at 38.0%.

In 2023, there was an increase of 24.4%, or 143 million euros, in the total value of NPLs, mainly due to the increase in "Unlikely-to-Pay" loans.

NPL - 31 December 2023 — In million euros, except %

	Exposure		NPL		NPL (%)		NPL impairments		NPL coverage by NPL impairments (%)	
	Abs.	Var. 23/22	Abs.	Var. 23/22	%	Var. 23/22	Abs.	Var. 23/22	%	Var. 23/22
Public administration	**647**	**-1.2%**	**0**	**n.a.**	**0.0%**	**0 p.p.**	**0**	**n.a.**	**0.0%**	**0 p.p.**
Financial institutions	**33**	**12.5%**	**0**	**n.a.**	**0.0%**	**0 p.p.**	**0**	**n.a.**	**0.0%**	**0 p.p.**
Other financial corporations	**197**	**29.1%**	**0**	**n.a.**	**0.0%**	**0 p.p.**	**0**	**n.a.**	**0.0%**	**0 p.p.**
Non-financial corporations	**5,649**	**-13.6%**	**418**	**-8.1%**	**7.4%**	**0.4 p.p.**	**167**	**-6.8%**	**39.9%**	**0.5 p.p.**
of which: SME	5,339	-15.4%	411	-8.8%	7.7%	0.6 p.p.	164	-8.0%	40.0%	0.3 p.p.
Individuals	**5,178**	**22.4%**	**311**	**136.9%**	**6.0%**	**2.9 p.p.**	**110**	**92.0%**	**35.5%**	**-8.3 p.p.**
of which: Mortgage loans	3,847	12.1%	212	196.8%	5.5%	3.4 p.p.	66	122.3%	31.2%	-10.5 p.p.
of which: Consumer credit	641	17.1%	33	34.7%	5.1%	0.7 p.p.	15	31.4%	45.0%	-1.1 p.p.
Total	**11,703**	**0.9%**	**729**	**24.4%**	**6.2%**	**1.2 p.p.**	**277**	**17.2%**	**38.0%**	**-2.3 p.p.**
of which: Loans collateralized by real estate	7,641	-5.2%	537	21.5%	7.0%	1.5 p.p.	188	14.3%	34.9%	-2.2 p.p.

Note: Only includes "Loans and advances", excludes Customer debt instruments (commercial paper operations), and excluding cash balances at central banks and other demand deposits, pursuant to Banco de Portugal Instruction 20/2019.

The segment of non-financial corporations, with 418 million euros, represents approximately 57% of the total NPL, with an NPL ratio of 7.4% (compared to 7.0% at the end of 2022), and an NPL impairment coverage of 39.9%. Despite the 6.8% decline in the amount of NPL impairments in comparison with the previous year, the ratio of NPL coverage by NPL impairments increased 0.5 p.p., due to the reduction of the respective non-productive loans portfolio.

In the case of the Individuals segment, mortgage loans are predominant, with the highest proportion of NPLs, at 212 million euros, compared to 72 million euros at the end of 2022, representing an NPL ratio of 5.5% (compared to 2.1% in 2022). Unlike the non-financial corporations segment, the NPL impairments of the Individuals segment increased YoY (+122.3% in comparison to 2022 in the case of mortgage loans), with the coverage ratio decreasing in comparison to the previous year (-10.5 p.p. in comparison to 2022 in the case of mortgage loans) due to the significant increase in the non-productive portfolio.

NPL RATIOS AND FORBORNE LOANS — In million euros, except %

	2021	2022	2023	Abs. Δ	Δ %
Non-Performing Loans (NPL)	819	586	729	143	24.4%
Ratio of Non-Performing Loans (NPL)[1]	7.2%	5.1%	6.2%	1.18 p.p.	
Ratio of Non-Performing Exposures (NPE)[2]	3.4%	2.7%	3.2%	0.55 p.p.	
Ratio of NPL coverage by Credit impairments	40.6%	61.3%	53.4%	-7.87 p.p.	
NPL coverage by NPL impairments	32.6%	41.2%	38.0%	-3.17 p.p.	
NPL coverage by NPL impairments and collaterals[3]	133.5%	151.3%	140.1%	-11.18 p.p.	
NPL coverage by NPL impairments and collaterals (FINREP)[3,4]	87.6%	91.9%	89.4%	-2.55 p.p.	
Texas Ratio[5]	38.8%	27.3%	29.9%	2.66 p.p.	
Forborne Loans Ratio	6.1%	5.0%	5.0%	0.04 p.p.	

(1) Determined in accordance with Banco de Portugal Instruction 20/2019

(2) Determined in accordance with EBA definition

(3) Applying haircuts and recovery costs

(4) Coverage limited to the contract exposure

(5) Determined by: NPL / (Tangible equity + Stock of impairments)

The Texas ratio, determined by the ratio of NPLs to tangible equity and the stock of impairments, stood at 29.9% at the end of 2023, slightly down on the 27.3% recorded in 2022. The restructured loans ratio, at 5.0%, remained stable compared to the previous year, with a minor variation of 0.04 p.p.

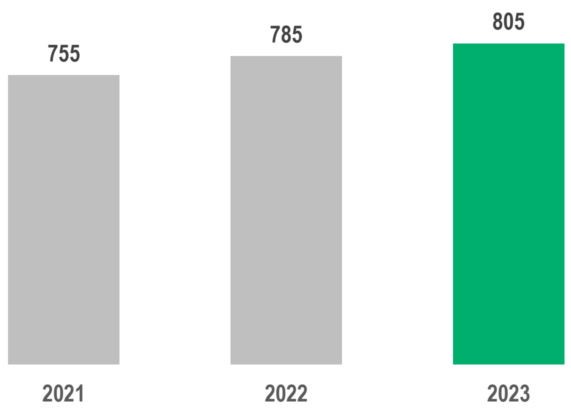
4.3. INSURANCE ACTIVITY OF THE CA GROUP IN 2023

a) Non-Life Insurance

During 2023, the portfolio of valid policies grew by around 20,000 (+2.6%), from 785,000 to 805,000. CA Seguros increased the number of customers with valid policies from 440,000 to 450,000, with gross premiums earned reaching 162 million euros at the end of the year, representing year-on-year growth of 6.7%.

These results attest to the good commercial performance throughout the year, with growth of sales (new production) of around 10% compared to 2022, as a result of the initiatives to boost the commercial activity of the Associated Caixas in the distribution of non-life insurance products, as well as a more intense digital presence, from the point of view of greater awareness and also greater availability of CA Seguros products to consumers on the Group's digital channels.

Number of Policies (thousands)



In 2023, the Pets insurance was launched through moey!, whose coverage can include reimbursement of medical expenses, civil liability, an annual vaccine, medical support and services at home and access to a vast network of partners. The subscription is done through the app, quickly, simply and completely digitally.

For customer convenience, speed and security, the sending of insurance contract documents to the e-mail address of policyholders has been promoted, resulting in significant savings in printing, enveloping and postage costs, contributing to a more sustainable environment by reducing the use of paper and resources used by the mail delivery chain.

Thanks to continuous investment in applications and systems, agility and efficiency in settling claims have been maintained, with constant focus on quality. In 223, we highlight the inclusion of new features in the CA Seguros App and CA Seguros Online, automatic call distribution and the creation of the WhatsApp channel, which offer customers more convenient, efficient and simple monitoring of their processes.

As a result of the efforts aiming to satisfy its customers, CA Seguros was once again awarded the prize of leading insurer in customer experience in the non-life sector, for the sixth consecutive year, according to the BECX (Best European Customer Experience) study. It is also important to note that this year CA Seguros maintained an impeccable record in terms of compliance with the time limits and deadlines established by legislation in the management of motor claims. In addition, it stood out for having the lowest number of claims per insured vehicle (in motor insurance) and per insured location (in fire and other damage insurance). These figures were corroborated by the information published by the Portuguese Insurance and Pension Funds Supervision Authority (ASF) in its market conduct report for 2022.

CA Seguros was also awarded several external distinctions in terms of human resources management practices and organisational climate: it was recognised for the sixth time as a leading company in the Excellence Index 2023, and was once again distinguished in first place in the medium-sized company segment. It was also recognised as the fourth Best Company to Work For in the MEPT 2023 study, after having always been ranked in the top ten in the previous five years. The company also obtained the Great Place to Work certification, where it was awarded the Best Workplaces distinction.

KEY INDICATORS					Thousand euros, except %
	2021	2022	2022R	2023	Δ %
Gross premiums earned	145,063	152,060	152,060	162,227	6.7%
Financial investments	220,177	209,523	209,523	214,475	2.4%
Assets	265,418	266,411	258,524	278,716	7.8%
Equity	56,360	43,805	58,981	67,682	11.4%
Net income	5,847	10,966	10,131	7,869	-22.3%
Solvency ratio II	166.5%	165.9%	165.9%	167.3%	1,4 p.p.
Market share of gross written premiums (new production)[1]	2.6%	2.5%	2.5%	2.4%	-0,1 p.p.

(1) Source for total market amount: Associação Portuguesa de Seguradores

CA Seguros has recorded successive positive net income over the last 20 years. CA Seguros' net income in 2023 amounted to 7.9 million euros, compared to 10.1 million euros in 2022, an evolution that reflected an increase in increased insurance contract expenses (the result of a prudent provisioning policy in all lines of business), as well as a reduction in the financial component and growth in non-attributable expenses.

The overall claims rate stood at 51%, a decrease of 0.6 p.p. compared to 2022, partially explained by the lower occurrence of climatic events in 2023.

Financial investments increased by 5.0 million euros (+2.4% in relation to the end of 2022), although the weight of this heading in Total Assets fell from 81%, to 77% in 2023.

As in previous years, the company has maintained a prudent provisioning policy. Liabilities from insurance contracts stood at 165 million euros as at 31 December 2023, an increase of 5.5% over the previous year.

As at 31 December 2023, shareholders' equity amounted to 67.7 million euros, an increase of 14.4% year-on-year.

The Solvency II ratio of CA Seguros amounted to 167.3% at the end of 2023, compared to 165.9% in 2022, clearly above the minimum limit of 140% defined in its risk appetite.

Notwithstanding the implementation of IFRS17 with regard to the years 2022 and 2023, relative to the accounting of insurance contracts, as determined by the Autoridade de Supervisão de Seguros e Fundos de Pensões (“AFS”, Supervision Authority for Insurance and Pension Funds) for the insurance sector in Portugal, in force since 1 January 2023, there were no significant impacts to CA Seguros’ financial statements.

b) Life Insurance

The year 2023 marked CA Vida's 25th anniversary, being characterised by an economic climate in which uncertainty, inflation and rising interest rates were the main factors conditioning the economy, also affecting the life insurance branch of the Group’s insurance business.

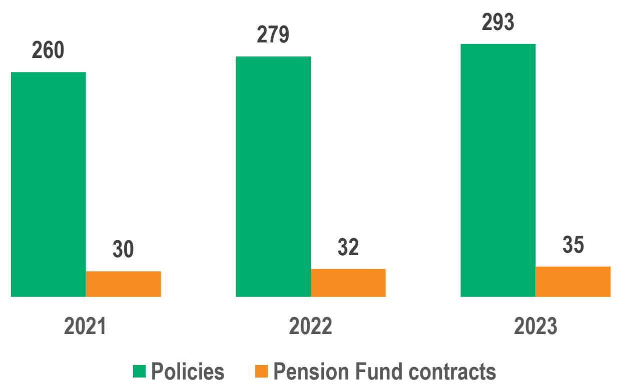
The need to ensure the highest possible level of competitiveness in its areas of business led CA Vida to restructure its pricing strategy, starting the year by repositioning the price of its products. The value propositions for individual and business customers were improved, with an adjustment in the pricing of core products, mostly for the younger age brackets. By redefining the business strategy, it was possible to ensure alignment with the companies operating in the bancassurance channel, offering new customers a more competitive quality/price ratio.

CA Vida, whose purpose is to respond clearly and objectively to the protection and investment needs of the Crédito Agrícola Group's Customers, has a penetration of around 20.0% of the total Group customers which, though expressive, still shows potential in terms of growth. At the end of 2023, the Company had 293,198 valid life insurance policies and 35,132 pension fund contracts.

CA Vida in was 2023 distinguished for the fifth time with the Best European Costumer Experience Award – BECX 2022.

The pension funds managed by CA Vida recorded a positive evolution in 2023, with the number of contracts and the value of the amounts under management growing by 8%. Open-ended pension funds, which aim to finance individual or collective pension plans, are differentiated by the investment policy they adopt, according to the level of risk tolerated and the investment time horizon.

Number of Policies and Pension Funds Contracts (thousands)



CA Vida's net income for 2023 was 6.6 million euros.

Total life insurance production amounted to 139 million euros, down 44% on the same period of the previous year, taking into account the negative variation of 56.2% in terms of new production in the capitalisation products segment, due to the fact that the supply of this type of product was not available throughout the whole of the year, as was the case in the previous year. CA Vida thus ended 2023 with a market share of 2.7%.

The amount of pension funds under management grew by 4.1% compared to 2022, equivalent to 29.5 million euros, bringing the total to 119.1 million euros, as a result of the appreciation of the assets in the portfolio.

KEY INDICATORS					Thousand euros, except %
	2021	2022	2022R	2023	Δ %
Gross written premiums and amounts paid in Investment contracts	141,105	247,504	247,504	138,998	-43.8%
Pension funds contributions	41,053	30,322	30,322	25,105	-17.2%
Assets	771,483	788,262	854,054	878,278	2.8%
Financial assets	762,436	766,438	798,815	815,238	2.1%
Equity	117,503	83,165	133,541	156,259	17.0%
Net income	6,067	47,733	-8,016	6,576	n.a.
Number of Employees at the end of year	51	55	55	55	0.0%

With regard to capital requirements, the company maintained its objective of maintaining a policy of robust solvency ratios, with indicators of a stable financial situation and a positive evolution of equity by 17%. The Company manages its capital requirements taking into account any changes in economic constraints, as well as its risk profile.

5. FINANCIAL INFORMATION AND RISK MANAGEMENT

5.1. FINANCIAL ANALYSIS

5.1.1. Crédito Agrícola Group

EVOLUTION OF CRÉDITO AGRÍCOLA GROUP

In million euros, except %

	Dec. 2021	Dec. 2022	Dec. 2022 R	Dec. 2023
BALANCE SHEET				
Total net assets	26,002	24,895	24,981	25,302
Total Loans and advances portfolio (gross) to customers [1]	11,726	11,982	11,982	12,059
of which: Loans and advances to companies and public administratio	6,698	6,881	6,881	7,132
Total loans and advances to customers (net)	11,393	11,632	11,632	11,669
Total customer funds	21,059	22,396	22,396	22,165
Customer deposits	19,236	20,398	20,398	20,004
Off balance sheet customers funds [2]	1,824	1,998	1,998	2,161
Accumulated impairment and provisions	502	501	501	587
of which: Accumulated impairment of credit	333	350	350	389
Insurance contract technical provisions	713	782	0	0
Equity	2,019	2,042	2,107	2,438
RESULTS				
Net interest income	313	368	368	749
Technical margin of insurance activity	66	145	88	91
Net fees and commissions	123	146	138	153
Core net operating Income	503	659	594	993
Net trading income	63	-3	-15	29
Other net operating income	4	-4	-7	-13
Operating income	570	652	573	1,008
Operating costs	-373	-401	-401	-421
Impairment and provisions for the period	2	-57	-57	-129
Consolidated net income	159	144	88	297
EFFICIENCY AND PROFITABILITY RATIOS				
Cost-to-income	65.4%	61.5%	70.0%	41.8%
Core cost-to-income	74.2%	60.8%	67.4%	42.4%
Return on assets (ROA)	0.6%	0.6%	0.3%	1.2%
Return on equity (ROE)	8.1%	7.1%	4.3%	13.1%
CAPITAL AND LIQUIDITY RATIOS				
Common equity tier 1 ratio [3]	19.2%	19.9%	19.9%	22.3%
Total own funds [3]	19.2%	19.9%	19.9%	22.3%
Leverage ratio	8.0%	7.6%	7.6%	9.6%
Loan-to-deposit ratio [4]	59.2%	57.0%	57.0%	58.3%
Liquidity coverage ratio (LCR)	477.2%	499.9%	499.9%	644.1%
Net stable funding ratio (NSFR)	150.2%	167.7%	167.7%	172.4%
ASSET QUALITY RATIOS				
NPL Ratio [5]	7.2%	5.1%	5.1%	6.2%
NPL coverage by NPL impairments	32.6%	41.2%	41.2%	38.0%
NPL coverage by NPL impairments and collaterals [6]	133.5%	151.3%	151.3%	140.1%
NPL coverage by NPL impairments and collaterals (FINREP) [6 7]	87.6%	91.9%	91.9%	89.4%
Texas ratio [8]	38.8%	27.3%	27.3%	29.9%
Cost of risk	0.04%	0.45%	0.45%	0.77%
OTHER INDICATORS				
# of employees [9]	3,933	3,990	3,990	4,136
# Associated Caixas Agrícolas	75	71	71	68
# of bank branches	624	617	617	618
RATING MOODY'S (last rating action, November 2023)				
Outlook	Stable			
Counterparty Risk Rating (CRR)	Baa1/Prime-2			
Bank Deposits	Baa2/P2			
Baseline Credit Assessment (BCA)	baa3			
Adjusted Baseline Credit Assessment	baa3			
Counterparty Risk Assessment (CR)	A3(cr)/Prime-2(cr)			
Senior Unsecured Notes	Ba1			

(1) Includes Customer debt instruments (commercial paper operations).

(2) The amounts refer exclusively to SICAM institutions, excluding FIM (Group Companies).

(3) The ratio incorporates net income for the period.

(4) Ratio calculated in accordance with BdP Instruction 23/2012, determined by the ratio between net loans and advances to customers and customer deposits.

(5) Ratio calculated according to BdP Instruction 20/2019.

(6) Applying haircuts and recovery costs. (7) Coverage limited to exposure of each contract.

(8) Determined by: NPL / (Tangible equity + Stock of impairments)

(9) The values refer to employees with open-ended/indefinite contracts and fixed term contracts (position at year end). Excludes employees with an absence of more than 30 days on the reference date (e.g. leave of absence, sick leave) or with a suspended contract.

a) Income Statement and Balance Sheet

i. Income Statement

INCOME STATEMENT — In thousand euros

	2021	2022	2022R	2023	Var. 23/22R %
Interest income	441,029	562,459	561,835	953,150	69.6%
Interest expense	-128,075	-194,035	-194,035	-203,671	5.0%
Net Interest Income	**312,954**	**368,424**	**367,800**	**749,479**	**103.8%**
Net fees and commissions	123,388	146,224	138,265	153,028	10.7%
Technical margin of insurance activity	66,252	144,534	88,329	90,529	2.5%
Core Net Operating Income	**502,593**	**659,182**	**594,395**	**993,036**	**67.1%**
Net trading income	62,974	-3,262	-14,725	28,528	n.a.
Other net operating income	4,295	-3,896	-6,867	-13,291	93.5%
Operating Income	**569,862**	**652,025**	**572,802**	**1,008,273**	**76.0%**
Operating Costs	-372,717	-400,912	-400,912	-421,208	5.1%
Staff expenses	-223,271	-236,440	-236,440	-249,484	5.5%
General administrative expenses	-115,732	-129,651	-129,651	-135,443	4.5%
Depreciation	-33,713	-34,821	-34,821	-36,282	4.2%
Gain / Loss on modification	-1,147	5,855	5,855	-2,139	n.a.
Provisions and impairments	2,152	-57,376	-57,385	-129,111	125.0%
Gain and (-) losses in other assets	1,275	3,765	3,765	-43,172	n.a.
Earnings before taxes	**199,425**	**203,357**	**124,124**	**412,643**	**232.4%**
Taxes	-40,489	-58,757	-36,109	-115,189	219.0%
Non-controlling interests	-159	-304	-244	-229	-5.9%
Net Income	**158,776**	**144,296**	**87,772**	**297,224**	**238.6%**

The Crédito Agrícola Group's net income in 2023 amounted to 297.2 million euros, corresponding to a return on equity of 13.1%, to which the positive performances of the Group's main components (banking, life and non-life insurance and asset management) contributed.

This year-on-year variation of 238.6% in net income was influenced by the 103.8% increase in net interest income to 749.5 million euros (+381.7 million euros compared to 2022), taking into account the evolution of Euribor rates and the positive impact on the income from the Group's securities portfolio and credit portfolio; the 10.7% increase in net fees and commissions to 153.0 million euros (+14.8 million euros compared to 2022), benefiting from the increase in customer transactions and account management; the increase of 43.3 million euros in net trading income, to 28.5 million euros (negative result of -14.7 million euros in 2022), and in the opposite direction, the increase in impairments and provisions, which rose in 2023 to 129.1 million euros (+71.7 million euros compared to 2022), resulting in a cost of credit risk of 0.77%; the 5.1% increase in operating costs to 421.2 million euros (+20.3 million euros compared to 2022), due to the negative variation of 6.4 million euros, compared to 2022, in other results, which amounted to -13.3 million euros in 2023; the year-on-year decrease of 46.9 million euros in gains and (-) losses in other assets, explained essentially by the implementation of haircuts based on the age of the property portfolio, in compliance with the guidelines set out in Banco de Portugal Circular Letter CC/2023/00000021; and the increase in Taxes, which amounted to 115.2 million euros in 2023, 219.0% more than in 2022 (+79.1 million euros).

Net Interest Income

NET INTEREST INCOME							BREAKDOWN OF THE EFFECTS		
In thousand euros	Dec-22 R			dez/23					
Variables	Average equity	Average rate (%)	Income / Costs	Average equity	Average rate (%)	Income / Costs	Volume effect	Price effect	12-Month variation
Loans and advances to customers	11,854,257	2.39%	283,453	12,020,405	4.68%	562,251	3,973	274,826	278,799
Securities and other investments[1]	11,761,520	0.95%	111,741	10,446,737	2.52%	263,315	-12,491	164,065	151,574
Financial assets	**23,615,777**	**1.67%**	**395,193**	**22,467,143**	**3.67%**	**825,566**	**-8,518**	**438,891**	**430,373**
Customer deposits	19,816,845	0.03%	5,952	20,200,740	0.25%	50,707	115	44,639	44,755
Funds of Central Banks and other liabilities[2]	1,965,682	1.09%	21,441	606,776	4.18%	25,380	-14,822	18,762	3,940
Financial liabilities	**21,782,527**	**0.13%**	**27,393**	**20,807,517**	**0.37%**	**76,087**	**-14,707**	**63,401**	**48,694**
Net interest income		**1.55%**	**367,800**		**3.31%**	**749,479**	**6,189**	**375,490**	**381,679**
Intermediation margin[3]		2.36%			4.43%				
Average Euribor rate (6 months)		0.672%			3.694%				
Average Euribor rate (12 months)		1.088%			3.868%				

1. Includes Cash balances, Investments in credit institutions and Investment in equity securities (share)
2. Funds of central banks, funds of other credit institutions and other subordinated debt
3. Average rate of loans and advances to customers - average rate of customer deposits

Net interest income amounted to 749.5 million euros in 2023, an increase of 381.7 million compared to the same period of the previous year (+103.8%), benefiting mainly from the evolution of reference rates and their positive impact on the main interest-generating assets, namely the Group's securities portfolio and credit portfolio.

Interest received on loans and advances to customers had a positive impact of 278.8 million euros on net interest income compared to the same period in the previous year, mainly due to the price effect (+274.8 million euros), which resulted in an increase in average interest rates from 2.39% in 2022 to 4.68% in 2023. The volume effect represented an increase of 4.0 million euros, due to the 1.6% increase in the Group's average loan portfolio. As far as interest on the securities and other investments portfolio is concerned, the evolution recorded (+151.6 million euros compared to 2022) also benefited from the price effect (+164.1 million euros), reflected in an increase in average interest rates from 0.95% in 2022 to 2.52% in 2023. The positive contribution of 111 million euros in interest and income (net of charges) from interest rate hedging derivatives compared to the same period in the previous year should be highlighted. The volume effect made a negative contribution due to the 11.2% reduction in the average portfolio of securities and other investments, taking into account the full repayment in November 2022 of all the funding operations with the Eurosystem (TLTRO III).

With regard to interest on customer deposits, the price effect prevailed over the volume effect, leading to an increase of 44.8 million euros in interest paid, due to the rise in average interest rates from 0.03% in 2022 to 0.25% in 2023. In the case of central bank resources and other liabilities, despite being more significant, the price effect was partially offset by the volume effect. Average interest rates increased from 1.09% in 2022 to 4.18% in 2023, but were offset by a 69.1% decrease in the average portfolio.

With reference to December 2023, the intermediation margin increased by 207 b.p. compared to the same period of the previous year, due to the rise in the Euribor rates used as a reference for interest rates on loans to Customers.

Net Fees and Commissions

NET FEES AND COMMISSIONS					In thousand euros	
	2021	2022	2022R	2023	Variation	
					Abs.	%
Loans and guarantees	49,176	56,361	56,361	60,156	3,795	6.7%
Means of payment	28,308	37,084	37,084	39,698	2,614	7.0%
Account maintenance	29,624	32,228	32,228	36,998	4,771	14.8%
Placement	7,383	8,294	8,294	8,032	-262	-3.2%
Other Commissions	8,896	12,257	4,298	8,142	3,844	89.4%
Total of net fees and commissions	**123,388**	**146,224**	**138,265**	**153,028**	**14,763**	**10.7%**

Net fees and commissions increased by 10.7% in 2023 compared to the same period in the previous year, driven by the continued increase in customer transactions and commissions for maintaining demand deposit accounts.

Fees and commissions associated with means of payment (including annuities and interbank fees in emission and acceptance) rose by 7.0%, or 2.6 million euros to 39.7 million euros, driven by the aforementioned increase in means of payment, transactions and the growth in the customer base.

GCA MEANS OF PAYMENT				In units	
	2021	2022	2023	Variation	
				Abs.	%
Payment terminals (APT)	35,710	38,388	42,442	4,054	10.6%
Debit cards	1,161,789	1,331,527	1,533,681	202,154	15.2%
Credit cards	195,404	204,804	220,828	16,024	7.8%
Total means of payment	**1,392,903**	**1,574,719**	**1,796,951**	**222,232**	**14.1%**

Fees and commissions for maintaining accounts (including demand deposit accounts, checks and transfers) rose by 4.8 million euros, or +14.8%, compared to 2022.

Fees and commissions related to loans and guarantees also rose by 3.8 million euros (+6.7% compared to 2022) to 55.6 million euros, in line with the positive evolution of the level of loans granted in the corporate segment.

Technical margin of insurance activity

In 2023, the technical margin of the insurance activity increased by 2.2 million euros to 90.5 million euros, compared to 88.3 million euros in 2022. The largest contribution comes from CA Seguros, which accounts for 70.7% of the total technical margin. The largest year-on-year increase was at CA Vida (+1.2 million euros, equivalent to an increase of 4.7%).

TECHNICAL MARGIN			In thousands of euros	
	2022R	2023	Variation	
			Abs.	%
Life business	25,353	26,557	1,203	4.7%
Non-Life business	62,976	63,973	997	1.6%
Total	**88,329**	**90,529**	**2,200**	**2.5%**

Net Trading Income

NET TRADING INCOME					In thousand euros	
	2021	2022	2022R	2023	Variation	
					Abs.	%
Dividend income	421	726	726	828	102	14.1%
Gains or losses on financial assets at amortised cost and FVTOCI	58,695	-3,904	-4,776	359	5,135	n.a.
Gains or losses on financial assets and liabilities held for trading	2,102	-400	-400	10,333	10,733	n.a.
Gains or losses on non-trading financial assets mandatorily at FVTPL	1,796	-3,080	-13,693	6,449	20,142	n.a.
Gains or losses on hedge accounting	-2,304	-697	-697	7,857	8,554	n.a.
Exchange rate differences	1,989	2,297	2,297	2,017	-280	-12.2%
Other profit or loss *	275	1,797	1,818	686	-1,132	-62%
Total net trading income	**62,974**	**-3,262**	**-14,725**	**28,528**	**43,254**	**n.a.**

(*) includes gains or losses with financial assets and liabilities designated at fair value through profit or loss and gains or losses on derecognition of non-financial assets.

Net trading income amounted to 28.5 million euros in 2023, representing an increase of 43.3 million euros compared to the -14.7 million euros recorded with reference to December 2022.

The variation in Net Trading Income is due to the 23.6 million euros increase in the results of financial instruments related to public debt, mainly public debt from foreign public issuers (+14.5 million euros), resulting from gains and capital gains on bonds accounted for at fair value through profit or loss. On the other hand, there was an increase in net gains on interest rate hedging derivatives (+13.1 million euros compared to 2022), due to the evolution of reference interest rates and the indexing of credit contracts.

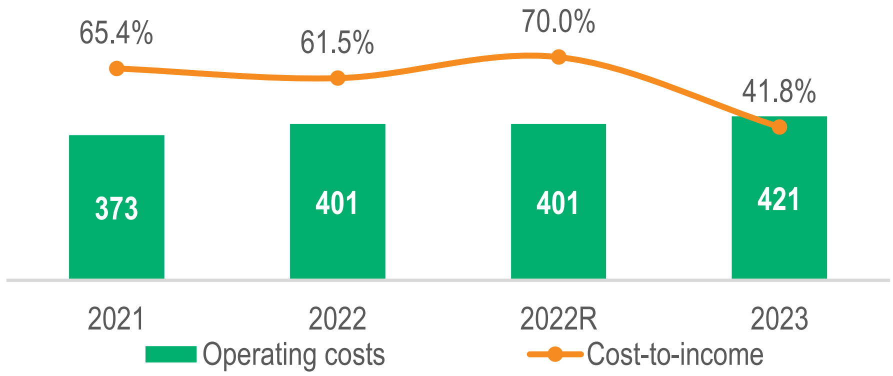
Operating Costs

OPERATING COSTS					In thousand euros	
	2021	2022	2022R	2023	Variation	
					Abs.	%
Operating expenses	-339,003	-366,091	-366,091	-384,927	18,836	5.1%
Staff expenses	-223,271	-236,440	-236,440	-249,484	13,044	5.5%
General administrative expenses	-115,732	-129,651	-129,651	-135,443	5,792	4.5%
Depreciation	-33,713	-34,821	-34,821	-36,282	1,460	4.2%
Operating costs	**-372,717**	**-400,912**	**-400,912**	**-421,208**	**20,296**	**5.1%**

Operating costs climbed by 5.1%, or 20.3 million euros, in 2023 in relation to the end of 2022, standing at 421.2 million euros. This increase was driven by the growth of operating expenses, namely due to the greater:

- staff expenses up 5.5%, or 13.0 million euros, compared to 2022, largely due to the impact of the 4.6% salary scale update for 2023 recognised in February 2023 and October 2023 (4.0% and 0.6%, respectively, with effect from the start of the year, on the Group's entire workforce) and the award of performance bonuses, which resulted in an increase of 9.7 million euros in employee remuneration and allowances and 0.3 million euros in compulsory social charges. In addition, there was an increase of 0.6 million euros in the cost of early retirement due to the increase in the number of early retirements in SICAM in 2023 compared to the same period of the previous year (27 with reference to December 2023 compared to 20 early retirements in the same period of the previous year); and
- general administrative expenses, whose growth of 4.5% in 2023 (+5.8 million euros compared to 2022) is mainly justified by the increase of 2.8 million euros in specialised services, of which 0.8 million euros in consultancy and fees, 1.1 million euros in information (partly related to the MREL issue carried out in the 3rd quarter of 2023) and 2.2 million euros in consultants and external auditors, mostly related to the continued effort to develop the offer, digitalisation, the increase in the level of activity and the response to legal requirements, partially offset by the decrease of 2.4 million euros in IT costs, namely data centre costs. At the same time, there were increases of 1.4 million euros in costs for the maintenance and repair of agencies in SICAM and 0.9 million euros in costs for advertising and publishing in advertising and publishing costs.

OPERATING COSTS (IN THOUSAND EUROS) AND COST-TO-INCOME RATIO



Therefore, and despite an increase in operating costs, the improvement in operating income during 2023 explains why the cost-to-income ratio shows a favourable evolution of 28.2 p.p., standing at 41.8%, compared to 70.0% in 2022 and 65.4% in 2021.

Evolution of CA Group employees

# of employees*

	2021	2022	2023
Associated Caixas Agrícolas	2,920	2,938	3,031
Caixa Central	606	627	665
CA Seguros	169	175	177
CA Serviços	139	143	160
CA Vida	50	54	54
FENACAM	28	29	20
CA Imóveis	6	8	5
CA Gest	10	10	9
CA Informática	5	6	15
Total	**3,933**	**3,990**	**4,136**

(*) The values refer to employees with open-ended/indefinite contracts and fixed term contracts (position at year end). Excludes employees with an absence of more than 30 days on the reference date (e.g. leave of absence, sick leave) or with a suspended contract.

The number of CA Group employees increased in 2023, with a net growth of 146 employees to 4,136, resulting from the increase of 93 employees at the Associated Caixas Agrícolas, 38 employees at Caixa Central and 26 at CA Serviços / CA Informática. Conversely, there was a reduction of 11 employees in the remaining CA Group companies, particularly FENACAM, which cut 9 employees from its structure, and CA Imóveis, which, as part of the CA Group's "Alvorada" organisational transformation project, transferred 6 employees to Caixa Central, specifically to the new "Real Estate Strategy and Management Office" (GEGI) structure, corresponding to a net reduction in the structure of 3 employees.

As far as FENACAM's evolution is concerned, this is due to the fact that GCA can no longer use the real estate appraisal services provided by FENACAM, either for properties given as collateral for credit operations, or for properties received in lieu of payment or its own premises, as specifically determined by Banco de Portugal. This is based on the regulator's understanding that FENACAM's Real Estate Appraisers are not independent under the provisions of the law, given that their governing bodies are composed of institutions that are members of GCA.

The increase in the number of employees at Caixa Central was mainly due to an increase of 7 employees assigned to control or similar functions (DA, DRG, DC, DAS, GTD) and 22 employees which moved from CA Serviços to Caixa Central within the scope of the "Alvorada" project, as follows: 7 to DCF (of which 3 internalizations of external employees), 7 to DDI (of which 5 internalizations of external employees), 3 to DLCS, 3 to DTA, 1 to DOC and 1 to DPEC. In the opposite direction, 7 employees from DDI were incorporated into CA Serviços, within the scope of moey!.

Provisions / Impairment levels

PROVISIONS / IMPAIRMENTS — In thousand euros

	2021	2022	2022R	2023	Variation Abs.	Variation %
Provisions	5,092	-10,095	-10,095	-15,817	5,722	56.7%
Credit impairment	-4,594	-43,972	-43,972	-93,333	49,362	112.3%
Impairment of investments in credit institutions	-40	-17	-17	18	35	n.a.
Impairment of other financial assets	3,123	-3,333	-3,354	1,408	4,762	n.a.
Impairment of non-financial assets	-1,430	40	52	-21,386	-21,438	n.a.
Total	**2,152**	**-57,376**	**-57,385**	**-129,111**	**71,725**	**125.0%**
Cost of Risk	**0.04%**	**0.45%**	**0.45%**	**0.77%**	**0.33 p.p.**	

During 2023, impairments and provisions for the period showed a net increase of 129.1 million euros, compared to an increase of 57.4 million euros in the previous year.

This year-on-year variation is essentially explained by the 93.3 million euros increase in net loan impairments, as a result of an increase in unlikely to pay or non-performing loans, particularly in the mortgage loan portfolio and, to a lesser extent, in the SME segment. As such, in 2023, the cost of credit risk stood at 0.77%, representing an increase of 0.33 p.p. compared to 0.45% in 2022.

Impairments on non-financial assets also increased by 21.4 million euros, mainly due to the increase in other assets due to credit recovery, as a result of the implementation of haircuts on the real estate portfolio based on their age.

Provisions for the year were also increased by 15.8 million euros, essentially as a result of the need to set up a provision to cover the recognition of early retirements starting on 1 January 2024.

ii. Balance sheet

BALANCE SHEET

In thousand euros

	2021	2022	2022R	2023	Variation Abs.	Variation %
Cash, cash balances at central banks and other demand deposits	3,971,092	1,356,383	1,356,383	1,615,303	258,920	19.1%
Financial assets held for trading	18,965	179,445	179,445	142,628	-36,816	-20.5%
Non-trading financial assets mandatorily at fair value through profit or loss	49,714	49,231	143,796	149,855	6,059	4.2%
Financial assets designated at fair value through profit or loss	10,111	3,755	0	0	0	n.a.
Financial assets stated at fair value through other comprehensive income	1,805,121	781,720	690,911	905,800	214,890	31.1%
Financial assets at amortised cost	18,946,839	20,631,058	20,663,435	20,867,887	204,451	1.0%
Of which: Securities	7,934,499	9,389,753	9,422,131	9,553,816	131,685	1.4%
Of which: Sovereign debt securities	6,840,746	7,283,081	7,295,437	7,356,912	61,475	0.8%
Of which: Loans and advances to customers (net)	11,393,399	11,632,342	11,632,342	11,669,332	36,990	0.3%
Loans and advances to customers (gross)	11,726,331	11,982,183	11,982,183	12,058,627	76,444	0.6%
Of which: Customer securitised debt (commercial paper)	403,886	420,128	420,128	388,041	-32,087	-7.6%
Accumulated Provisions / Impairment	-332,931	-349,841	-349,841	-389,295	39,454	11.3%
Derivatives - Hedge accounting	73,486	885,429	885,429	686,290	-199,139	-22.5%
Investments in subsidiaries, joint ventures and associates	2,494	2,830	2,830	3,041	212	7.5%
Tangible assets	271,493	247,439	247,439	248,344	905	0.4%
Intangible assets	105,460	109,229	109,229	103,873	-5,357	-4.9%
Tax assets	67,179	83,848	87,591	81,210	-6,381	-7.3%
Non-current assets and disposal groups classified as held for sale	310,830	260,079	260,079	7,488	-252,591	-97.1%
Other assets	368,736	304,309	354,034	490,322	136,288	38.5%
Total Assets	**26,001,520**	**24,894,754**	**24,980,600**	**25,302,041**	**321,441**	**1.3%**
Financial liabilities held for trading	387	5,216	5,216	9,872	4,656	89.3%
Financial liabilities measured at amortised cost	22,760,335	20,804,720	20,804,720	20,810,313	5,593	0.0%
Of which: Funds from Central Banks	3,006,053	28,204	28,204	18,122	-10,081	-35.7%
Of which: Customer Funds	19,235,721	20,397,970	20,397,970	20,003,560	-394,410	-1.9%
Of which: Debt securities issued	301,171	301,171	301,171	561,522	260,351	86.4%
Derivatives - Hedge accounting	126,448	27,415	27,415	97,297	69,882	254.9%
Provisions	745,721	823,463	41,143	50,336	9,193	22.3%
Tax liabilities	16,722	14,812	51,961	124,720	72,759	140.0%
Share capital repayable on demand	486	430	430	60	-371	-86.2%
Other liabilities	332,868	1,177,034	1,942,499	1,771,912	-170,587	-8.8%
Total Liabilities	**23,982,968**	**22,853,090**	**22,873,383**	**22,864,509**	**-8,874**	**0.0%**
Equity	2,018,552	2,041,664	2,107,217	2,437,532	330,315	15.7%
Total Equity + Liabilities	**26,001,520**	**24,894,754**	**24,980,600**	**25,302,041**	**321,441**	**1.3%**

As at 31 December 2023, net assets amounted to 25,302 million euros, an increase of 1.3%, or 321.4 million euros, compared to the end of 2022. This evolution primarily stems from the following effects:

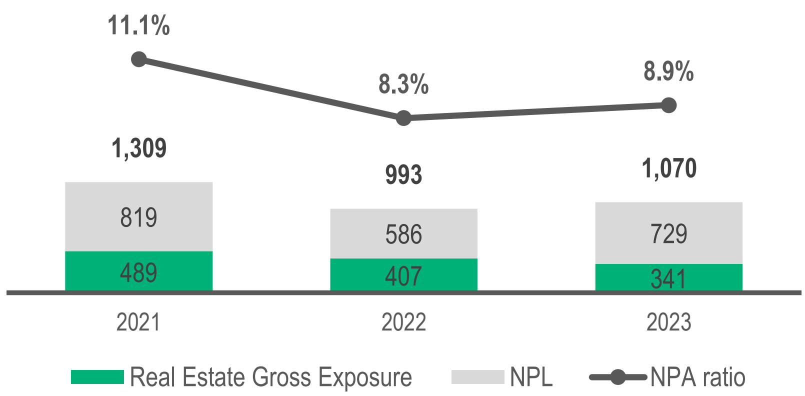
- an increase of 258.9 million euros in cash, cash balances at central banks and other demand deposits, essentially due to the increase in very short-term investments at Banco de Portugal (overnight deposits);
- growth of 214.9 million euros in the heading of “Financial assets at fair value through other comprehensive income”, mainly explained by the investment, over the course of 2023, in debt securities issued by peripheral eurozone countries;
- 204.5 million increase in financial assets at amortised cost, mostly due to debt securities (+131.7 million euros) and loans and advances to customers (+69.1 million euros, in loans and advances to customers excluding commercial paper);
- 136.3 million increase in other assets; offset by,
- a decrease of 199.1 million euros in the heading of derivatives – hedge accounting, due to the evolution of interest rates during 2023, which negatively affected the fair value of the Interest Rate Swaps (IRS), in order to hedge the interest rate risk of its banking portfolio;

- a decrease of 252.6 million euros in non-current assets and disposal groups classified as held for sale.

With regard to the evolution of the items of "Non-current assets and disposal groups classified as held for sale" and "Other assets", it should be noted that, with reference to October 2023, and in order to comply with the IFRS 5 accounting standard, the properties accounted for under the heading of "Non-current assets and disposal groups classified as held for sale" were transferred to the heading of "Other assets". In addition, there were net disposals of additions amounting to 25.4 million euros, as well as impairments amounting to 32.5 million euros.

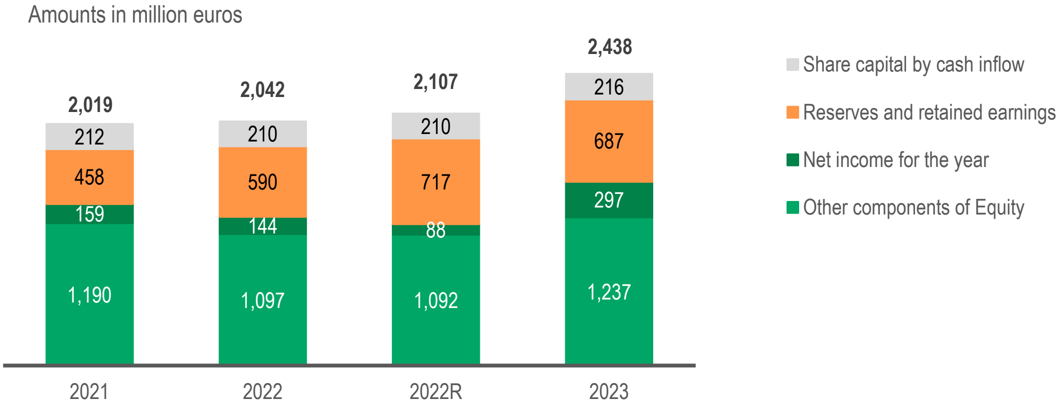
The Crédito Agrícola Group's exposure to Non-Performing Assets (NPA[8]) has been reduced significantly over the last few years, both in terms of NPLs, previously discussed in the section on the Quality of the Credit Portfolio (despite their increase of 143 million euros during 2023), and in terms of real estate held by the Group available for sale. In fact, at the end of 2023, exposure to these assets amounted to 341 million euros (a decrease of 66 million euros compared to the same period in the previous year) which, together with the 729 million euros of NPL portfolio, amounted to 1,070 million euros of NPA, equivalent to an NPA ratio of 8.9%, which compares with 8.3% at the end of 2022 and 11.1% at the end of 2021.

Evolution of Non-Performing Assets (NPA)



Total liabilities remained practically unchanged compared to the end of 2022, falling by 8.8 million euros to 22,864 million euros. The decrease in customer funds of 394.4 million euros, due to the trajectory of interest rates throughout the year, as well as customers opting for other savings alternatives during the first half, together with a decrease in other liabilities (-170.7 million euros), mainly due to the decrease in derivative counterparty deposits (margin call) as a result of the evolution of rates, were partially offset by the increase in debt securities issued (+260.4 million euros), due to the issuance of senior preferred debt amounting to 250 million euros at the beginning of the second half; as well as increases in derivatives – hedge accounting (+69.9 million euros compared to December 2022) and tax liabilities (+74.2 million euros).

[8] NPA ratio = (Gross Direct and Indirect Real Estate Exposure + Gross NPL) / (Credit Exposure + Gross Direct and Indirect Real Estate Exposure)



The Crédito Agrícola Group's consolidated equity amounted to 2,438 million euros at the end of 2023, which corresponds to an increase of 15.7%, or 330.3 million euros. This variation is mainly explained by the net income for the year, with the aforementioned favourable evolution of 209 million euros compared to the previous year. At the same time, there was an increase of 79 million euros in paid up capital due to the incorporation of reserves, the positive impact of 41 million euros compared to 2022 in the change in the fair value of debt instruments measured at fair value through other comprehensive income, of which 35 million euros were recorded in the last quarter of the year, as well as the increase in other reserves (+25 million euros), resulting from the appropriation of the net income for 2022 and the payment of dividends.

b) Capital

SOLVENCY - CRÉDITO AGRÍCOLA GROUP

In million euros, except %

	Dec-21	Dec-22	Dec-23	Δ 23/22
Total Own Funds[a]	**1,937**	**1,950**	**2,359**	**20.9%**
Common Equity Tier 1	1,937	1,950	2,359	20.9%
Tier 1	1,937	1,950	2,359	20.9%
Tier 2	0	0	0	0.0%
Exposure value [b]	**26,131**	**24,464**	**24,207**	**-1.1%**
Risk weighted exposure amounts	**10,095**	**9,798**	**10,569**	**7.9%**
Credit	9,148	8,787	9,256	5.3%
Market	0	4	0	-100.0%
Operational	928	979	1,288	31.6%
Credit Valuation Adjustment (CVA)	19	28	25	-9.7%
Solvency Ratios [c]				
Common equity tier 1	19.2%	19.9%	22.3%	2.41 p.p.
Tier 1	19.2%	19.9%	22.3%	2.41 p.p.
Total	19.2%	19.9%	22.3%	2.41 p.p.
Leverage Ratio	8.0%	7.6%	9.6%	2.03 p.p.

(a) Incorporates net income for the period.

(b) Includes on-balance sheet and off-balance sheet positions and derivatives, net of impairment.

(c) The ratios are calculated pursuant to the rules set in Directive 2013/36/EU (CRD IV - Capital Requirements Directive) and Regulation (EU) 575/2013 (CRR - Capital Requirements Regulation).

The Crédito Agrícola Group’s total own funds, calculated in conformity with the prudential requirements under Regulation (EU) 575/2013 of 26 June 2013, including net income for the period, stood at 2,359 million euros as at 31 December 2023, the same value as Common Equity Tier 1 (CET1), representing an increase of 20.9%, or 408.3 million euros, in relation to the end of 2022. The difference with regard to the Group’s equity is justified, essentially, by the deductions related to intangible assets (-63.4 million euros) and the insufficient NPL coverage within the

At the end of 2023, there was an increase of 7.9%, or 772.2 million euros, in the risk weighted exposure amount to 10,569 million euros, compared to 9,798 million euros at the end of 2022. The increase compared to the same period of the previous year is explained by the greater credit risk position, which increased by 469.7 million euros (+5.3%) compared to the previous year, as well as the exposure to operational risk, which showed an increase compared to 2022, rising by 31.6%, or 309.1 million euros, to 1,288 million euros. The position for credit valuation adjustment (CVA) was set at 25 million euros at the end of 2023.

At the end of 2023, the Crédito Agrícola Group's total capital ratio stood at 22.3%, the same value as the core tier 1 own funds ratio, both including net income for the year, thus comfortably complying with the prudential requirements regarding the level of own funds, to be respected at all times, in accordance with Article 92(1) of Regulation (EU) 575/2013.

The Group's leverage ratio, including net income for the period, reached 9.6% at the end of 2023, representing an increase of 2.0 p.p. in relation to the 7.6% observed in 2022.

c) MREL

The CA Group is obliged to comply with the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) requirements under the European Banking Resolution Directive (BRRD2).

As determined by the National Resolution Authority, as of 1 January 2024, the CA Group would have to hold an amount of own funds and eligible liabilities equivalent to 22.53% of the total risk exposure amounts (TREA). Including the combined buffer requirement (CBR) of 2.50%, as well as the O-SII requirement (CBR) of 0.25% (in force since 1 June 2023), the total MREL TREA+CBR requirement to be met by the CA Group, in force as of 1 January 2024, stood at 25.28%. In addition, the MREL LRE requirement (total exposure measure) would be 5.92%.

In order to ensure compliance with its MREL requirements, the CA Group has incorporated the net income generated in recent years into its own funds, as well as issuing preferred bonds, the total amount of which currently stands at 550 million euros, through the following issues, with a settlement date:

- in November 2021, amounting to 300 million euros;
- in July 2023, of 200 million euros, which was complemented by a tap issue of 50 million euros, completed in August 2023.

MREL Requirements and Ratios — In million euros and %

	2021	2022	2023	Variation Abs.	Variation %
Total Own Funds[1]	1,937	1,950	2,359	408	20.9%
Preferred Senior Debt	300	300	550	250	83.3%
Liabilities eligible for MREL	**2,237**	**2,250**	**2,909**	**658**	**29.3%**
MREL TREA ratio+CBR %	22.16%	22.97%	27.52%	4.55 p.p.	
MREL TREA requirement+CBR % as at 1 January 2024 [2]	25.28%	25.28%	25.28%	n.a.	
Difference to the requirement	-3.12 p.p.	-2.31 p.p.	2.24 p.p.	4.55 p.p.	
MREL Ratio LRE%	10.09%	8.78%	11.90%	3.11 p.p.	
MREL requirement LRE % as at 1 January 2024	5.92%	5.92%	5.92%	n.a.	
Difference to the requirement	4.17 p.p.	2.86 p.p.	5.98 p.p.	3.11 p.p.	

1) Total Own Funds includes Net Income for the Year

2) MREL TREA + CBR requirement disclosed by the Resolution Authority in communication CEX/2023/0000093524 of 23 August 2023, added the O-SII (CBR) requirement of 0.25% disclosed by Banco de Portugal in communication CEX/2022/10001033374, in force since 1 June 2023.

Thus, at the end of 2023, the CA Group met its requirements, effective as of 1 January 2024, with an MREL TREA+CBR ratio of 27.52% (2.24 p.p. above the requirement) and an MREL TREA ratio of 11.90% (5.98 p.p. above the requirement), considering the result generated in the year.

5.1.2. Banking Business – SICAM

KEY INDICATORS - SICAM

In million euros, except %

	2021 Dec.	2022 Dec.	2023 Dec.
BALANCE SHEET			
Total net assets	25,278	24,118	24,393
Total Loans and advances portfolio (gross) to customers [1]	11,813	12,077	12,137
of which: Loans and advances to companies and public administration (gross) [1]	7,416	7,619	7,868
Total loans and advances to customers (net)	11,480	11,727	11,747
Total liabilities	23,296	22,056	22,031
Total customer funds	21,177	22,468	22,235
of which deposits	19,354	20,470	20,074
of which capitalisation funds and insurance [2]	1,824	1,998	2,161
Funds of other credit institutions and ECB	3,223	106	245
Accumulated impairment and provisions	411	417	488
of which: Accumulated impairment of credit	333	350	389
Equity	1,982	2,063	2,362
RESULTS			
Net interest income	305	360	742
Net fees and commissions	163	186	202
Core net operating Income	468	546	944
Net trading income	49	-6	8
Other net operating income	11	5	4
Operating income	528	546	956
Operating costs	-349	-379	-401
Impairment and provisions for the period	3	-44	-138
Net income	143	98.1	288
EFFICIENCY AND PROFITABILITY RATIOS			
Cost-to-income	66.2%	69.5%	42.0%
Core cost-to-income	74.6%	69.4%	42.5%
Return on assets (ROA)	0.6%	0.4%	1.2%
Return on equity (ROE)	7.5%	4.9%	13.0%
OTHER INDICATORS			
Loan-to-deposit ratio [3]	59.3%	57.3%	58.5%
# of employees [4]	3,526	3,565	3,696
# of bank branches	624	617	618
# Associated Caixas Agrícolas	75	71	68

(1) Includes Customer debt instruments (commercial paper operations).

(2) The amounts refer exclusively to SICAM institutions, excluding FIM (Group Companies).

(3) Ratio calculated in accordance with BdP Instruction 23/2012, determined by the ratio between net loans and advances to customers and customer deposits.

(4) The values refer to employees with open-ended/indefinite contracts and fixed term contracts (position at year end). Excludes employees with an absence of more than 30 days on the reference date (e.g. leave of absence, sick leave) or with a suspended contract.

Crédito Agrícola's banking business (SICAM) showed a net income of 287.9 million euros in 2023, corresponding to an increase of 193.4% compared to the 98.1 million euros recorded in 2022. The favourable deviation from the amount of the previous year was mainly due to the 381.9 million euro increase in net interest income (+106.0%), due to the growth in net interest on the securities portfolio and interest on loans to customers. The resulting increase in operating income (+410.2 million euros, equivalent to +75.1%), to which the increase of 15.5 million euros in net fees and commissions and 15.7 million euros in net trading income also contributed, enabled offsetting the increase in the recognition of provisions and impairments amounting to 94.2 million euros, of which 49.4 million euros was due to the increase in credit impairments. In addition, the operating income obtained in 2023 made it possible to accommodate losses of 17.2 million euros on other assets. The decrease of 22.6 million euros in the gains and (-) losses in other assets compared to the previous year is essentially due to the implementation of haircuts, amounting to 19.4 million euros, based on the age of the property portfolio, in compliance with the guidelines set out in Banco de Portugal Circular Letter CC/2023/00000021.

SICAM's total assets at the end of 2023 amounted to 24,393 million euros, representing an increase of 1.1%, or 274 million euros, compared to the end of 2022. This evolution was primarily driven by the following effects:

- an increase of 259 million euros in cash and cash equivalents and investments in Central Banks and CIUs, due essentially to the increase in very short-term investments with Banco de Portugal; and
- an increase of 20 million euros in net loans and advances to customers, due to growth in the gross loan portfolio of 60 million euros, with a greater predominance in the enterprise segment, which recorded an increase of 249 million euros, compared to the previous year,
- the 96 million euro decrease in the other assets portfolio, which was due to the implementation of Banco de Portugal's guidelines for applying haircuts to the gross book value of properties originating from loan recoveries, depending on the age of the properties on the balance sheet.

At the end of 2023, total liabilities fell by 25 million euros to 22,031 million euros, driven above all by the reduction in customer funding (-396 million euros compared to 2022), which occurred mainly in the 1st half of 2023, essentially explained by the outflow of deposits to substitute savings products with higher remuneration (i.e. savings certificates). In the 2nd half of 2023, the gradual increase in the remuneration of term deposits in the Portuguese banking sector as a whole, the end of the "E series" savings certificates in June 2023, which resulted in a net decrease in customer funds of around 600 million euros in the 1st half of 2023, and the launch of the "F series" savings certificates with a lower interest rate, resulted in the transfer of liquidity to customer deposit products, albeit at lower levels than in 2022.

In contrast to the reduction in the customer funds portfolio, MREL-eligible liabilities increased by 260 million euros, due to the new issue of MREL-eligible debt in the third quarter of 2023, amounting to 250 million euros and the associated accrued interest, with the remaining amount corresponding to the accrued interest on the new issue (payable in July 2024).

5.1.3. Banking Business excluding Caixa Central

KEY INDICATORS - CCAM

In million euros, except %

	Dec. 2021	Dec. 2022	Dec. 2023	Var. % 22/23
BALANCE SHEET				
Total net assets	20,190	21,902	21,961	0.3%
Total Loans and advances portfolio (gross) to customers [1]	10,047	10,332	10,452	1.2%
Total loans and advances to customers (net)	9,762	10,032	10,106	0.7%
Total liabilities	18,457	20,087	19,900	-0.9%
Customer deposits	18,184	19,615	19,367	-1.3%
Funds of other credit institutions and ECB	52	263	232	-11.7%
Accumulated impairment and provisions	358	358	429	19.7%
of which: Accumulated impairment of credit	286	299	345	15.5%
Equity	1,733	1,815	2,061	13.6%
RESULTS				
Net interest income	261	282	598	112.1%
Net fees and commissions	155	174	187	7.7%
Core net operating Income	416	455	785	72.3%
Net trading income	9	-1	9	n.a.
Other net operating income	12	15	7	-52.3%
Operating income	437	469	801	70.7%
Operating costs	-305	-327	-344	5.2%
Impairment and provisions for the period	-9	-38	-124	229.8%
Net income	97	87	242	179.5%
EFFICIENCY AND PROFITABILITY RATIOS				
Cost-to-income	69.9%	69.7%	43.0%	-26.7 p.p.
Core cost-to-income	73.3%	71.8%	43.9%	-28.0 p.p.
Return on assets (ROA)	0.5%	0.4%	1.1%	0.7 p.p.
Return on equity (ROE)	5.7%	4.9%	12.5%	7.6 p.p.
OTHER INDICATORS				
Loan-to-deposit ratio [2]	53.7%	51.1%	52.2%	1.0 p.p.
# of employees [3]	2,920	2,938	3,031	3.2%
# of bank branches	613	606	607	0.2%

(1) Includes Customer debt instruments (commercial paper operations).

(2) Ratio calculated in accordance with BdP Instruction 23/2012, determined by the ratio between net loans and advances to customers and customer deposits.

(3) The values refer to employees with open-ended/indefinite contracts and fixed term contracts (position at year end). Excludes employees with an absence of more than 30 days on the reference date (e.g. leave of absence, sick leave) or with a suspended contract.

The net income of the 68 Associated Caixas de Crédito Agrícola Mútuo, in 2023, recorded a positive evolution of 179.5% to stand at 241.8 million euros, compared to 86.5 million euros for the previous year. The increase in net income is mainly explained by the increase in operating income (+331.6 million euros, equivalent to +70.7%), broken down into +316.0 million euros in net interest income, +13.4 million euros of net fees and commissions and +9.9 million euros of net trading income. On the other hand, operating costs increased by 5.2% to 344.2 million euros (+17.1 million euros year-on-year) and net impairments of loans and other assets due to loan recoveries increased by 185.2% to 110.4 million euros (+71.7 million euros year-on-year), including the losses resulting from the implementation of haircuts, based on age, on the real estate portfolio, in compliance with the guidelines set out in Banco de Portugal Circular Letter CC/2023/00000021.

The balance sheet structure of the Associated Caixas is in 2023 showed total assets amounting to 21,961 million euros, an increase of 0.3% (+59 million euros) compared to the end of 2022, due to: (i) an increase of 74 million euros in net loans and advances to customers compared to the same period in the previous year, reflecting the 120 million euros increase in the gross loans and advances to customers portfolio; and (ii) a decrease of 43 million euros in cash and cash equivalents at other credit institutions, namely related to the 248 million euros reduction in customer funds raised as a result of the transfer of liquidity from deposit products to savings certificates, mainly in the first half of 2023.

Total liabilities decreased by 0.9%, from 20,087 million euros in 2022 to 19,900 million in 2023, influenced essentially by the decline in customer funds by 1.3% (-248 million euros) to 19,367 million euros.

The Associated Caixas' equity grew by 13.6% in 2023, equivalent to 246 million euros, reaching 2,061 million euros, compared to 1,815 million euros in 2022. The net income of 242 million euros contributed to this, as did the growth in paid up capital (+79 million euros, equivalent to +5.8%), mainly due to the incorporation of reserves. Although the amount of capital securities contributed in cash increased compared to the previous year, there was a reduction in the number of Members in 2023.

5.1.4. Caixa Central business

KEY INDICATORS - CAIXA CENTRAL

In million euros, except %

	Dec. 2021	Dec. 2022	Dec. 2023	Var. % 22/23
BALANCE SHEET				
Total net assets	13,870	12,707	12,882	1.4%
Total Loans and advances portfolio (gross) to customers [1]	1,766	1,745	1,685	-3.5%
of which: Loans and advances to companies and public administration (gross) [1]	1,387	1,367	1,330	-2.7%
Total loans and advances to customers (net)	1,718	1,695	1,643	-3.1%
Total customer funds	1,321	956	823	-13.9%
Off-balance sheet customers funds	94	102	117	14.2%
Funds of Caixas Agrícolas	8,455	9,915	9,863	-0.5%
Equity	416	524	588	12.3%
RESULTS				
Net interest income	36	85	143	67.7%
Net fees and commissions	8	10	12	16.9%
Core net operating Income	44	95	154	62.5%
Net trading income	44	-5	3	n.a.
Other net operating income	0	-8	-1	-85.1%
Operating income	88	82	156	90.0%
Operating costs	-44	-49	-53	8.6%
Impairment and provisions for the period	11	-5	-9	61.0%
Net income	43	22	66	196.6%
EFFICIENCY AND PROFITABILITY RATIOS				
Cost-to-income	49.9%	59.0%	33.7%	-25.3 p.p.
Core cost-to-income	100.7%	51.2%	34.2%	-17.0 p.p.
Return on assets (ROA)	0.3%	0.2%	0.5%	0.3 p.p.
Return on equity (ROE)	10.7%	4.8%	11.9%	7.2 p.p.
CAPITAL AND LIQUIDITY RATIOS				
Common equity tier 1 ratio [2]	18.2%	18.8%	20.7%	1.9 p.p.
Total capital ratio [2]	18.2%	23.3%	24.9%	1.7 p.p.
Leverage ratio	3.9%	4.1%	4.7%	0.6 p.p.
Loan-to-deposit ratio [3]	130.1%	177.3%	199.7%	22.3 p.p.
Liquidity coverage ratio (LCR)	505.7%	616.8%	664.8%	47.9 p.p.
Net stable funding ratio (NSFR)	148.3%	156.5%	169.7%	13.3 p.p.
ASSET QUALITY RATIOS				
NPL Ratio [4]	4.7%	4.1%	4.1%	0.0 p.p.
NPL coverage by NPL impairments	41.9%	44.5%	37.5%	-7.1 p.p.
NPL coverage by NPL impairments and collaterals [5]	151.5%	198.7%	132.4%	-66.3 p.p.
NPL coverage by NPL impairments and collaterals (FINREP) [5,6]	91.5%	98.5%	89.8%	-8.6 p.p.
Texas ratio [7]	16.0%	13.1%	12.8%	-0.3 p.p.
Cost of risk	-0.14%	0.28%	-0.05%	-0.3 p.p.
OTHER INDICATORS				
# of employees [8]	606	627	665	6.1%
# of bank branches	11	11	11	0.0%

(1) Includes Customer debt instruments (commercial paper operations).

(2) The ratio does not incorporate net income for the period.

(3) Ratio calculated in accordance with BdP Instruction 23/2012, determined by the ratio between net loans and advances to customers and customer deposits.

(4) Ratio calculated according to BdP Instruction 20/2019.

(5) Applying haircuts and recovery costs.

(6) Coverage limited to exposure of each contract.

(7) Determined by: NPL / (Tangible equity + Stock of impairments).

(8) The values refer to employees with open-ended/indefinite contracts and fixed term contracts (position at year end). Excludes employees with an absence of more than 30 days on the reference date (e.g. leave of absence, sick leave) or with a suspended contract.

5.1.4.1. Income Statement

INCOME STATEMENT					In thousand euros
	2021	2022	2023	Variation	
				Abs.	%
Interest and similar income	185,557	230,762	432,078	201,316	87.2%
Interest and similar costs	-149,790	-145,684	-289,378	-143,695	-98.6%
Net Interest Income	35,767	85,078	142,700	57,622	67.7%
Net fees and commissions	8,022	9,851	11,513	1,662	16.9%
Net trading income	44,433	-4,853	3,408	8,261	n.a.
Other net operating income	185	-7,716	-1,148	6,568	85.1%
Operating Income	88,407	82,360	156,472	74,113	90.0%
Operating costs	-44,098	-48,597	-52,777	-4,180	-8.6%
Staff expenses	-17,098	-18,473	-17,924	549	3.0%
General administrative expenses	-23,705	-26,944	-31,511	-4,567	-17.0%
Depreciation	-3,295	-3,181	-3,342	-161	-5.1%
Gain / Loss on modification	-8	811	207	-603	-74.4%
Provisions and impairments	10,803	-5,364	-8,638	-3,274	-61.0%
Gain and (-) losses in other assets	-149	69	-555	-624	n.a.
Earnings before taxes	54,955	29,278	94,709	65,431	223.5%
Taxes, after correction and deferred	-12,186	-6,935	-28,438	-21,503	-310.0%
Net Income	42,769	22,343	66,271	43,929	196.6%

Caixa Central's net income amounted to 66.3 million euros in 2023, a year-on-year increase of 43.9 million euros or 196.6%. This evolution reflects a combination of effects, such as (i) the positive variation of 57.6 million euros in net interest income (+67.7%); (ii) the increase of 8.3 million euros in net trading income; (iii) the increase of 4.2 million euros in operating costs; (iv) the reversal of 0.9 million euros in net credit impairments (which is a decrease of 5.7 million euros compared to the increase in credit impairments recorded in 2022); and (v) the increase of 21.5 million euros in the tax charge to 28.4 million euros.

a) Net Interest Income

The net interest income of Caixa Central increased by 67.7% (57.6 million euros) in relation to 2022, to stand at 142.7 million euros in 2023, moving from 0.69% to 1.13%. This variation was due to the following factors:

- 161.0 million euros increase in interest on securities and other investments compared to 2022, due to the 1.62 p.p. increase in the average interest rate on the asset portfolio, net of amortizations, including interest received from interest rate hedging swaps, leading to a favourable price effect of +163.9 million euros, partially offset by the adverse volume effect of 2.9 million euros, related to the decrease in funding sources, mainly customer funds and funds from Central Banks and other liabilities;

- increase of the interest on loans granted to customers of 37.5 million euros primarily derived from the price effect, of 38.3 million euros, reflecting the impact of the 2.23 p.p. increase in the average interest rate of the portfolio of loans to customers;
- an increase of 108.4 million euros in interest on deposits paid to the Associated Caixas de Crédito Agrícola Mútuo by Caixa Central compared to 2022, mainly due to the price effect (+106.1 million euros), notwithstanding the increase in the volume of member banks' deposits (+2.3 million euros), both over the course of 2023; and
- an increase of 29.5 million euros in costs associated with central bank resources and other liabilities, of which the price effect (+26.7 million euros) shows the consequent impact of the 4.48 p.p. increase in the average interest rate. The total increase in charges can be broken down mainly into the following factors: (i) +24.6 million euros in interest paid on margin call resources; (ii) +10.7 million euros in interest on MREL-eligible liabilities, such as the bond issuances carried out in 2021 and 2023; and (iii) +7.6 million euros in interest on hedging derivatives resulting from the rise in interest rates.

NET INTEREST INCOME | **BREAKDOWN OF THE EFFECTS**

In thousand euros	**2021**		**2022**			**2023**				
Variables	**Income / Costs**	**Average equity**	**Average rate (%)**	**Income / Costs**	**Average equity**	**Average rate (%)**	**Income / Costs**	**Volume effect**	**Price effect**	**12-month variation**
Loans and advances to customers	32,231	1,755,468	1.99%	34,925	1,715,455	4.22%	72,424	-796	38,296	37,500
Securities and other investments[1]	23,462	10,522,741	0.73%	76,964	10,124,388	2.35%	237,936	-2,914	163,886	160,972
Financial assets	**55,693**	**12,278,209**	**0.91%**	**111,889**	**11,839,843**	**2.62%**	**310,361**	**-3,710**	**202,182**	**198,472**
Customer deposits	510	1,039,840	0.04%	461	779,739	0.43%	3,330	-115	2,985	2,869
Deposits of Associated Caixas	35,561	9,185,179	0.33%	30,399	9,888,964	1.40%	138,842	2,329	106,113	108,443
Funds of Central Banks and other liabilities[2]	-16,145	1,931,564	-0.21%	-4,050	596,622	4.27%	25,489	2,799	26,740	29,538
Financial liabilities	**19,926**	**12,156,582**	**0.22%**	**26,811**	**11,265,325**	**1.49%**	**167,661**	**5,013**	**135,838**	**140,850**
Net interest income	**35,767**		**0.69%**	**85,078**		**1.13%**	**142,700**	**-8,722**	**66,344**	**57,622**
Intermediation margin[3]			1.95%			3.79%				
Average Euribor rate (6 months) of the last 12 months			0.672%			3.694%				
Average Euribor rate (12 months) of the last 12 months			1.088%			3.868%				

1. Includes Cash balances, Investments in credit institutions and Investment in equity securities (share)
2. Funds of central banks, funds of other credit institutions and other subordinated debt
3. Average rate of loans and advances to customers - average rate of customer deposits

b) Net Fees and Commissions

Net Fees and Commissions increased by 16.9% in 2023, corresponding to an increase of 1.7 million euros in relation to 2022, as a result of the increased fees and commissions received in the amount of 4.9 million euros, which was higher than the increase observed in the fees and commissions paid, of 3.2 million euros.

The main types of commissions that contributed favourably to the performance described above were commissions relating to credit operations and guarantees (+1.6 million euros), with commissions relating to accounts (+0.1 million euros). Conversely, placement and marketing commissions fell (-0.3 million euros) and there was an increase in means of payment costs (-1.0 million euros), namely -2.0 million in net interbank fees and commissions.

COMMISSIONS					In thousand euros
	2021	2022	2023	Variation Abs.	Variation %
Credit and guarantees	8,007	10,308	11,948	1,640	15.9%
Placement	2,819	3,494	3,155	-340	-9.7%
Account maintenance	1,749	2,107	2,242	135	6.4%
Transfer and cards	-2,392	-3,338	-4,498	-1,159	-34.7%
Other commissions	2,161	2,721	1,334	-1,386	-51.0%
Total of net fees and commissions	8,022	9,851	11,513	1,662	16.9%

c) Net Trading Income

Net trading income amounted to 3.4 million euros in 2023, 8.3 million more than the loss of 4.9 million euros recorded in 2022.

The main reasons for the improvement in net trading income are the 8.6 million euro increase in the results of interest rate hedge accounting and the reduction of 1.5 million euros in losses recorded on non-trading financial assets that must be accounted for at fair value through profit or loss. Even so, losses of 14.8 million euros were recorded in the valuation of real estate investment fund units, mostly due to the devaluation of the participation units held in the fund CA Imobiliário, after the change of the managing entity (in 31 January 2023, from Square AM SGOIC, SA to Crédito Agrícola Gest, SGOIC, SA).

NET TRADING INCOME					In thousand euros
	2021	2022	2023	Variation Abs.	Variation %
Dividend income	250	258	204	-54	-21.0%
Gains or losses on financial assets at amortised cost and FVTOCI	47,618	338	118	-220	-65.0%
Gains or losses on financial assets and liabilities held for trading	3,553	6,750	5,873	-877	-13.0%
Gains or losses on non-trading financial assets mandatorily at FVTPL	-6,338	-13,853	-12,402	1,451	10.5%
Gains or losses on hedge accounting	-2,304	-697	7,857	8,554	n.a.
Exchange rate differences	1,673	1,947	1,733	-214	-11.0%
Gains or losses from financial assets and liabilities stated at FVTPL	-19	404	25	-380	-93.9%
Total net trading income	44,433	-4,853	3,408	8,261	n.a.

d) Operating Costs

Operating costs increased 8.6% (4.2 million euros) in 2023 to 52.8 million euros.

Caixa Central’s staff expenses fell by 3.0% (quantified at -0.5 million euros) in 2023, considering the greater allocation of resources to SICAM’s shared services. Despite the impact of the 4.6% increase in the salary scale for 2023, recognised in February 2023 and October 2023 (4.0% and 0.6%, respectively, with effect from the beginning of the year), the extraordinary support of €500 for all Caixa Central employees to mitigate the effects of the rise in inflation and loss of purchasing power that had occurred in the 4th quarter of 2022, did not take place in 2023. In addition, there was a reduction of 0.3 million euros in pension fund charges.

The main contribution to the 4.2 million euro increase in operating costs came from general administrative expenses, which increased by 4.6 million euros (+17.0%) compared to 2022, mainly due to: (i) an increase in the cost of specialised services (+2.8 million euros), namely external consultants and auditors (+2.1 million euros) and information services, the latter related to the cost of corporate rating information services and MREL bonds issued (+0.3 million euros); and (ii) an increase in the cost of shared business support and technology services provided by CA Serviços to Caixa Central (+2.2 million euros).

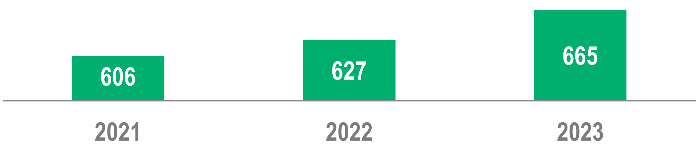
Despite the 8.6% increase in operating costs, as mentioned above, operating income increased by 90.0%. Due to the combination of these effects, the cost-to-income ratio reversed the worsening trend seen from 2020 to 2022, falling by 25.3 p.p. to 33.7% in 2023.

OPERATING COSTS — In thousand euros

	2021	2022	2023	Variation	
				Abs.	%
Operating expenses	40,803	45,416	49,435	4,019	8.8%
Staff expenses	17,098	18,473	17,924	-549	-3.0%
General administrative expenses	23,705	26,944	31,511	4,567	17.0%
Depreciation	3,295	3,181	3,342	161	5.1%
Operating costs	44,098	48,597	52,777	4,180	8.6%
Cost-to-income	49.9%	59.0%	33.7%	-25.28 p.p	

e) Evolution of Staff at Caixa Central[9]

EVOLUTION OF THE NUMBER OF EMPLOYEES AT CAIXA CENTRAL



In 2023, there was a net increase of 38 employees at Caixa Central and the increase was due to 7 employees assigned to control or similar functions (DA, DRG, DC, DAS, GTD), 5 employees to reinforce the accounting and tax areas and 22 who moved from CA Serviços to Caixa Central within the scope of the "Alvorada" project, as follows: 7 at DCF (of which 3 internalizations of external employees), 7 at DDI (of which 5 internalizations of external

[9] The values refer to employees with open-ended/indefinite contracts and fixed term contracts (position at year end). Excludes employees with an absence of more than 30 days on the reference date (e.g. leave of absence, sick leave) or with a suspended contract.

employees), 3 at DLSC, 3 at DTA, 1 at DOC and 1 at DPEC. In the opposite direction, 7 DDI employees were incorporated into CA Serviços, within the scope of moey!.

Of the total number of Caixa Central employees, 98.9% have permanent contracts, an increase of 0.04 p.p. compared to the same period in the previous year, and 24 are allocated to organic structure units dedicated to common services within the internal control system or the Group's shared services, with the remainder exclusively dedicated to carrying out functions within Caixa Central.

f) Impairment and Provisions

In 2023, net provisions and impairments of 8.6 million euros were recognised, which represents an increase of 3.3 million euros on the 5.4 million euros of net impairments recorded in 2022. This evolution is due to the following effects:

- an increase in provisions for the year of 10.4 million euros (+9.5 million euros compared to the previous year), essentially due to the creation, in December 2023, of a provision of 7.3 million euros to cover the recognition of charges with early retirements starting on 1 January 2024;
- reversal of loan impairments, in the amount of 0.9 million euros, contrasting with the constitution of an amount of 4.9 million euros that occurred in 2022;
- reversal of impairments on other financial assets amounting to 1.1 million euros, mainly sovereign debt securities, domestic and foreign public issuers, of 1.5 million euros, which compares with the constitution in 2022, which amounted to 2.9 million euros.
- an increase in impairments of non-financial assets of 0.1 million euros (+3.4 million euros compared to the previous year), due to the reversal, in 2022, of impairments of 3.3 million euros, recorded in 2021, related to the financial stake held in CA SGPS.

PROVISIONS AND IMPAIRMENTS — **In thousand euros**

	2021	2022	2023	Variation	
				Abs.	%
Provisions	-8,447	903	10,427	9,524	1054.5%
Credit impairment	-2,551	4,861	-874	-5,736	n.a.
Impairment of investments in credit institutions	40	17	18	1	5.9%
Impairment of other financial assets	-3,101	2,898	-1,051	-3,949	n.a.
Impairment of non-financial assets	3,257	-3,315	119	3,434	n.a.
Total	-10,803	5,364	8,638	3,274	61.0%
Cost of risk (*)	-0.14%	0.28%	-0.05%	-0.33 p.p	

(*) Cost of risk = Credit impairment / Gross loans to Customers (end of period)

In 2023, the cost of risk fell to -0.05%, which represents a reduction of 0.33 p.p. compared to 2022, reflecting the updating of the more favourable macroeconomic scenarios associated with forward looking, as well as the maintenance of non-performing loans/non-performing loans, in absolute and relative terms, which was reflected in the reversal of credit impairments.

5.1.4.2. Balance Sheet Structure

At the end of 2023, the total assets of Caixa Central stood at 12,882 million euros, corresponding to a 1.4% increase compared to the end of 2022, primarily due to the following effects:

- An increase of 247 million euros in cash, cash balances at central banks and other demand deposits, due in particular to the increase in very short-term investments contracted with Banco de Portugal (overnight deposits);
- An increase of 180 million euros in financial assets at fair value through other comprehensive income, mainly in short term debt of Eurozone countries;
- Decrease in the fair value of "Derivatives – hedge accounting", by 199 million euros, due to changes in interest rates during 2023.

Total liabilities stood at 12,294 million euros at the end of 2023, which represents an increase of 0.9%, or 111 million euros, in relation to the end of 2022. This evolution is explained by the combination of the following factors:

- Increase in financial liabilities measured at amortised cost (+233 million euros compared to 2022), mainly due to the increase in debt securities issued (+260 million euros compared to 2022), due to MREL's new issue of eligible debt in the 3rd quarter of 2023, amounting to 250 million euros, with accrued interest for the issuances carried out in 2021 and 2023. At the same time, loans to other credit institutions increased by 196 million euros compared to the same period of the previous year, based on a securities disposal with a repurchase agreement ("Repo") for 195 million euros. On the other hand, the decrease in customer funds (-147 million euros compared to 2022), due to the transfer of liquidity, especially in the first half of 2023, from demand deposits to savings certificates and other financial applications (such as investment funds and capitalization insurance);
- Increase in the fair value of derivatives – hedge accounting (+70 million euros compared to 2022), based on the justification mentioned above under assets; and,
- Decrease in other liabilities (-232 million euros compared to 2022), mainly due to the decrease of 249 million euros in derivative counterparty deposits (margin call) as a result of the favourable evolution of Euribor rates.

Shareholders' equity grew by 12.3% in 2023 (+64 million euros) to 588 million euros, including the additional tier I issuance, compared to 524 million euros at the end of 2022, mainly due to the increase in net income compared to the previous year (+44 million euros) and through the increase in other reserves (+11 million euros), subsequent to the appropriation of the net income for 2022 (which included the payment of dividends to Associated Caixas).

BALANCE SHEET					In thousand euros
	2021	2022	2023	Variation Abs.	Variation %
Cash, cash balances at central banks and other demand deposits	3,853,841	1,228,990	1,475,771	246,781	20.1%
Financial assets held for trading	713	55,749	14,988	-40,762	-73.1%
Non-trading financial assets mandatorily at fair value through profit or loss	178,699	145,240	130,839	-14,402	-9.9%
Financial assets stated at fair value through other comprehensive income	98,008	84,103	264,404	180,302	214.4%
Financial assets at amortised cost	9,215,718	9,925,985	9,961,440	35,456	0.4%
of which: Securities	7,688,682	8,210,996	8,255,169	44,173	0.5%
of which: Sovereign debt securities	6,588,527	6,996,290	6,688,450	-307,840	-4.4%
of which: Loans and advances to costumers (net)	1,718,158	1,694,751	1,643,058	-51,693	-3.1%
Loans and advances to costumers (gross)	1,765,553	1,745,383	1,685,008	-60,375	-3.5%
Of which: Customer securitised debt (commercial paper)	0	233,520	203,745	-29,774	-12.8%
Accumulated Provisions / Impairments	47,396	50,632	41,950	-8,682	-17.1%
Derivatives - Hedge accounting	73,486	885,429	686,290	-199,139	-22.5%
Investments in subsidiaries, joint ventures and associates	59,162	62,500	62,500	0	0.0%
Tangible assets	19,516	17,847	15,351	-2,495	-14.0%
Intangible assets	0	0	0	0	n.a.
Tax assets	11,086	18,768	17,752	-1,016	-5.4%
Non-current assets and disposal groups classified as held for sale	9,688	6,882	2,645	-4,238	-61.6%
Other assets	349,867	275,577	250,353	-25,224	-9.2%
Total Assets	13,869,784	12,707,070	12,882,333	175,263	1.4%
Financial liabilities held for trading	4,728	5,216	9,872	4,656	89.3%
Financial liabilities measured at amortised cost	13,164,086	11,142,750	11,375,539	232,789	2.1%
of which: Customer Funds	1,226,330	853,349	706,075	-147,274	-17.3%
Funds of Associated Caixas	8,455,391	9,914,966	9,862,961	-52,005	-0.5%
Funds of Central Banks (TLTRO)	3,006,053	28,204	18,122	-10,081	-35.7%
Debt securities issued	301,171	301,171	561,522	260,351	86.4%
Derivatives - Hedge accounting	126,448	27,415	97,297	69,882	254.9%
Provisions	7,788	8,547	18,924	10,377	121.4%
Tax liabilities	2,881	648	25,657	25,009	3856.8%
Other liabilities	148,057	998,758	766,883	-231,875	-23.2%
Total Liabilities	13,453,987	12,183,335	12,294,173	110,838	0.9%
Equity	415,797	523,735	588,160	64,425	12.3%
Total Equity + Liabilities	13,869,784	12,707,070	12,882,333	175,263	1.4%

a) Portfolios of Credit and Funds

There was a reduction in customer funds on Caixa Central's balance sheet in 2023 (from 853 million euros in 2022 to 706 million euros), with this decrease being recorded essentially in demand deposits (-26.3%), reflecting the transfer of liquidity to alternative applications, particularly in the 1st quarter of 2023.

Off balance sheet customers funds grew by 14.2%, mainly as a result of the 15.5% growth in the sale of securities investment funds (FIM) and real estate investment funds (FII) – FIM grew by 37.8% year-on-year, while FII grew by 5.4% compared to 2022. Capitalisation insurance, on the other hand, recorded a similar amount to the previous period, with a slight increase of 0.6% compared to 2022.

EVOLUTION OF FUNDS — Amounts in thousands of euros, except %

	2021	2022	2023	Variation	
				Abs.	%
Balance Sheet Funds (1)	1,226,330	853,349	706,075	-147,274	-17.3%
of which:					
Demand Deposits	675,879	602,333	443,649	-158,684	-26.3%
Term Deposits and Savings Accounts	550,452	251,016	262,426	11,410	4.5%
Off-Balance Sheet Customers Funds (2)	94,187	102,389	116,892	14,503	14.2%
Investment Funds:	87,654	93,228	107,676	14,448	15.5%
FII	52,157	64,292	67,791	3,499	5.4%
FIM	35,497	28,936	39,884	10,949	37.8%
Capitalisation insurance	6,534	9,161	9,216	55	0.6%
Total (1+2)	1,320,518	955,737	822,967	-132,771	-13.9%

Gross loans and advances to customers fell by 60.4 million euros, of which approximately 47% was due to changes in agency loans (-28.5 million euros), leaving a portfolio of 144.1 million euros at the end of 2023. At the end of this year, the total loan portfolio amounted to 1,685 million euros, a decline of close to 60 million euros in comparison with 1,745 million euros in 2022. The reduction in the loan portfolio comes mainly from the corporate segment (-36.4 million euros), despite the decrease also seen in the individual segment (-24.0 million euros), taking into account the significantly higher level of prepayments in mortgage loans in comparison to 2022 (+44%, from 16.8 million euros in 2022 to 24.3 million euros in 2023).

LOANS AND ADVANCES TO CUSTOMERS				Amounts in thousands of euros, except %	
	2021	2022	2023	Variation	
				Abs.	%
Total Loans and Advances	1,765,553	1,745,383	1,685,008	-60,375	-3.5%
of which intermediated credit	*198,092*	*172,562*	*144,082*	*-28,481*	-16.5%
Companies and Public Administration	1,386,934	1,366,696	1,330,282	-36,414	-2.7%
of which intermediated credit	78,941	66,330	52,254	*-14,076*	-21.2%
Individuals	378,619	378,687	354,726	-23,961	-6.3%
of which intermediated credit	119,150	106,232	91,828	*-14,404*	-13.6%
of which overdue loans	*3,231*	*3,779*	*5,147*	1,367	36.2%
of which for over 90 days	2,942	3,371	4,619	1,249	37.0%
Guarantees and Commitments	179,210	154,312	144,078	-10,233	-6.6%
Guarantees Provided *	35,560	32,683	27,232	-5,451	-16.7%
Irrevocable credit lines	143,650	121,629	116,846	-4,783	-3.9%
Total	1,944,763	1,899,694	1,829,086	-70,608	-3.7%

* Includes guarantees and sureties provided and import documentary credit.

The main contributors to the decrease in the amount of loans in the corporate segment were financing operations and secured current accounts (-56.4 million euros), partially offset by the 19.9 million euro increase in the leasing portfolio.

COMPANIES				Amounts in thousands of euros, except %	
	2021	2022	2023	Variation	
				Abs.	%
Loans and Advances to Companies	1,386,934	1,366,696	1,330,282	-36,414	-2.7%
Financing and Pledged Current Accounts	1,200,693	1,173,430	1,117,075	-56,355	-4.8%
of which Commercial Paper	227,077	233,520	203,745	-29,774	-12.8%
Financial Leasing	186,241	193,266	213,207	19,941	10.3%
of which Overdue Loans	*1,750*	*2,484*	*3,323*	*839*	33.8%
Guarantees and Commitments	172,652	145,453	136,777	-8,676	-6.0%
Guarantees Provided *	35,298	32,459	27,082	-5,377	-16.6%
Irrevocable credit lines	137,354	112,994	109,695	-3,299	-2.9%
Total	1,559,585	1,512,148	1,467,058	-45,090	-3.0%

* Includes guarantees and sureties provided and import documentary credit.

Considering the segmentation of corporate customers by economic activity, there was growth of gross loans in only five of the fourteen sectors mentioned. The biggest increases compared to the gross credit reported in 2022 were seen in the energy sector (+38.9 million euros), consultancy, scientific, technical and similar activities (+20.9 million euros) and the health and social support sector (+1.4 million euros). The sectors that saw the biggest declines compared to 2022 include the sectors of accommodation and food services (-20.3 million euros), agriculture and fisheries (-16.2 million euros), water and sanitation (-9.5 million euros) and real estate (-7.9 million euros).

LOANS AND ADVANCES TO COMPANIES BY ECONOMIC ACTIVITY CLASSIFICATION (CAE)					Amounts in thousands of euros
	2021	2022	2023	Variation	
				Abs.	%
Real Estate Activities	248,683	266,461	258,560	-7,901	-3.0%
Financial and insurance activities	112,509	131,618	126,838	-4,780	-3.6%
Manufacturing Industries	117,105	128,197	123,851	-4,345	-3.4%
Public Administration	121,539	126,996	120,182	-6,814	-5.4%
Professional, scientific and technical activities	144,954	111,048	131,933	20,885	18.8%
Accommodation and Restaurants	137,968	103,979	83,689	-20,290	-19.5%
Trade	86,011	87,829	88,192	362	0.4%
Agriculture and Fisheries	88,649	76,788	60,602	-16,185	-21.1%
Transport and Storage	43,121	50,170	47,686	-2,485	-5.0%
Water and Sanitation	55,572	49,117	39,581	-9,536	-19.4%
Construction	29,054	29,936	29,563	-374	-1.2%
Energy	31,839	25,264	64,125	38,861	153.8%
Health and Social Support	14,155	14,248	15,613	1,365	9.6%
Mining Industries	2,057	1,748	2,256	508	29.1%
Other	153,717	163,295	137,609	-25,685	-15.7%
Total	1,386,934	1,366,696	1,330,282	-36,414	-2.7%

Note: The information of this table refers to the volume of gross loans granted by Caixa Central to companies, sole proprietorships and public administration. Gross loans include Customer debt instruments (commercial paper operations).

The individual customer segment showed a decline, in parallel with the evolution in the corporate segment, in relation to the previous year (-24 million euros). This negative variation was driven by developments in most product types in the segment. Mortgage loans fell by 6.8% (-20.9 million euros), consumer credit fell by 4.5% (-1.7 million euros), while the leasing portfolio fell by 21.2% (-4.1 million euros). In contrast to the evolution seen in the other types of products, credit for disbursement of funds amounted to 16.5 million euros, resulting from an increase of 2.7 million euros in 2023.

INDIVIDUALS					Amounts in thousands of euros, except %
	2021	2022	2023	Variation	
				Abs.	%
Loans and Advances to Individuals	378,619	378,687	354,726	-23,961	-6.3%
Mortgage Loans (includes Multipurpose)	305,881	309,185	288,268	-20,917	-6.8%
Consumer Credit (1)	37,696	36,506	34,850	-1,656	-4.5%
of which Credit Cards	6,448	6,330	6,303	-27	-0.4%
Financial Leasing	23,473	19,234	15,150	-4,085	-21.2%
Other Loans for Disbursement of Funds (2)	11,570	13,762	16,459	2,697	19.6%
of which Overdue Loans	*1,481*	*1,295*	*1,824*	*528*	40.8%
Guarantees and Commitments	6,558	8,859	7,302	-1,557	-17.6%
Guarantees Provided (3)	262	224	150	-74	-32.9%
Irrevocable credit lines	6,296	8,635	7,151	-1,484	-17.2%
Total	385,178	387,546	362,028	-25,518	-6.6%

(1) Amounts calculated according to line, sub-line and purpose of credit (including overdrafts).
(2) Includes effects of discounts, current accounts and loans of various maturities.
(3) Includes guarantees and sureties provided and import documentary credit.

b) Quality of the Credit Portfolio

Caixa Central's total exposure declined in comparison to December 2022 (-6.1%, or -124 million euros), with the customer loan portfolio also declining, though slightly, in comparison to 2022 (-1.0%, or -17 million euros). The coverage ratio also declined by 0.3 p.p., due to the lower level of impairments in 2023 (15.8% down on 2022). In terms of the breakdown by stages, the table below shows that only stage 3 showed a slight increase)+2.2%, or +2 million euros), to which contributed, as at the Group level, the increased exposure in default in mortgage loans (+6 million euros).

Exposure by Stage - CCCAM — In millions of euros, except %

	2022	2023	Variation 23/22		Weight in %	Weight in %	Impairment		Coverage	
			Abs.	%	2022	2023	Abs.	Var. 23/22	%	Var. 23/22
Stage 1	**1,792**	**1,691**	**-102**	**-5.7%**	**87.4%**	**87.8%**	**8**	**-7.1%**	**0.5%**	**-0.01 .p.p.**
Companies	1,162	1,199	37	3.2%	56.7%	62.3%	8	-9.4%	0.7%	-0.09 .p.p.
Individuals	356	321	-35	-9.9%	17.4%	16.7%	0	115.0%	0.1%	0.06 .p.p.
of which mortgage loans	267	238	-29	-10.8%	13.0%	12.4%	0	210.5%	0.1%	0.09 .p.p.
Others[1]	274	171	-103	-37.6%	13.4%	8.9%	0	13.3%	0.1%	0.02 .p.p.
Stage 2	**178**	**153**	**-25**	**-13.9%**	**8.7%**	**8.0%**	**7**	**-27.3%**	**4.8%**	**-0.89 .p.p.**
Companies	115	87	-28	-24.6%	5.6%	4.5%	5	-42.6%	5.9%	-1.87 .p.p.
Individuals	63	66	3	4.9%	3.1%	3.4%	2	87.6%	3.4%	1.49 .p.p.
of which mortgage loans	51	51	0	0.9%	2.5%	2.7%	2	91.9%	3.8%	1.81 .p.p.
Others[1]	0	0	0	n.a.	0.0%	0.0%	0	n.a.	0.1%	n.a.
Stage 3	**79**	**81**	**2**	**2.2%**	**3.9%**	**4.2%**	**29**	**-14.7%**	**36.3%**	**-7.22 .p.p.**
Companies	74	70	-4	-4.8%	3.6%	3.6%	26	-17.7%	36.6%	-5.74 .p.p.
Individuals	6	11	5	92.9%	0.3%	0.6%	4	13.4%	33.8%	-23.68 .p.p.
of which mortgage loans	3	9	6	189.0%	0.2%	0.5%	3	68.1%	30.8%	-22.16 .p.p.
Others[1]	0	0	0	n.a.	0.0%	0.0%	0	n.a.	n.a.	n.a.
Total	**2,050**	**1,925**	**-124**	**-6.1%**	**100.0%**	**100.0%**	**45**	**-15.8%**	**2.3%**	**-0.27 .p.p.**

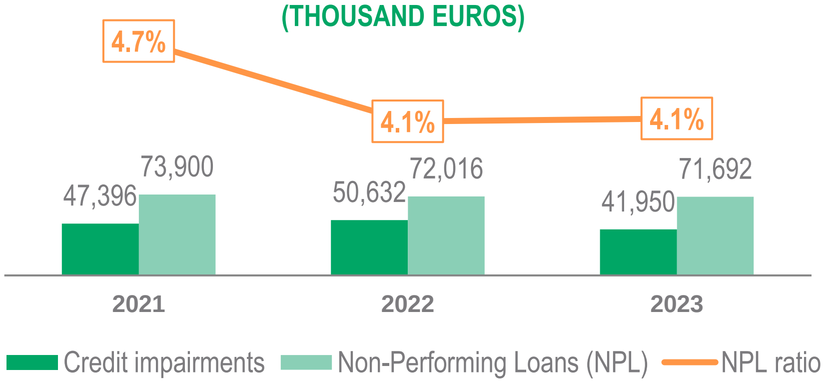
(1) Includes Public Sector.

As at 31 December 2023, non-performing loans (NPL) amounted to 71.7 million euros, showing a slight reduction of 0.3 million euros, or -0.4%, in comparison to the end of 2022. The ratio of NPL coverage by credit impairments was 58.5% in 2023, 11.6 p.p. below the 70.1% coverage of 2022. The NPL ratio as at December 2023 amounted to 4.1% of total exposure, in line with the value of the previous year, as at 31 December 2022.

As at 31 December 2023, non-performing loans (NPL) amounted to 71.7 million euros, a slight reduction of 0.3 million euros or -0.4% compared to the same period of the previous year. The NPL coverage ratio for credit impairments stood at 58.5% in 2023, 11.6 p.p. lower than the 70.1% coverage seen in 2022.

IMPAIRMENTS VS NON-PERFORMING LOANS

(THOUSAND EUROS)



The segment of non-financial companies, with 58 million euros, represents close to 81% of total NPL, showing an NPL ratio of 6.3% (which compares with 7.0% in 2022) and a coverage by NPL impairments ratio of 38.8%. The NPL coverage by NPL impairments coverage declined by 4.6 p.p., due to the reduction of NPL impairments by 22.2%.

In the case of the Individuals segment, mortgage loans represent the highest proportion of NPL with 11 million euros, which compares with 3 million euros at the end of the previous year, representing an NPL ratio of 3.7% (1.1% in 2022). Unlike the non-financial companies segment, NPL impairments of the Individuals segment have increased YoY (+93.3% in the case of mortgage loans), with the coverage ratio decreasing in comparison to the previous year (-22.9 p.p. in comparison to 2022 in the case of mortgage loans) due to the significant increase of the portfolio.

NPL -CCCAM - Dec.2023 — In millions of euros, except %

	Exposure		NPL		NPL (%)		NPL impairments		NPL coverage by NPL impairments (%)	
	Abs.	Var. 23/22	Abs.	Var. 23/22	%	Var. 23/22	Abs.	Var. 23/22	%	Var. 23/22
Public sector	**130**	**-5.0%**	**0**	**n.a.**	**0.0%**	**0 p.p.**	**0**	**n.a.**	**0.0%**	**0 p.p.**
Non-financial companies	**926**	**-2.9%**	**58**	**-13.1%**	**6.3%**	**-0.7 p.p.**	**23**	**-22.2%**	**38.8%**	**-4.6 p.p.**
of which: SME	766	-5.0%	58	-8.0%	7.6%	-0.3 p.p.	23	-22.1%	38.8%	-7 p.p.
Individuals	**367**	**5.7%**	**14**	**166.5%**	**3.7%**	**2.2 p.p.**	**4**	**40.7%**	**31.6%**	**-28.3 p.p.**
of which: mortgage loans	298	-0.7%	11	239.2%	3.7%	2.6 p.p.	3	93.3%	30.3%	-22.9 p.p.
of which: consumer loans	46	39.0%	1	64.3%	2.2%	0.3 p.p.	0	77.0%	43.9%	3.1 p.p.
Total	**1,748**	**-1.0%**	**72**	**-0.4%**	**4.1%**	**0 p.p.**	**27**	**-16.3%**	**37.5%**	**-7.1 p.p.**
of which: loans collateralized by real estate	760	-8.2%	52	-13.3%	6.8%	-0.4 p.p.	18	-24.8%	34.4%	-5.2 p.p.

Note: includes only "Loans and Advances", excluding Customers' debt instruments (commercial paper operations) and excluding balances at central banks and other demand deposits, under the terms of Banco de Portugal Instruction no.20/2019.

The Texas ratio, which represents the weight of NPL in the total of the sum between tangible equity and the impairment stock, stood at 12.8% in 2023, which compares with 13.1% in 2022.

5.1.4.3. Capital

Caixa Central's own funds, calculated in conformity with the prudential requirements under Regulation (EU) 575/ 2013 of 26 June 2013, stood at 587 million euros as at 31 December 2023, including profit or loss for the year. Considering the deductions established in the regulations in force, common equity tier 1 stood at 487 million euros, having increased by 65 million euros compared to December 2022, having incorporated net income (+44 million euros) and other reserves (+11 million euros), representing approximately 86% of the total variation. At the end of 2023, the total common equity tier 1 ratio of Caixa Central stood at 20.7%, (total capital ratio, including profit or loss for the year, of 24.9%), very comfortably complying with the prudential requirements on the level of capital, permanently observing them, in conformity with Article 92 (1) of Regulation (EU) 575/ 2013.

In December 2023, the risk weighted exposure amounts recorded a slight increase to 2,351 million euros (+4.7%), compared to the 2,246 million total requirements recorded in 2022. In relation to the previous year, the exposure to credit risk increased by an amount of 35 million euros (+1.7%) having reached 2,110 million euros. At the end of 2023, the exposure to operational risk stood at 209 million euros, exposure to market risk amounted to 8 million euros, and exposure to credit valuation adjustment (CVA) stood at 25 million euros.

SOLVENCY - CAIXA CENTRAL DE CRÉDITO AGRÍCOLA MÚTUO

In millions of euros, except %	dec/21	dec/22	dec/23	Δ 23/22
Own Funds (a)	**415**	**522**	**587**	**12.3%**
Common equity tier 1	415	422	487	15.2%
Tier 1	415	522	587	12.3%
Tier 2	0	0	0	0.0%
Exposure value (b)	**14,131**	**15,306**	**12,274**	**-19.8%**
Risk weighted exposure amounts	**2,277**	**2,246**	**2,351**	**4.7%**
Credit	2,142	2,075	2,110	1.7%
Market	0	1	8	501.0%
Operational	115	142	209	46.9%
Credit Valuation Adjustment (CVA)	19	28	25	-9.7%
Solvency Ratios (c)				
Common equity tier 1	18.2%	18.8%	20.7%	1.88 p.p.
Tier 1	18.2%	23.3%	24.9%	1.68 p.p.
Total	18.2%	23.3%	24.9%	1.68 p.p.
Leverage Ratio	3.9%	4.1%	4.7%	0.64 p.p.
Liquidity Coverage Ratio (LCR)	**505.7%**	**616.8%**	**664.8%**	**47.94 p.p.**

(a) Incorporates net income for the period.

(b) Includes on-balance sheet and off-balance sheet positions and derivatives, net of impairment.

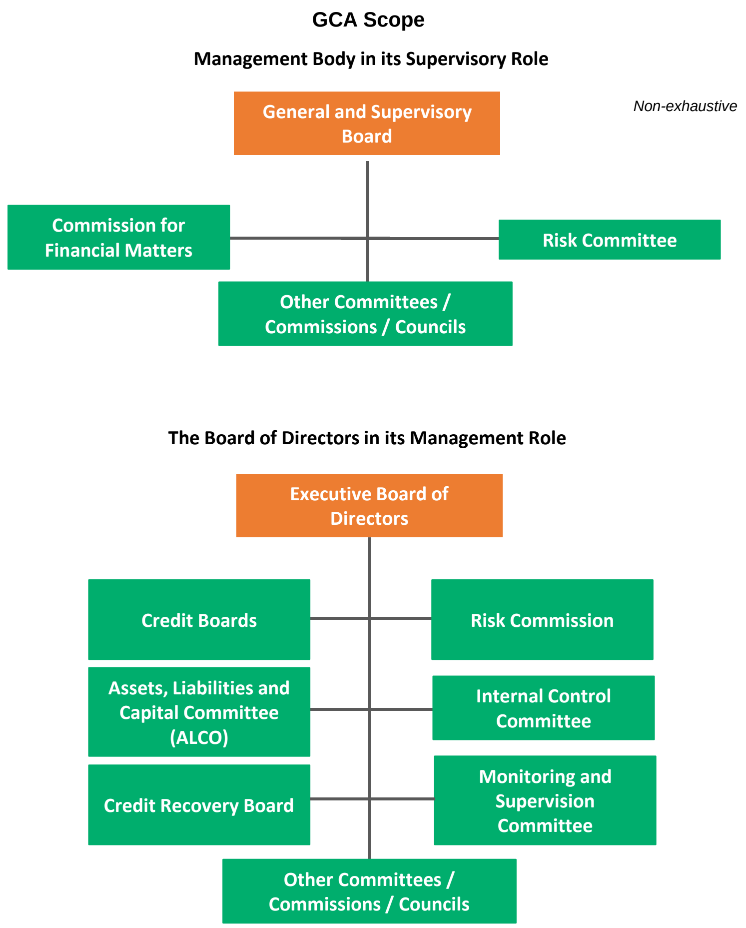
(c) The ratios are calculated pursuant to the rules set in Directive 2013/36/EU (CRD IV - Capital Requirements Directive) and Regulation (EU) 575/2013 (CRR - Capital Requirements Regulation).

5.2. RISK MANAGEMENT

5.2.1. Governance of Risk Management

Pursuant to the established provisions in internal risk policies, the appropriate management of risks derived from the activity is a priority for the CA Group, which recognises its decisive impact on value creation and its fundamental role in the construction of a solid and cohesive internal control system.

The risk management system is underpinned by a governance model, an organisational structure and processes of support and control of risk that assure, at all times, the complete separation between the risk origination, management and control functions. In this context, the risk management function provides support to the management body – in its management and supervisory roles - and assumes a relevant position in the structure for defending the Group's financial soundness, guaranteeing the consistency, integration and consolidation of risks in a view of both the portfolio and individually significant exposures, and ensuring that the organisation manages risks globally within the established limits and rules.



The Group has a series of collegiate bodies, instituted by the Executive Board of Directors of Caixa Central, that intervene in matters of risk management, in particular the following:

i. Risk Commission: responsible for the ongoing monitoring and control of the definition and implementation of the risk management strategy and the global risk management policy (and all the specific policies on management of material risks), including the respective methodologies and relevant processes, as well as the Crédito Agrícola Group's risk appetite, checking that they are compatible with a sustainable strategy in the medium and long-term.

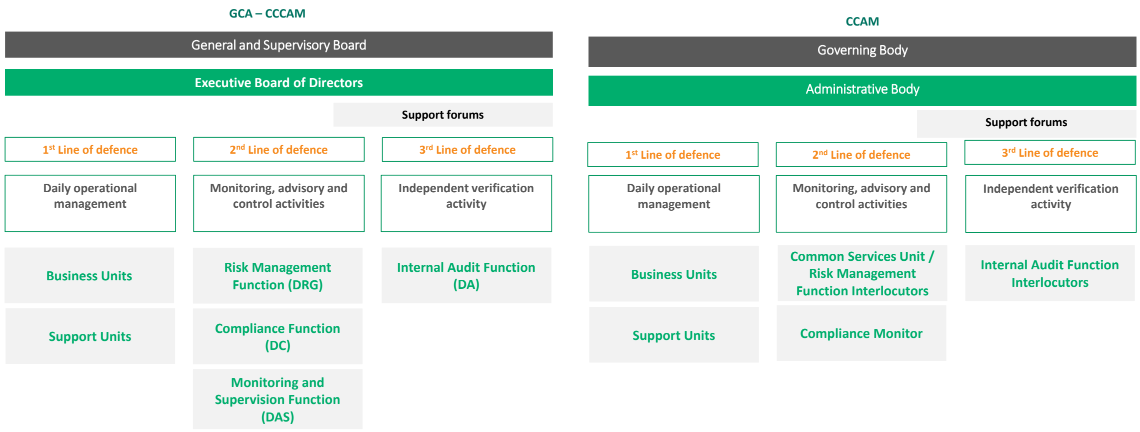
ii. Asset, Liability and Capital Committee (ALCCO): responsible for the integrated support to the management of the set of risks that affect the consolidated balance sheet of the Crédito Agrícola Group and the individual balance sheet of Caixa Central, being generally entrusted with proposing and guaranteeing, within the established limits, the implementation of the Asset, Liability and Capital Management policy so as to maximise the value of the equity and net interest margin, pursuant to the approved strategy and budget and the guidelines issued by the Executive Board of Directors.

5.2.2 Organisational Model

The organisation of the CA Group’s risk management system follows the principle of separation of functions, ensuring functional separation between the powers and duties of risk origination (or risk-taking) and responsibilities dedicated to its strategic management and control.

The principle referred to above is operationalised through the endorsement of the model of 3 lines of defence at the consolidated level and at each Associated Caixa Agrícola.

The following figure portrays this model:



The first line of defence is constituted by the business units, with risk-taking being inherent to their activity, in which they are particularly responsible for the management of these risks and where this risk-taking is constrained by the established limits in force, applicable to each type of risk. It should be stressed that these structures (which include the commercial departments of Caixa Central, the Retail Department (DR) and the Companies Department (DE) and also the Financial Department (DF), also constitute a line of defence of the risk management system, in this case, the first line of defence.

The second line of defence consists of the risk management function and the compliance function (Compliance Department or DC). The risk management function is carried out, at the level of Caixa Central, by the Global Risk Department (DRG), with its activity supplemented by the duties assigned to the Credit Monitoring Department (DAC), in particular with respect to the management of single name credit risk. In the specific area of model risk, the Model Validation Office acts as a second line of defence, independent of DRG.

In the organisational model defined for Environmental, Social and Governance (ESG) risk management, the Sustainability Office takes an intermediate position between supporting and promoting the business and collaborating with the internal control functions in the ESG risk management and control approach (line of defence 1.5).

The Global Risk Department has a comprehensive scope of action, including all the risks to which the CA Group may be exposed to, currently or in the future. The main responsibilities and roles of the Global Risk Department as the second line of defence involve:

- Identification, assessment, follow-up/monitoring and control of all the risks to which the Institution is currently exposed or may be exposed to in the future, in order to ensure that they remain at the level defined previously by the management body;

- Provision of advice to the management bodies (in their management (Executive Board of Directors or CAE) and supervisory (General and Supervisory Board or CGS) functions) on the management of these risks, providing complete and accurate information on each of them.

The Global Risk Department performs its activity in an independent manner, and with full organisational and functional separation in relation to the structural units (departments and bureaus), the activity of which it monitors and controls.

The risk management function of the Associated Caixas Agrícolas is carried out by the Common Services Unit included in Caixa Central's Global Risk Department, under a specific provision of Banco de Portugal Notice no. 3/2020. The activity of the risk management function is carried out in strict articulation with the Monitoring and Supervision Department (DAS) of Caixa Central, supervising and monitoring the performance of the CCAM, ensuring sustainability and compliance with norms in accordance with the strategic guidelines of the Group, necessarily including matters relating to risk management.

The third line of defence is provided by the Internal Audit Function (FAI), assigned with the assessment of the efficacy and effectiveness of the internal control system of the CA Group and, in particular, of the risk management and internal control system. The Internal Audit Function's activity is carried out through risk-oriented internal audit work, which naturally prioritises the risk management system. The Internal Audit Function represents the last internal line of defence, where its scope of action includes assessment of the way that the first and second lines of defence (in particular the Global Risk Department) perform their duties as defence lines. Due to the nature of its duties, the Internal Audit Function provides crucially important support to the management and supervisory bodies (Executive Board of Directors and General and Supervisory Board), informing them of the risks covered in their work, and in particular, the detected flaws and opportunities for improvement.

The Internal Audit Function is carried out by the Audit Department where, as is the case of the Risk Management Function (FGR), the shared service model has also been adopted, meaning that the Audit Department is the internal audit function of each one of the Associated Caixas Agrícolas. The independence of the FAI is reinforced through its hierarchical reporting line (the Audit Department reports to the group of Executive Directors included in the Executive Board of Directors), as well as functional reporting to the collegiate bodies, the Executive Board of Directors and General and Supervisory Board.

5.2.3 Risk Appetite Framework (RAF[10])

The risk appetite framework (RAF) and its components – the risk appetite statement (RAS[11]) and the risk limit management system – constitute the bedrock of the CA Group's risk management system.

Indeed, the risk appetite framework (RAF) constitutes a core component of the risk management system, and may be described as follows.

- Risk appetite statement (RAS): consists of the definition of the risk levels which the General and Supervisory Board is willing to tolerate in order to achieve its strategic goals. In practice, it represents the operationalisation of the institution's risk profile for the entire set of identified material risks. The risk appetite statement is subject to ongoing monitoring by the Global Risk Department, being submitted on a monthly basis to the Risk Committee;
- The risk appetite statement includes the goals, indicators and tolerance levels for each relevant type of risk, and is used to establish limits to risk-taking in the development of the CA Group's activity. The Global Risk Department is responsible for monitoring the real values observed in relation to the established goals and tolerance levels (limits), reporting the results to the management bodies;
- The risk limit system ensures the consistency between the business management (risk-taking by the first line of defence) and the risk management of the CA Group. This system of limits also ensures the involvement of the business units in the risk management processes, informing them of the goals and limits that constrain the development of their business activities;
- The ongoing monitoring of the risk appetite framework is aimed at maintaining the risk levels undertaken in the development of the activity in line with the limits in force (risk appetite statement);
- In the event that the limits in force are surpassed (referred to as limit breaches), the Global Risk Department is responsible for reporting this occurrence, and for urging the first lines of defence involved to define measures to be placed in practice, in order to promote realignment with the limits in question (risk appetite statement);
- Limit breaches are reported by the Global Risk Department to the management bodies (management and supervisory functions) as well as to the supervisory body, where applicable.

[10] Risk Appetite Framework
[11] Risk Appetite Statement

Risk Profile

- The risk profile corresponds to the level of risk that GCA is willing to accept and is based on the Group's strategic positioning, structural characteristics and degree of risk acceptance.
- The procedures endorsed with a view to the prudent management of the business and appropriate assessment of risk reflects the GCA's risk profile at any given moment

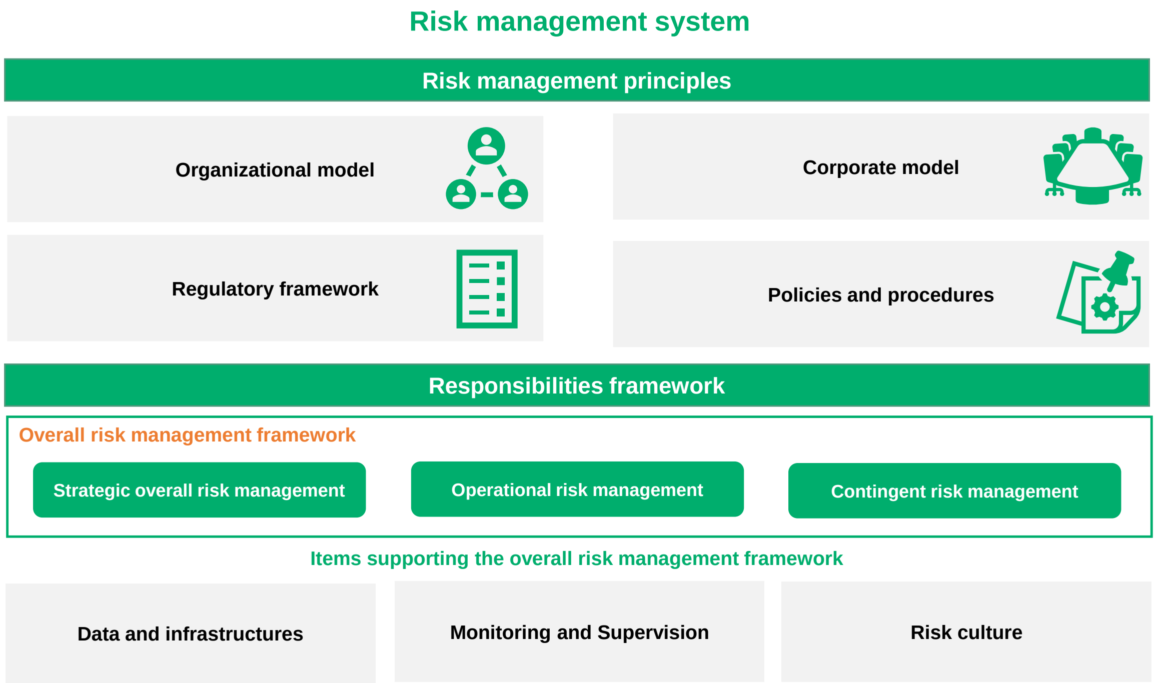
Alert Limit

- The so-called early warning signals make it possible to identify negative trends in one or more risk monitoring indicators and appear to be early warnings.
- They anticipate adverse circumstances prior to the activation limits of the recovery plan, at which point preventive measures are adopted, which may include measures contained in this recovery plan or others considered relevant to the scenario in question.

Activation Limit

- They are identified as the triggers that lead to the unleashing of the corrective measures established in the recovery plan and, in this sense, they predict the factors that trigger the response to a situation of financial crisis.
- As part of the process of monitoring the Group's risks and the necessary level of capital and liquidity, the recognition of a damaging environment and acute financial imbalance leads to the activation of the recovery plan through the implementation of the recovery measures to be adopted to remove the imbalances identified.

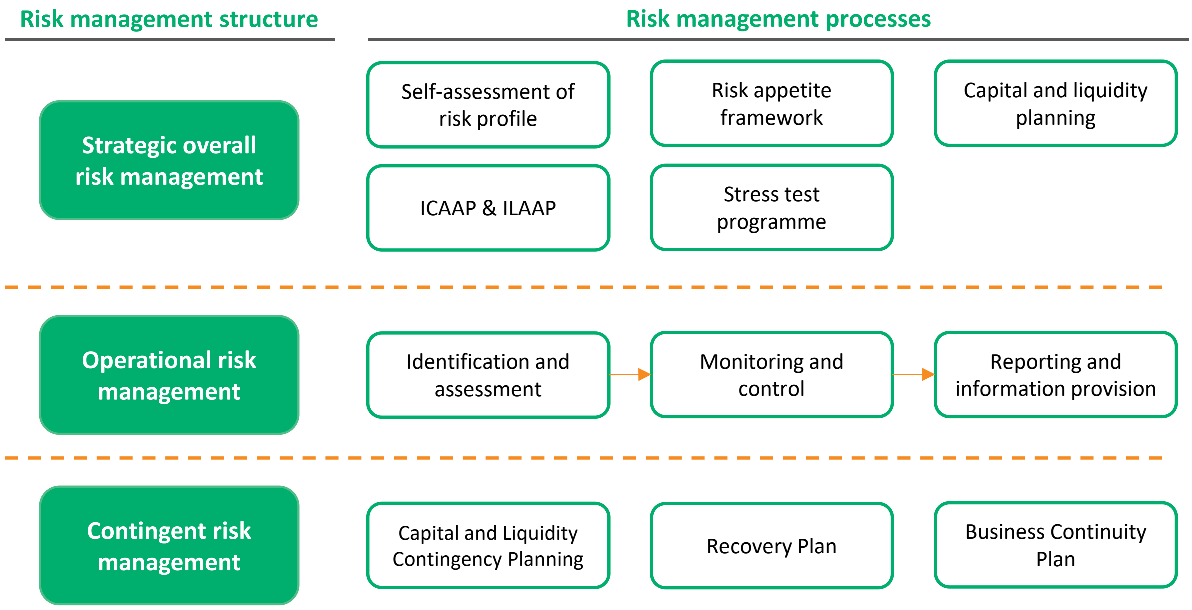
The diagram below aims to illustrate, in a summarised form, the different components of the risk management system of the Crédito Agrícola Group:



In view of the particularities of the cooperative system, namely the corporate and commercial autonomy of the Caixas Agrícolas and their involvement in the local economy and in the communities in which they operate, the risk profile of the SICAM institutions is based on a reference profile with its limits and on the identification of any adjustment measures when limits are exceeded.

The CA Group has established the following general principles for risk management:

Caixa Central's management and supervisory bodies are ultimately and extensively responsible for the CA Group and define, supervise and are responsible for the application of governance systems in a manner ensuring the effective and prudent management of the institution, including the risk management system.



5.2.4 Risk identification

The Crédito Agrícola Group has a risk taxonomy (risk matrix) approved by the Executive Board of Directors which is subject to review at least on an annual basis. The following risks to which the CA Group is exposed are identified below, even if, in some cases, they do not represent material risks:

Financial Risks

1	Department	7	Credit Spread
2	Concentration	8	Real Estate
3	Interest Rate	9	Pension Fund
4	Liquidity and Financing	10	Foreign Exchange
5	Market	11	Solvency and Excessive Leverage
6	Stake	12	Insurance Risk

Non-financial Risk

13	Reputation	18	Operational
14	Money Laundering and Financing of Terrorism	19	Information and Communication Technologies
15	Strategy and Business Model	20	Conduct
16	ESG Risk / Climate Risk	21	Model
17	Compliance	22	Internal Governance

Within the scope of the annual review carried out in 2023, the denomination of Risk of Excessive Leverage to Solvency was altered to Solvency and Excessive Leverage.

5.2.5 Financial Risks (Credit, Interest Rate, Liquidity and Market)

a) Credit risk

Strategy and Guiding Principles

Credit risk is the most important risk of the CA Group’s activity, which largely arises directly from the CA Group's business model.

The Crédito Agrícola Group applies the standard approach in determining capital requirements for credit risk, as established by prudential requirements, recording the value of 741 billion euros as at 31 December 2023. In addition, as at 31 December 2023, credit represented 68.3% of the total economic capital requirements (Internal Capital Adequacy Assessment Process or ICAAP).

The credit risk management objective is to maximise the income per unit of risk taken, maintaining the exposure to this risk at acceptable levels in line with the (i) regulatory limits; and (ii) internal risk appetite limits in force, as established in the risk appetite statement.

The credit risk strategy and policies should be defined, reviewed and submitted for approval at least once a year, ensuring that they cover all the activities in which there is significant exposure to this type of risk.

The CA Group aims to maintain controlled credit risk levels, pursuing a conservative policy reflected in an objective of keeping the default ratio of each segment below or in line with its market peers, and embodied in the establishment of risk exposure limits. In this perspective, the CA Group's strategic plan for the management of non-performing loans (NPL) is particularly relevant in the current context. The worsening of the NPL ratio in 2023 (6.2%) compared to that recorded at the end of 2022 (5.1%) was mainly due to the increase observed between September 2023 and December 2023 in mortgage loans, mainly as a result of restructuring due to financial difficulties (DF) of customers covered by DL80-A and contracts with loans more than 90 days past due. As an active reduction measure associated with CA's strategic NPL management plan, the Group continues to write off loans considered to be uncollectible. With the aim of reducing the NPL ratio observed with reference to 31 December 2023, CA is appraising additional measures that could be implemented in the near future, with a view to reaching the set limit by 2024.

With a view to limiting losses associated with credit risk, the CA Group applies a series of measures which seek to enhance the control over customers and operations, strengthen analytical capacity, improve decision-making on granting credit and reinforce the monitoring of customers to assure preventive action:

Credit risk cycle

- Process of (risk) analysis and granting of loans

The procedures associated to credit risk analysis enable controlling its conformity, efficacy and efficiency, following a series of fundamental principles, such as, the appraisal of the borrower's repayment capacity through an informed vision of the borrower's activity and consolidated banking relationship; the gaining of thorough knowledge about the customer, derived from experience of relations and collection of information about the customer, the application of homogeneous methods, criteria and practices in risk assessment, the appropriate separation of duties in the assessment of credit risk at origination, carried out in an independent manner, and pursuant to the defined policies and procedures, respecting the prudential regulations.

In order to reconcile the commercial interest with the adequate management of the credit risk, the variables are identified which, as a whole, determine the degree of risk of the customer and operation, which are based on analytical models supporting the decision-making process. In this regard, we have the scoring models intended for the segment of individual customers (including sole proprietorships) and rating models that seek to assess the internal credit risk of corporate customers.

In the credit decision-making process, particular reference should be made to the role of the Credit Risk Department (DRC), responsible for the analysis of risk at origination and which performs its role in a manner entirely independently from the retail and corporate commercial departments (Retail Department and Companies Department), as well as the Financial Department (DF). All the loans operations, acquisitions of debt securities, commercial paper underwriting or exposure to counterparty decisions, framed in the last three decision-making brackets (in which the operations of higher credit risk are decided) are subject to risk analysis by the Credit Risk Department, which issues a technical and independent opinion.

- Monitoring and follow-up process

The process of monitoring the loan portfolio includes monitoring the financial situation of borrowers and compliance with contractual obligations. For individual customers, monitoring includes procedures for managing situations of risk of default and out-of-court recovery, monitoring alerts of signs of financial difficulties, namely through the Default Risk Action Plan (PARI) and Procedures for Settling Default Out of Court (PERSI). For Enterprise customers, monitoring involves single-name analysis of customers and groups of related customers and, where appropriate, their integration into a watch list. Of particular importance is the individual analysis of materially relevant customers, namely the stage review and the individual impairment analysis.

In addition, Caixa Central monitors compliance with the credit monitoring process of its member banks, through the Monitoring and Supervision Department (DAS).

- Recovery process

In the case of situations of default, the customer's liabilities are managed by a specific and autonomous area which appraises the potential recovery of these liabilities through renegotiation, the calling of the existing guarantees or other means involving litigation. In order to support this process, the Group has a specialised IT tool that makes it possible to streamline the associated tasks, such as organising information in extrajudicial and judicial proceedings, controlling customer cases under management through automatic alarming, distributing cases to recovery staff, creating draft documents, providing timely information on the status of cases and creating statistical reports on recovery activity for reporting.

Analytical Models of Credit Risk Assessment

The models for assigning ratings to corporate customers, the scoring models (granting and monitoring) directed at the segment of individual customers, including sole proprietorships, the system of management and control of economic groups and risk, the credit workflows, the tools supporting the credit monitoring and recovery processes, and the management tool for guarantees and collateral received, aim to achieve a significant improvement in the field of credit risk management at the CA Group, not only through the enhanced quality of the supporting information, but also due to the dynamism and robustness they foster, contributing to the efficient monitoring of the credit portfolio.

The internal rating models based on statistics adopted by Crédito Agrícola, as the tool underlying the decision-making and monitoring of the portfolio of loans and advances to customers, seek to standardise and summarise the risk rating of those customers.

In order to quantify the risk at the time when the loans are accepted for the segment of individual customers, applicational scoring models are used for the main loan portfolios, which enable estimating the probability of default.

In line with these, the performance scoring models enable the regular and automatic updating of the risk rating, the permanent assessment of the customers and contracts, and the periodic monitoring of the loans granted to individual customers, especially by weighting the internal performance information, complemented by information obtained externally (such as garnishments, Credit Responsibilities Central, among others).

Since its implementation (2022), the Model Validation Office (GVM) has started a programme of regular validation of the different rating and scoring models in force in the Crédito Agrícola universe, which is a key element in the process of maintaining these risk models, since it complements the continuous evaluation of the predictive power and functioning of the models that is carried out by the first line of defence (in this case, the development unit, DRG), with periodic evaluation, now ensured independently by a second line of defence (GVM). This change has simultaneously aligned the CA Group with best practices concerning the internal governance of risk models and complies with the determinations of the prudential supervisory body. Of no lesser importance, it also enables enhancing the robustness of the internal process supporting decision-making on the adoption, maintenance in force, review or reconstruction of the risk models, according to the evolution of their predictive power and suitability to the risk and business policies enforced at the Institution.

Assessment of Exposure

According to IFRS 9, institutions must classify operations/customers into levels, according to the level (stage) of credit risk, considering certain criteria:

- Stage 1 – From the moment a financial instrument is originated or acquired, 12-month expected credit losses should be recognised through profit or loss, resulting from the constitution of the appropriate impairment provisions;

- Stage 2 – When there is a significant increase in credit risk (or a deterioration in its quality), lifetime expected credit losses should be recognised;

- *Stage* 3 – A financial asset is placed in Stage 3 when credit losses occur or there is objective evidence of loss (the asset is impaired);

i. Evolution and break-down of exposure, by type of customer (risk class)

Values in millions of euros, except %

Segment	Dec-22 Exposure					Dec-23 Exposure					Δ Dec-23/ Dec-22
	Stage 1	Stage 2	Stage 3	Total	%	Stage 1	Stage 2	Stage 3	Total	%	
Corporate	6,379	973	448	7,800	**33%**	6,958	821	487	8,265	**35%**	**6%**
Business	1,600	320	146	2,067	9%	1,602	257	163	2,023	8%	-2%
Large and SME	3,264	452	184	3,900	17%	3,542	357	211	4,110	17%	5%
Construction and Real Estate Activities	1,515	201	118	1,834	8%	1,813	207	112	2,132	9%	16%
Individuals, of which:	4,338	913	171	5,422	**23%**	3,985	928	277	5,190	**22%**	**-4%**
Mortgage Loans	3,149	596	56	3,801	16%	2,837	638	169	3,644	15%	-4%
Consumer Credit	565	152	75	792	3%	544	138	68	750	3%	-5%
Other	731	9	-	740	**3%**	727	9.7	0.2	736	**3%**	**0%**
Sub-total	11,448	1,896	619	13,962	**59%**	11,669	1,758	764	14,192	**59%**	**2%**
Investments in securities	9,664	-	-	9,664	41%	9,723	-	-	9,723	41%	1%
Total	**21,112**	**1,896**	**619**	**23,626**	**100%**	**21,392**	**1,758**	**764**	**23,914**	**100%**	**1%**

ii. Stratification of the mortgage loan portfolio which was moved to Stage 3 over the course of the year:

a. Vintage analysis

In millions of euros, except %

Year of Origination	Total Exposure	%
< 2015	23	17%
2015	7	5%
2016	9	7%
2017	14	11%
2018	16	12%
2019	14	11%
2020	15	11%
2021	20	15%
2022	15	11%
2023	1	0%
Total	**133**	**100%**

b. LTV bucket:

Minimum denominator between valuation amount and guaranteed initial amount approach

In millions of euros, except %

LTV	Total Exposure	%
<= 50%	4	3%
51% to 70%	8	6%
71% to 80%	9	7%
81% to 90%	28	21%
91% to 100%	78	58%
> 100%	6	5%
Total	**133**	**100%**

Minimum denominator between valuation amount approach

In millions of euros, except %

LTV	Total Exposure	%
<= 50%	31	24%
51% to 70%	41	31%
71% to 80%	29	22%
81% to 90%	23	18%
91% to 100%	4	3%
> 100%	4	3%
Total	**133**	**100%**

c. Portfolio distribution by DSTI[12] interval

DSTI	Total Exposure	%
	In millions of euros, except %	
<= 36%	21	16%
> 36% to 50%	40	30%
> 50% to 60%	22	17%
> 60% to 70%	13	10%
> 70% to 90%	16	12%
> 90% to 100%	3	2%
> 100%	18	14%
Total	**133**	**100%**

iii. Evolution of the gross loans granted to companies by activity sector:

Values in millions of euros, except %

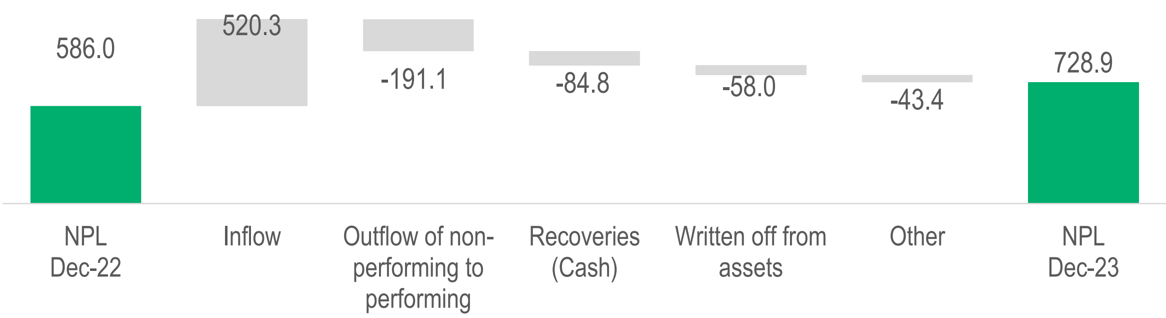
Economic activity	Dec-22 Loans (Gross)	Dec-22 Weight %	Dec-23 Loans (Gross)	Dec-23 Weight %	∆ Dec-23/ Dec-22
Agriculture and fisheries	1,065	16.3%	819	14.5%	-23.1%
Mining industries	23	0.3%	23	0.4%	0.2%
Manufacturing industries	807	12.3%	799	14.1%	-1.0%
Production and distribution of electricity, gas, steam and air conditioning	28	0.4%	48	0.9%	75.9%
Water supply	101	1.5%	114	2.0%	12.6%
Construction	487	7.4%	482	8.5%	-1.0%
Wholesale and retail trade	1,050	16.1%	889	15.7%	-15.4%
Transport and storage	118	1.8%	138	2.4%	17.4%
Accommodation and food service activities	673	10.3%	547	9.7%	-18.6%
Information and communication	17	0.3%	18	0.3%	3.2%
Financial and insurance activities	157	2.4%	157	2.8%	0.1%
Real estate activities	993	15.2%	1,002	17.7%	0.9%
Professional, scientific and technical activities	176	2.7%	188	3.3%	6.4%
Administrative and support service activities	119	1.8%	97	1.7%	-18.6%
Public administration and defence, mandatory social security	1	0.0%	0	0.0%	-99.2%
Education	79	1.2%	76	1.3%	-3.2%
Human health services and social work activities	188	2.9%	175	3.1%	-6.9%
Arts, entertainment and recreation	66	1.0%	52	0.9%	-20.6%
Other	389	6.0%	25	0.4%	-93.7%
Total	**6,536**	**100.0%**	**5,649**	**100.0%**	**-13.6%**

Note: The information in this table (source: FINREP reporting) refers to the volume of loans granted by the Group to companies and sole proprietorships (loans to companies), excluding the sectors of financial activities and public administration. Gross loans exclude Customer debt instruments (commercial paper operations).

[12] The formula for calculating DSTI corresponds to the ratio between the total amount of monthly payments associated to all loans held by the borrower and their monthly income net of taxes and mandatory contributions to Social Security

iv. Evolution of NPL

The evolution of the stock of NPL and main sources of reduction/increase in 2023 are presented below:



Non-performing loans (NPL[13]) to customers reached 729 million euros in December 2023. The growth was mainly due to the increase in mortgage loans between September 2023 and December 2023, caused by restructuring due to financial difficulties (DF) of customers covered by Decree-Law 80-A and, to a lesser extent, contracts with loans more than 90 days past due. It should be noted that this increase in the volume of non-performing loans is also the result of the prudence of the classification criteria implemented in GCA for situations in which, although there has been no breach of contract by the borrowers, the probability of such an event is considered to be significant. Despite the aforementioned growth, in which the NPL ratio increased from 5.1% in December 2022 to 6.2% in December 2023, it is worth highlighting the ongoing process of writing off loans considered uncollectible (write-off from assets) under GCA's strategic plan for managing non-performing loans. The NPL ratio net of impairment stood at 4%, the NPL coverage ratio for impairment of non-performing loans reached 38% – with a decrease of 2 p.p. having been observed in relation to the same period of 2022 linked to write-off of loans – and the NPL coverage ratio for NPL impairments and collateral (applying haircuts and recovery costs and limiting the value of collaterals to the value of the exposure, as per the FINREP taxonomy) stood at 89%[14].

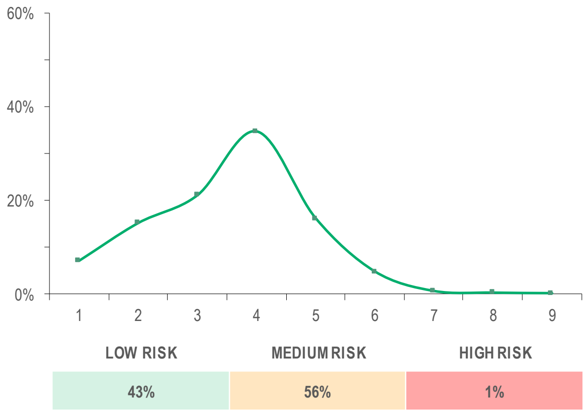
The analysis of the portfolio of loans and advances to customers, according to its relative distribution over the different risk categories, enables identifying a strong concentration in the medium and low risk profile.

[13] Operations are classified as NPE if they fulfil, at least, one of the following conditions:

i. Operations in default;
ii. Operations subject to individual analysis from which resulted the attribution of an individual impairment of zero, due to the existence of collateral (through a going concern valuation) and which were allocated to the collective model;
iii. Contagion to the array of credit obligations (on-balance and off-balance) of a borrower, that has an amount in debt (on balance) of credit operations in default for longer than 90 days, above 20% of the on-balance total.

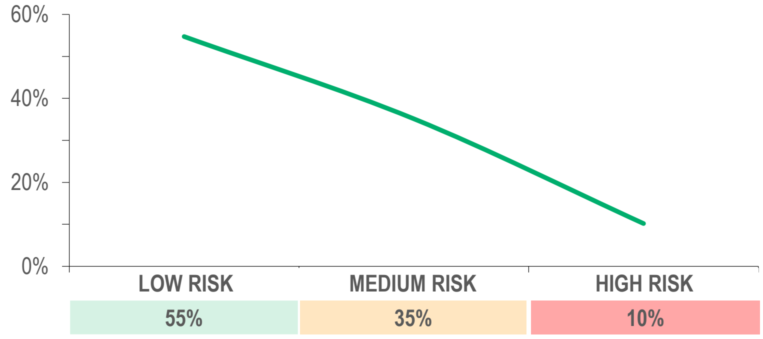
[14] The ratio of NPL coverage by NPL impairments and collaterals (not considering the limit of the value of the exposure) was 140%, as at December 2023.

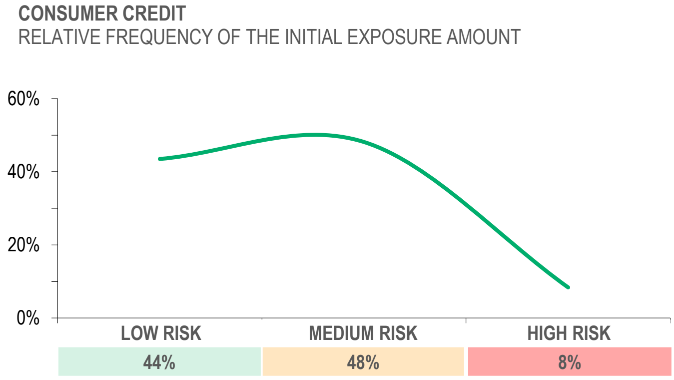
CREDIT RATING
RELATIVE FREQUENCY VOLUME OF EXPOSURE



The distribution of ratings by volume of exposure indicates that 99% of the operations are concentrated in the low-risk and medium-risk profiles, concerning 43% and 56% of the loan value, respectively.

MORTAGE LOANS
RELATIVE FREQUENCY OF THE AMOUNT OF INITIAL EXPOSURE





In the segment of individual customers, the graphic analysis of relative frequency indicates a downward trend of the volume with increased risk level, where the mortgage loan operations are concentrated in the low-risk and medium-risk profiles, accounting for 55% and 35% of the value of loans granted in the origination of the operation, respectively. The high-risk profile primarily refers to contracts granted before 2019.

Consumer credit showed a strong incidence in the low-risk and medium-risk profiles, accounting for 44% and 48% of the value granted in the origination of the operation, respectively. The high-risk profile primarily refers to contracts granted before 2019.

Credit concentration risk

The indicators of loans granted by economic group and risk enable estimating the 10 largest exposures of the Crédito Agrícola Group, except for customers classified as Financial Institutions and Central, Regional or Local Administrations.

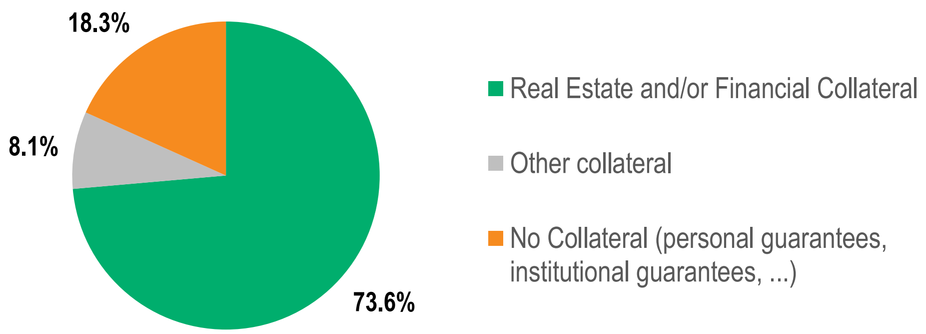
	Dec/23	Dec/22
Customer / Group of customers	Weight of exposure in total portfolio (%)	Weight of exposure in total portfolio (%)
Group A	0.8%	0.8%
Group B	0.7%	0.8%
Group C	0.5%	0.7%
Group D	0.4%	0.5%
Group E	0.4%	0.4%
Total 5 largest	2.8%	3.2%
Group F	0.4%	0.4%
Group G	0.4%	0.3%
Group H	0.4%	0.3%
Group I	0.3%	0.3%
Group J	0.3%	0.3%
Total 6-10 largest	1.9%	1.7%
Total 10 largest	4.7%	4.8%
Total 50 largest	11.2%	10.8%

In brief, it its concluded that no relevant concentrations are identified in terms of the loan portfolio which cannot be explained by the particularities of the CA Group and its business. Nevertheless, there is a noteworthy material presence of exposure to the segment of ‘construction and real estate activities’, as presented in the table with the “Evolution of gross loans granted to companies by activity sector” (26.3% of gross loans).

In the liquidity context, the portfolio of customer funds shows a low to moderate level of concentration.

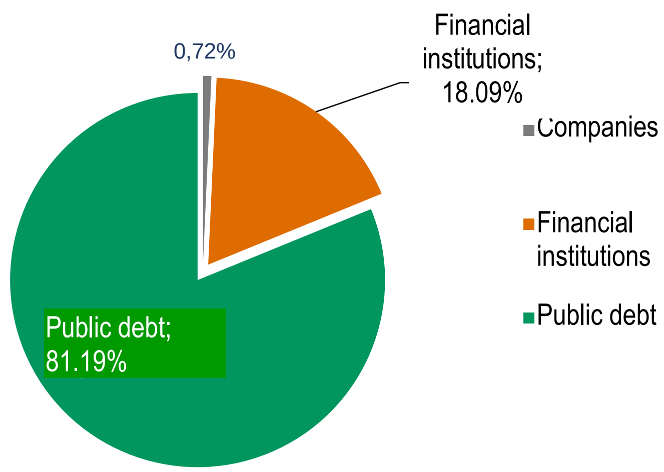
As at 31 December 2023, concentration risk represented 0.3% of the total economic capital requirements (Internal Capital Adequacy Assessment Process or ICAAP).

The composition of the portfolio of guarantees received to cover loans and advances to customers continues to show its usual structure, with predominance of real estate and financial collateral representing approximately 73.6% of the volume of credit in 31 December 2023, as shown in the graph below.

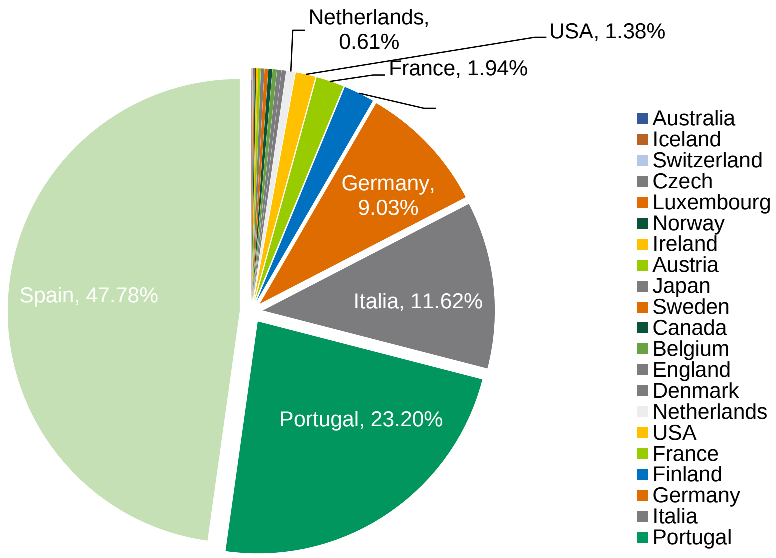


Portfolio of Debt Securities

The securities portfolio (financial investments) held reveals a high concentration, considering the type of issuer, with particular incidence on instruments issued by eurozone states or backed by eurozone States, observing the investment policy established at the CA Group, which prioritises investments of high credit quality convertible into liquidity in a manner tending to be immediate, in particular public debt bonds in euros of eurozone countries.



The distribution of exposure by country of origin shows the following structure:



The analysis of the degree of concentration of the portfolio based on counterparty rating presents the following distribution.

Issuer rating	Relative weight (%)	Accumulated weight
Aaa	9.3%	9.3%
Aa2	0.1%	9.5%
Aa3	0.8%	10.2%
A1	1.9%	12.2%
A2	51.1%	63.2%
A3	23.7%	86.9%
Baa1	7.2%	94.1%
Baa2	5.4%	99.6%
Baa3	0.3%	99.9%
Ba2	0.1%	100.0%
B1	0.0%	100.0%

The analysis of credit risk associated with debt securities considers the ratings of independent external credit assessment institutions (ECAI), such as, for example, Moody's, Standard & Poor's and Fitch. The identification of the external rating to be considered when ratings have been assigned by more than one independent external credit assessment institution arises from the following rules: i. when only one credit assessment is available, relative to a particular position at risk, that assessment is used to determine the risk parameter; ii. when there are two credit assessments, with different ratings, the lowest rating is applied; and iii. When there are more than two credit assessments, the two highest ratings serve as reference, which, if they are different, then the lowest is applied, and if identical, then that rating is applied.

b) Interest rate risk

Interest rate risk arises from changes of value in financial instruments induced by interest rate changes, in other words, it reflects the probability of occurrence of negative impacts on net income or capital, due to adverse movements in interest rates, as a result of mismatches of maturities or interest rate refixing periods (repricing risk), alterations of the slope of interest rate curves (yield curve risk), the lack of a perfect correlation between the rates received and paid in the different instruments of the balance sheet (basis risk), or the existence of embedded options in financial instruments of the balance sheet or off-balance sheet items (option risk). Alterations of interest rate constrain net income by affecting not only net interest income, but also other items of operating income that are sensitive to interest rates. The latter includes, for example, the value of public debt securities subject to revaluation at market value. The underlying value of the assets, liabilities, off-balance sheet items, and consequently, equity, are likewise affected in view of the necessary revision of the present value of the future cash flow generated by these components (and in many cases the revision of the actual cash flow).

Strategy and Guiding Principles

Interest rate risk is an important risk in the activity developed by the Group, the second greatest risk, and, in that regard, is identified, measured, monitored and controlled, particularly on a consolidated basis. The interest rate risk management policy for the banking book is established in accordance with the guidelines approved by the Executive Board of Directors within the scope of the RAF, and the results of the assessment of exposure to interest rate risk and any risk hedging strategies are, likewise, monitored by the Asset, Liability and Capital Committee

(ALCCO) (prioritising the vision of the first line of defence) and by the Risk Committee (focused on the vision of the second line of defence).

Assessment of Exposure

The CA Group uses a set of measurements to determine its exposure to interest rate risk, as well as the definition of a supplementary series of limits that seek to minimise the risk of losses associated to interest rate changes both in the medium and long-term. The monthly assessment of its exposure to interest rate risk uses a methodology based on the treatment of the different sensitive assets and liabilities according to their maturities or rate review dates, with the cash flows of the assets and liabilities being calculated as well as the corresponding gap sensitive to interest rate risk. An assessment is also made of the impact of various scenarios of evolution of interest rates on net interest income at one year and on the institution's economic value, including the prudential scenarios defined.

As at 31 December 2023, the exposure of the balance sheet to interest rate risk according to its maturity or refixing date is as follows:

Amounts in thousands of euros

	Repricing Dates / Maturity Dates						
	On demand	Up to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Assets	**34,269**	**6,510,721**	**7,629,087**	**1,707,609**	**1,461,274**	**5,970,324**	**23,313,284**
Debt Securities	20	894,609	1,209,700	1,132,961	1,277,966	5,676,044	10,191,299
Loans and Advances	34,250	4,219,893	6,418,326	574,649	183,308	294,280	11,724,705
Other assets	0	1,396,219	1,061	0	0	0	1,397,279
Liabilities	**3,933,530**	**4,258,702**	**7,477,992**	**2,705,364**	**1,475,996**	**1,392,846**	**21,244,430**
Debt Securities Issued	0	0	8,126	315,159	258,115	0	581,400
Deposits	3,933,530	4,258,702	7,469,624	2,390,205	1,217,881	1,392,846	20,662,788
Other Liabilities	0	0	242	0	0	0	242
Derivatives	0	1,789,610	3,176,153	-631,646	-1,062,426	-3,442,017	-170,326
Net Exposure	**-3,899,260**	**4,041,629**	**3,441,462**	**-1,576,283**	**-1,077,149**	**1,135,461**	**2,065,861**

The sensitivity analysis for the interest rate risk to which the CA Group is exposed as at 31 December 2023, based on a simulation of the impact on assets and liabilities sensitive to changes in references rates of -200 basis points up to +200 basis points shows the following results:

		In thousands of euros
Impact on the sensitivity of the economic value resulting from the variation of the reference interest rate		
	-200 b.p.[1]	**+200 b.p.**
Assets	**641,678**	**-1,068,759**
Debt securities	559,682	-913,451
Loans and advances	81,607	-154,534
Other assets	389	-774
Liabilities	**257,898**	**-344,458**
Debt securities issued	14,311	-26,530
Deposits	243,586	-317,925
Other liabilities	1	-3
Derivatives	**-359,673**	**572,779**
Off-balance	3	26
Impact on economic value	**24,109**	**-151,497**
Impact oneconomic value (% Own Funds)	**1.2%**	**-7.4%**

(1) 50% weighting applied to economic value sensitivity in scenarios with positive changes, according to Instruction nr. 34/2018 from Banco de Portugal (Art. 4-B, subparagraph t)

		In thousands of euros
Impact on the sensitivity of the economic value resulting from the variation of the reference interest rate		
	-200 b.p.	**+200 b.p.**
Assets	**-146,206**	**139,824**
Debt securities	-10,147	5,918
Loans and advances	-136,590	134,897
Other assets	530	-991
Liabilities	**-74,314**	**129,259**
Debt securities issued	-14	14
Deposits	-74,298	129,243
Other liabilities	-2	2
Derivatives	**-42,473**	**73,618**
Off-balance	-1,740	3,835
Impact on economic value	**-116,106**	**88,019**
Impact oneconomic value (% Own Funds)	**-18.1%**	**13.7%**

The sensitivity analysis map shows us the change in the theoretical market value of the different items of assets and liabilities and off-balance sheet items in various scenarios of variation in market interest rates (i.e. 200 bp, -200 bp), by updating the cash flows associated with each operation in the different scenarios considered. The variation in absolute terms (assets less liabilities) can be interpreted as the Impact on the Economic Value of the Group's Equity. The impact on Net Interest Income arises from the difference between the net interest income in the various scenarios assessed and the base scenario.

Following the implementation of methodological changes in comparison to previous years, 2023 was a year of stabilisation of interest rate risk control. The year was marked by the significant rise of interest rates and the continued implementation of mitigation measures to bring interest rate risk exposure levels within the risk appetite framework, namely reducing the maturity limit of new positions in the securities portfolio and contracting new hedging instruments, namely interest rate swaps and options.

c) Liquidity risk

Liquidity risk reflects the probability of occurrence of negative impacts on profit or loss or equity, derived from the Institution's inability to draw on the cash balances required, at any given time, to comply with its financial obligations, as they fall due, taking into consideration the existing capacity to manage a settlement of assets under reasonable conditions in terms of price and time horizon. Hence, the aim is to finance the assets and meet the required liabilities on their due dates without incurring exaggerated losses and, for such, limiting the existence of potential difficulties of liquidation of positions in portfolio.

Strategy and guiding principles

The CA Group's liquidity management policy is defined and monitored according to the guidelines approved within the scope of the RAF, while its daily management is the responsibility of the Financial Department (DF), within the limits set by the Executive Board of Directors. Surplus funds of the Group are, as foreseen in RJCAM, channelled to Caixa Central, where they are centrally invested in assets of high credit and liquidity quality, namely public debt of eurozone countries and debt securities from corporates and credit institutions, both domestic and international, with high credit quality. The Group and Caixa Central monitor the liquidity ratios from a prudential perspective, calculated according to the rules issued by Banco de Portugal.

Concerning liquidity management, Caixa Central seeks to maintain financing lines, guaranteed or not by securities, at national and international credit institutions, regularly tested, and launch debt products which contribute to maintaining the standards of permanence of funds.

Furthermore, the CA Group has a liquidity contingency plan at all times, identifying the actions to be developed and updating responsibilities in the event of materialisation of stress scenarios. The CA Group also uses mechanisms that consider the liquidity costs in the process of definition of pricing of the commercial offer and performance assessment.

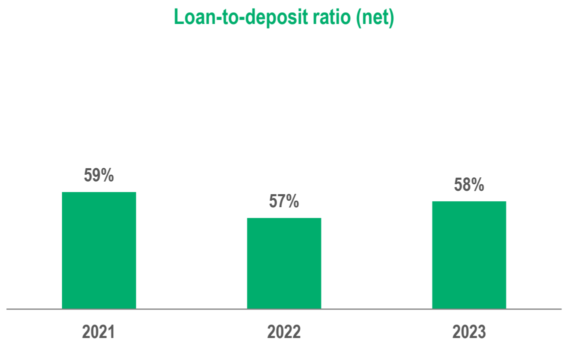
Assessment of exposure

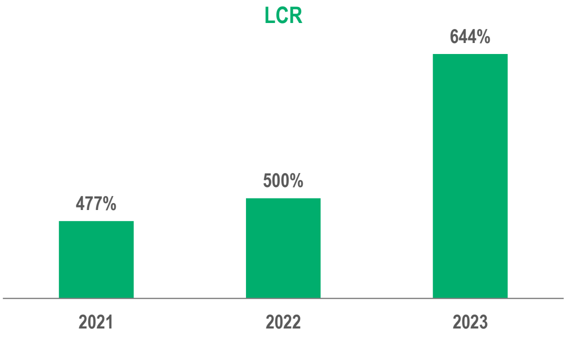
The Group uses a broad set of measurements to determine its exposure to liquidity risk as well as the definition of a supplementary series of limits that seek to minimise the risk of losses associated to situations of illiquidity both in the medium and long-term.

The analysis of exposure to liquidity risk is based on various methodologies aimed at assessing, on the one hand, the immediate liquidity, through the Liquidity Coverage Ratio (LCR), the minimum ratios of liquidity at one month, considering the degree of coverage of an abrupt reduction of customer demand deposits and term deposits (currently, SICAM's sole source of structural liquidity) without relevant impediments to early mobilisation, by high-quality liquid assets (convertible into cash, due to maturity, sale or use in financing operations backed by securities, in a practically immediate form and without relevant loss of value. On the other hand, the assessment of structural liquidity involves calculation of the static and dynamic liquidity gaps (incorporating the budgeted evolution of the activity), with the aggregation of all the cash flows (payment of interest and repayment of principal) generated by the contracted operations, both lending and borrowing (on and off the balance sheet) considered in a series of time intervals, as well as the Net Stable Funding Ratio (NSFR).

The CA Group is currently developing other mechanisms to calculate additional metric for liquidity monitoring, specifically: maturity time profile (contractual and performance) of assets and liabilities, concentration of funding by type of liability and counterpart, concentration of the portfolio of liquid asset with potential liquidation, costing of various types of available funding, profile of renewal of the different types of funding used.

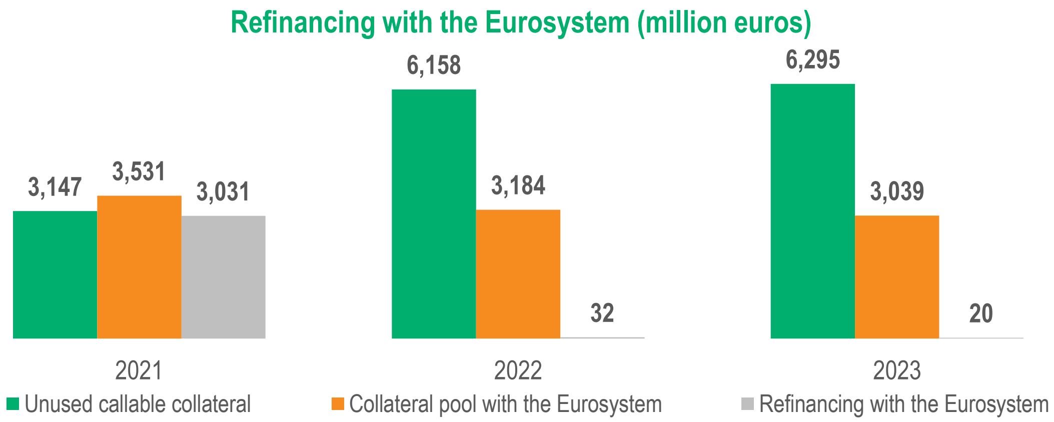
The Group presents a comfortable liquidity position, reflected in a solid customer fund base (the main source of funding) and a loan-to-deposit ratio at levels below those observed, as a rule, in the financial system. The liquidity coverage ratio and the net stable funding ratio stood at 644% and 172%, respectively, in December 2023.





With the early settlement of the Targeted Long-Term Refinancing Operation III (TLTRO III) in November 2022, the use of ECB funding decreased substantially, with only one line remaining of a minor value, about 20 million euros. It is important to note that the value associated with the eligible assets (unused) for this type of operation amounted to approximately 6.3 billion euros (December 2023), showing an increase of around 130 million euros in relation to the same period of the previous year.

Considering that the liquidity ratios are significantly above the regulatory limits, with the liquidity coverage ratio (LCR) ratio standing at 644% and the net stable funding ratio (NSFR) at 172%, the loan-to-deposit ratio at 58% (compared to the banking sector average of 79 %), and a low encumbrance of the portfolio of eligible collateral for the Eurosystem, this clearly demonstrates a robust liquidity position with capacity to support the growth of the CA Group's activity. It is also important to note the high level of diversification of the CA Group's deposit base, underpinned by deposits of Individuals, small and medium-sized enterprises and micro-enterprises. This high level of diversification of the deposit base is evidenced by the strong percentage of deposits covered by the Deposit Guarantee Fund (FGD), which represented approximately 80% of the total deposits of the CA Group at the end of 2023.



Available Liquidity (under normal business conditions)	2021	2022	2023
Eligible assets	6.677.723	6.662.920	6.947.546
Eligible unencumbered assets	3.146.834	6.157.999	6.295.106
High Quality Liquid Assets (HQLA)	7.236.532	7.033.324	7.340.661
Liquidity buffer (in % of customer deposits)	37%	35%	37%

In the analysis of the exposure to liquidity risk, several methodologies complementary to the regulatory ratios are used, seeking to evaluate, on the one hand, the liquidity immediately available and, on the other, the structural liquidity of SICAM. So as to monitor the level of coverage of Customer Assets by Liquid Assets, the GCA's risk profile includes the following monitoring indicator:

- Liquidity Buffer as % of Customer Deposits: expresses the level of coverage of Customer Deposits by High Quality Liquid Assets;

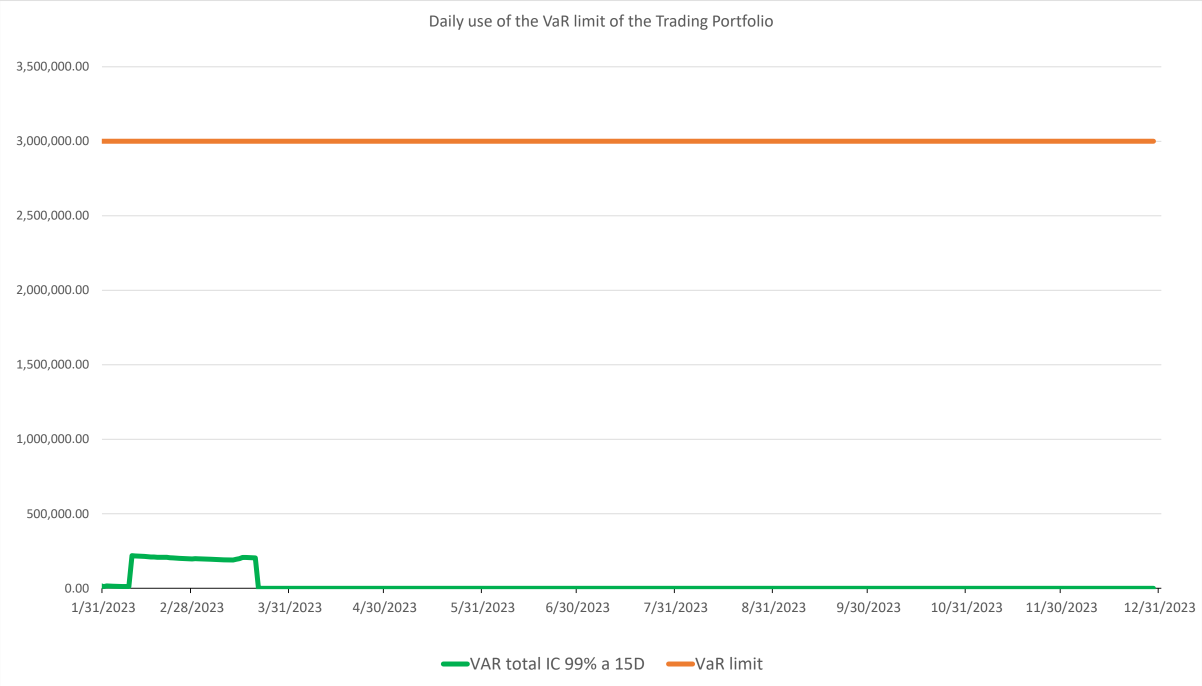
In comparison to 2022, this indicator shows an increase of around 2 p.p., reaching 37%. The growth of the HQLA in around 307 million euros contributed to this evolution, as well as a slight reduction in customer deposits. Over the past 3 years this indicator has remained above the reference level defined in the risk profile (on average, 20 p.p. above).

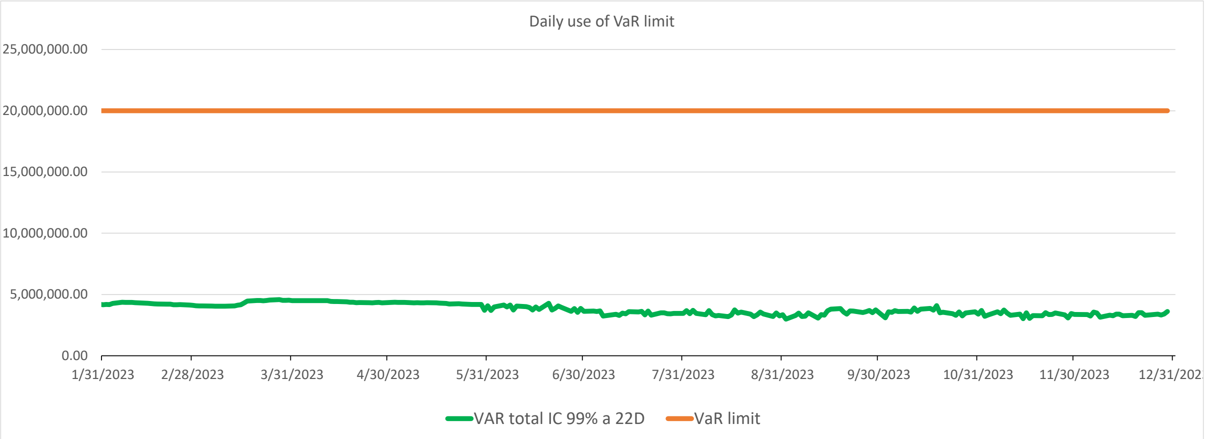
d) Market risk and exchange rate risk

Market risk reflects any losses derived from an adverse change in the market value of a financial instrument as a consequence of changes in interest rates, exchange rates, share prices, commodity prices, credit spreads or other equivalent variables.

In the context of the strategy and activity developed by the Crédito Agrícola Group, in 2023, we highlight the existence, under treasury management, of a trading book of limited material value, considering that the maximum limit of exposure in net terms reaches 100 million euros, consisting of financial assets whose cash flows could or could not be considered exclusively principal and interest, including derivative instruments, for the purpose of ensuring the profitability of the actual treasury positions. In order to mitigate the risks incurred, a policy has been implemented of separation of duties, at all times, between the execution of market transactions and risk control.

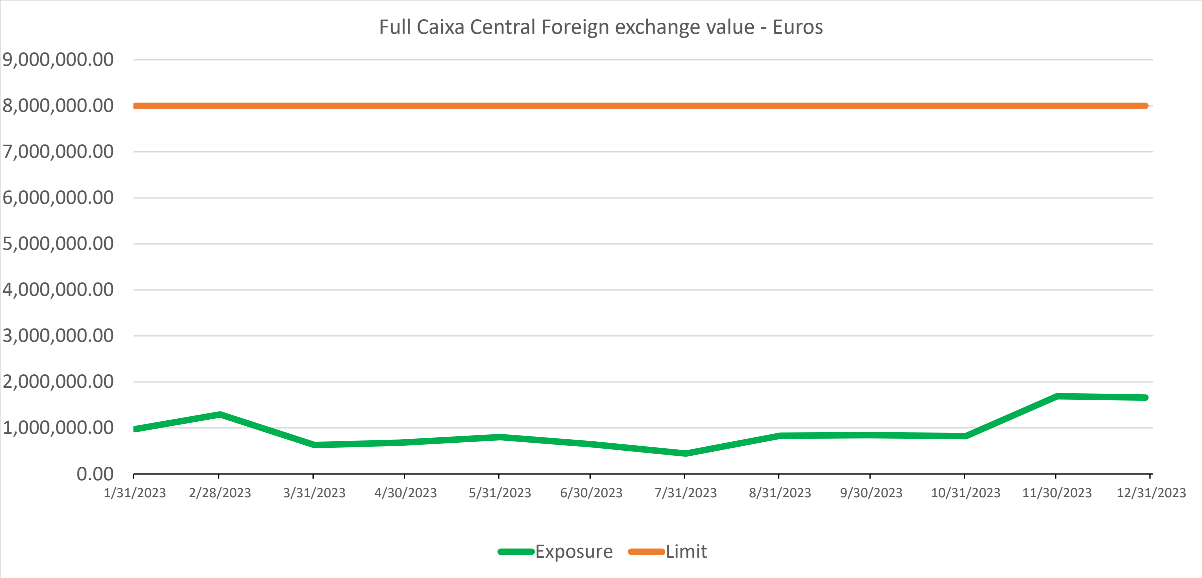
In order to limit the risk associated with potential negative impacts on profit or loss or capital, arising from adverse price movements of assets in the portfolio, a value at risk (VaR) limit of 3 million euros was defined for Caixa Central's trading portfolios, calculated according to the Monte Carlo methodology (99% confidence interval) considering a time horizon of 15 days. In the portfolios recognised for accounting purposes at fair value through other comprehensive income (FVTOCI) (only in the context of the trading book), a value at risk limit of 20 million euros was defined, also calculated according to the Monte Carlo methodology (99% confidence interval), considering a time horizon of 22 days.





Foreign exchange risk arises as a result of changes in exchange rates for currencies whenever there are open positions in these currencies and, similarly to market risk, this is not considered a material risk for Crédito Agrícola.

The profile defined for foreign exchange risk is conservative, embodied in the coverage policy. The traded operations have underlying commercial transactions, with foreign exchange activity being directed at their coverage within very low limits of exposure. Control and assessment of foreign exchange risk are carried out on a daily basis in consolidated terms. At the Group, foreign exchange risk management is centralised and subject to an approved limit of 8 million euros for the net foreign exchange rate exposure. This limit was met throughout 2023 due to prudent market positioning.



Market risk has no capital requirements and CVA (Credit Valuation Adjustment) risk has capital requirements of 2.0 million euros, in accordance with Regulation (EU) 575/2013, with reference to 31 December 2023.

5.2.6 Other Risks

a) Operational risk

Operational risk reflects the occurrence of events derived from the inadequate or negligent application of in-house procedures, personal conduct, inadequacy or flaws of information systems or external causes, where these events can give rise to a negative impact on profit or loss and equity.

In this sphere, the Group established, as its goal for 2023, the promotion of a significant evolution in operational risk management matters by expanding its catalogue of processes, including the respective risks and controls associated with the Governance, Risk and Compliance (GRC) tool, and in the overall process of collection of loss events.

Complementing this process, the Group applies a series of measures to mitigate operational risk, where we highlight the existence and permanent updating of a business continuity plan, internal rules on security of information, the automation of accounting processes, in particular those related to the loan portfolio, the separation of duties in the accomplishment and accounting of transactions, the existence of internal rules on the physical security of the premises and insurance (e.g. buildings, theft).

The regulatory capital requirements to cover operational risk, calculated in accordance with the basic indicator established by Basel, stood at 103 million euros as at 31 December 2023.

b) Real estate risk

Real estate risk strictly consists of loss derived from an unfavourable change of the price of real estate assets stated in the balance sheet, in particular relative to properties acquired as repayment of own credit. Real estate risk represents a in intrinsic risk of credit risk.

The methodology to assess real estate risk at the Group is based on the quantification of the potential loss resulting from a variation of the price of the real estate assets recorded on the balance sheet, considering the entire value of the real estate properties in portfolio on the reporting date, in previously established scenarios, taking into consideration the specificities of the different segments (residential, commercial and agricultural/agricultural land). Real estate risk naturally presupposes an expectation of devaluation of the price of properties recorded on the balance sheet (non-current assets held for sale) and in real estate funds.

The CA Group exposure to real estate risk, in the component of real estate properties in portfolio amounts to 237.9 million euros in December 2023 (118.7 million euros of direct exposure and 119.2 million euros of indirect exposure), a position that has shown a significant downward trend over the last years (decrease of 78 million euros in relation to December 2022 and 69 million euros compared to December 2021).

Furthermore, it should be noted that the goals established for 2023 were surpassed.

TOTAL REAL ESTATE EXPOSURE

	2022	2023	CA 2023 Objective
Direct Exposure			
Book Value			
CCAM	159,553,087	105,901,575	126,928,952
Caixa Central	9,639,278	8,403,711	8,066,202
CA Imóveis	7,483,554	4,409,075	4,812,992
Total direct exposure	**176,675,919**	**118,714,361**	**139,808,146**
Indirect Exposure			
CA Imobiliário	112,733,600	97,907,180	99,509,623
Imovalor CA	16,919,609	10,895,738	10,756,011
Discovery	10,433,632	10,353,138	10,888,831
Total indirect exposure	**140,086,842**	**119,156,057**	**121,154,465**
% Objective (Dec.2023 = Base 100)		**121.4%**	
Total real estate exposure	**316,762,761**	**237,870,418**	**260,962,610**

c) Environmental sustainability, social and governance (ESG) risk

ESG risks refer to situations of potential negative impacts arising from the current or future effects of ESG risk factors present in customers and counterparts or in the assets and liabilities.

Climate change and environmental deterioration are sources of structural changes that affect economic activity and, consequently, the financial system. The physical risks arising from external events, such as droughts, floods and storms and the transition risks related to the adjustment process towards a low carbon and more sustainable economy in environmental terms, are priorities for the Crédito Agrícola Group and are included in its risk management strategy.

Over the last few years, an enormous series of regulations have been issued related to climate change and environmental issues directed at the financial sector, among which, special reference is made to the European Banking Authority (EBA) Guidelines on loan origination and monitoring (EBA/GL/2020/06), Guide on climate-related and environmental risks of the European Central Bank, and Banco de Portugal Circular Letter 10/2021 which defines the expectations of supervision on climate and environmental risks for less significant institutions subject to its direct supervision, which is the case of the Group.

In 2023, GCA defined an Environmental, Social and Governance (ESG) Sustainability Risk Management Policy which establishes the guiding principles for managing ESG risks, the strategy for managing these risks and the governance model for the respective management system.

The CA Group has identified the following priorities in this matter: adoption of the EU environmental and social taxonomy and consequent incorporation of ESG risks in the risk profile and analysis of credit operations, development of climate and social stress tests (in line with the ECB directives) and inclusion of climate and social information in the financial planning exercise; early adoption of European regulations, with periodic follow-up of new directives through participation in working and research groups; and calculation of the Green Asset Ratio (GAR) and within the scope of pillar 3, BTAR (Banking Book Taxonomy Alignment Ratio).

The European Taxonomy for Environmentally Sustainable Activities – Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 – is a system for classifying economic activities, which makes it possible to identify those that can be considered "green" or environmentally sustainable. This classification is intended to promote the mobilisation of financial flows (e.g. investment and financing) for projects, assets and companies that best promote the transition of the European economy to a more sustainable model (e.g. less carbon-intensive, more circular and with less impact on the use and preservation of natural resources).

The Crédito Agrícola Group discloses, for the first time, in chapter 6.3 – European taxonomy for sustainable activities, information on the legal context, main assumptions and limitations and an executive summary under mandatory and voluntary reporting. In addition, chapter 6.3 of this report also presents the information disclosed in accordance with the information models defined in the European Taxonomy.

6. NON-FINANCIAL INFORMATION

6.1. BUILDING A SUSTAINABLE LEGACY: THE CA GROUP'S SUSTAINABILITY STRATEGY

6.1.1. Our Vision and Mission for a more sustainable future

The Group's vision is to "**become a reference for inclusion, sustainability and innovation, maintaining its recognition as the Financial Group trusted by the Portuguese**". In order to achieve this recognition, its mission is to "***contribute to the economic and social progress of the regions, practising proximity banking, with purpose and sustainability***".

This relationship is established on the basis of the Group's four cooperative values:

- **Solidity**: We are a highly financially sound Group
- **Proximity**: We foster a close relationship with customers and local communities
- **Trust**: We guarantee a professional and personalised service based on trust and **transparency, with high ethical standards**
- **Simplicity**: We value simplicity and efficiency in our processes in order to continuously improve the customer experience

Figure 1 – Cooperative values of the Crédito Agrícola Group.

Crédito Agrícola's approach to materiality plays a fundamental role in the organisation's strategic direction. By identifying and prioritising the most relevant issues for its business, the Group ensures that its efforts are directed towards the most pertinent areas. In order to materialise its vision and mission, the Crédito Agrícola Group identified 5 priority Sustainable Development Goals (SDG), which comprise the strategic pillars of its Sustainability Policy, namely: **SDG 8** – Decent Work and Economic Growth; **SDG 10** – Reduced Inequalities; **SDG 11** –

Sustainable Cities and Communities; **SDG 12** – Responsible Consumption and Production; and, last but not least, **SDG 13** – Climate Action.

Figure 2 – Priority SDGs of the Crédito Agrícola Group.

In addition, it defined 13 material themes in 2020, which have guided its approach to sustainability ever since: Anti-corruption; Anti-competitive behaviour; Economic performance; Economic impacts; Labor market; Consumer privacy; Labour relations; Procurement practices; Non-discrimination; Education and training; Local communities; Emissions; and Energy.

Dual Materiality Analysis 2023

The concept of dual materiality, reinforced by the European Commission (Corporate Sustainability Reporting Directive (CSRD) – European Union Directive 2022/2464 of 14 December 2022), establishes that companies must consider as material topics those that affect (or may affect) the company's business (financial materiality) and/or whose business impacts (or may impact) society and the environment (impact materiality).

To this end, and in anticipation of the CSRD coming into force, in the second half of **2023 Crédito Agrícola carried out a dual materiality analysis**, with the aim of updating its material topics and obtaining a strategic approach more in line with the economic context and its business reality.

This review exercise involved an initial survey of a set of potentially material topics, specific to Crédito Agrícola, which took into account the Group's internal and external information in the context of sustainability (internal policies, SDGs, national and international legislation and standards, sustainability trends, sector trends, sector benchmarks). Next, in order to obtain a cross-sectional contribution from Crédito Agrícola's Employees, a first analysis of the initial list of potentially material topics was carried out through an internal online questionnaire, which, with a participation rate of 30%, made it possible to select a more restricted set of topics to evaluate in greater detail.

Following the dual materiality approach defined, we moved on to a consultarion exercise, via interviews and focus groups. This stage involved the participation of the Group's most knowledgeable internal stakeholders (Caixa Central employees and the different CCAMs – companies with the greatest representation within the Group) and external stakeholders (Academy, Associations and Customers) who, based on the main impacts, risks and opportunities, assessed the different ESG issues in terms of their impact materiality and financial materiality.

This quantitative analysis made it possible to draw up a matrix of Crédito Agrícola's dual materiality, and to identify 13 material themes:

3 environmental issues: Energy and climate change; Biodiversity, water and ecosystems; and Responsible use of resources and waste management.

6 social issues: Cybersecurity; Data protection and security; Staff conditions; Community support; Financial literacy; Diversity, Equity and Inclusion (DEI).

4 governance issues: Responsible offer and customer-centrality; Innovation and digitalisation; Business ethics; Fighting corruption and preventing conflicts of interest.

These themes reflect Crédito Agrícola's main impacts, risks and opportunities, and will form the basis of the Group's strategic approach to sustainability from 2024[15].

The exercise also made it possible to redefine the main SDGs to which Crédito Agrícola will contribute more proactively:

- **SDG 4**: Quality Education
- **SDG 8**: Decent Work and Economic Growth
- **SDG 10**: Reducing Inequalities
- **SDG 11**: Sustainable Cities and Communities
- **SDG 12**: Sustainable Production and Consumption
- **SDG 13**: Climate Action
- **SDG 15**: Protecting Life on Land
- **SDG 16**: Peace, Justice and Effective Institutions

6.1.2. Anticipating and Mitigating: our ESG risk management approach

The perception of the impact of environmental, social and governance (ESG) risks on the business viability of companies, and consequently on the performance and robustness of the financial sector, has been growing, particularly due to pressure from regulators, legislators and other institutional players (e.g. Investors, rating agencies, global forums, among others).

[15] In this regard, it should be noted that the Group's reporting of non-financial information from 2024 onwards will focus on these issues.

Aware that effective ESG risk management is crucial to the Group's business, its approach is based on:

i. Existence of a Sustainability Office, reporting directly to the Executive Board of Directors;

ii. Existence of a Sustainability Board involving the participation of the Executive Board of Directors and representatives of the relevant Caixa Central structures for the execution of the Strategy;

iii. Implementation of a Sustainability Policy laying down the main guidelines to be followed by the Group's different institutions;

iv. Inclusion of a set of ESG risks in the risk matrix;

v. Collection and processing of environmental and social information from corporate and sole proprietorship customers when opening credit operations, in accordance with the guidelines of the European Banking Authority;

vi. Anticipation, even if in a preliminary manner, of regulatory exercises, such as climate stress tests and/or the inclusion of ESG risks in the Internal Capital Adequacy Assessment Process (ICAAP) report.

The Crédito Agrícola Group stands out in the national banking sector with an ESG Risk Rating of 20.0

In 2023, the Crédito Agrícola Group received an ESG Risk Rating of 20.0 from Sustainalytics, positioning it favourably in the national banking market. The rating indicates a medium ESG risk, close to the low risk level, which shows that the Group is doing a good job in managing the environmental, social and governance risks to which it is exposed, namely those related to data protection and security; human capital; supply and its governance model; integration of ESG factors in financial decisions; ethics and conduct; and the institution's governance model. It should be noted that prudent and responsible internal management of these ESG risks has a positive impact on society and the environment and strengthens the Group's resilience in the long term, leveraging the Group's ambition to become a benchmark in Sustainability in the national market.

Further information in "**CA stands out in the national banking sector with an ESG Risk Rating of 20.0 awarded by *Sustainalytics***".

6.1.3. ESG opportunities: Unblocking of value for the Group and *Stakeholders*

In the current panorama under rapid evolution, environmental, social and governance considerations are no longer merely a question of reputation, but have become drivers of financial performance and shared value creation in the long-term. The Crédito Agrícola Group recognises the opportunities that sustainability presents for both the business and its stakeholders, adopting a proactive approach to identifying and capturing opportunities that leverage value for all.

Social bond issuance

Following its first issue, in 2021, of a social bond of the value of 300 million euros, in July 2023 the Crédito Agrícola Group concluded its second issue of senior preferred debt, amounting to 200 million euros, which was later reinforced with a fungible continuous tap issue of 50 million euros with the previous one, launched in August. The Group has once again opted to issue a social bond (PTCCCMOM0006) in accordance with the principles associated with issuing social bonds, in line with its Green, Social and Sustainability Bond Framework.

This bond has a maturity of 4 years, with an early repayment option at the end of the 3rd year, with an annual coupon rate of 8.375% for the first 3 years and subsequently remunerated at the 3M Euribor rate plus a margin of 4.974%. *Moody's Investor Services* gave the issue a "Ba1" rating.

The Crédito Agrícola Group believes that the successful conclusion of these debt issues reflects the market's recognition of CA's profitability, robustness, liquidity and financial resilience, as well as its commitment to supporting the development of the Portuguese economy, fostering the social dynamics of local communities and promoting sustainable development throughout the entire country.

CRÉDITO AGRÍCOLA | SOCIAL BONDS			
Instrument	**Date of issue**	**Maturity date**	**Value**
PTCCCAOM0000	November 2021	November 2026	**m€300**
PTCCCMOM0006	July 2023	July 2027	**m€250**
		TOTAL	**m€550**

Between November 2021 and September 2023, the Crédito Agrícola Group financed projects aimed at contributing to **"Micro and SMEs in disadvantaged regions**" and **"Socio-economic promotion and empowerment through non-profit institutions**", as shown below:

Category	Subcategory	Amount financed[16]	Balance amount[17]	Weighted average maturity[18]
Socio-economic development of the territory	**Micro and SMEs in disadvantaged regions**	m€995.8	m€611.2	6.3 years
	Socioeconomic promotion and empowerment through non-profit institutions	m€25.1	m€12.8	11.2 years
	TOTAL	**m€1,020.9**	**m€624.0**	**6.4 years**

For further information, see Social Bond Allocation and Impact Report Set 2023.

Sustainable supply and demand

As a result of its sustainability strategy and policy, the Group is committed to offering financial products that support its customers in reducing their negative environmental and social impacts.

Loans		
	Social	**Environmental**
Individuals	Health Consumer Credit Credit for Education	Eco credit Loans for Renewable Energy Mortgage Loans – "CA Casa Energia Eficiente" (CA Efficient Energy House)
Companies	"Linha de Crédito de Apoio à Economia Social – Social Investe" (Social Economy Support – Social Invest Credit Line) Social Sector Financing Line	"Linha de Crédito para a Descarbonização e Economia Circular" (Decarbonisation and Circular Economy Credit Line) "Linha de Crédito Energias Renováveis" (Renewable Energy Credit Line) CA Car Leasing

[16] Corresponds to the total of the amounts contracted to open credit operations classified in the above categories.
[17] Corresponds to the amount owed on 30 September 2023.
[18] Calculated on the basis of the amount financed.

Investment products
Amundi Funds Multi-Asset Sustainable Future IMGA Iberia Equities ESG

Partnerships and Protocols
CA & ENERGIE CA & DSTSOLAR CA & WISECROP

Insurance
“Seguro CA Vida Educação” (CA Vida insurance for education)
Seguro CA Saúde (CA health insurance)
“Seguro CA Clinicard” (CA insurance for clinics)
“Seguro CA Protecção Hospital” (CA insurance for hospital protection)
Seguro CA Mulher (CA women's insurance)
CA Renewable Energy
“Seguro CA Ciclista” (CA insurance for cyclists)

Other ESG Products
Minimum Banking Services Account

Further information in "Sustainable Offer – for me" and "Sustainable Offer – for my company".

Impact of the sustainable banking offer

Offer for Individual Customers	2021	2022	2023	Variation 2023/2022
Total loans granted (m€)	760	672	**505**	-24.9%
Mortgage loans granted (m€)	546	490	**329**	-32.9%
Financial inclusion | No. of Minimum Banking Services Accounts	1,126	3,736	**2,200**	-41.1%
Loans granted in most underprivileged areas[19] (m€)	100	81	**58**	-28.4%
Eco-credit (k€)	342	302	**342**	+13.2%
Support for Education (K€)	1,231	844	**911**	+ 7.94%

In the **Individual Customer** segment, the Crédito Agrícola Group continues to promote financial inclusion, although demand for minimum banking service accounts was lower than in the same period of the previous year (-41.1%). Mortgage lending and lending in poorer areas, while remaining solid and a priority, fell by 32.9% and 28.4% respectively. In turn, Eco-credit increased by 13.2%, and Support for Education increased by 7.94%.

[19] The Portuguese municipalities with the lowest per capita purchasing power were considered; Source: INE, 2021.

Offer for Corporate Customers	2021	2022	2023	Variation 2023/2022
Total loans granted (m€)	1,847	2,006	**2,513**	+25.3%
Loans granted to micro and small companies (m€)	1,031	1,134	**1,247**	+9.9%
Loans granted to sole proprietorships (m€)	116	114	**110**	-3.8%
Loans granted in most underprivileged areas (m€)[20]	154	167	**183**	+9.8%
Loans granted to the health and social support sector (m€)	64	50	**65**	+29.8%
Loans granted in the renewable energy sector (m€)	5	7	**51**	+628.1%
Loans for waste treatment and recovery (m€)	10	4	**8**	+110.0%
Loans for water and effluent treatment (m€)	30	10	**20**	+96.7%
Microcredit (k€)	15	0	**0**	--

In the **Corporate Customers** segment, in 2023 the Group increased its support for micro and small companies by around 10%, with total loans of 1,247 million euros. In addition, the Group continued to promote the financing of sole proprietorships (ENI) (albeit with a slight reduction compared to 2022), of companies in deprived areas (i.e. in the 25 Portuguese municipalities with the lowest per capita purchasing power; Source: INE, 2021), and companies and institutions in the health and social support sector. There was also a significant increase in loans granted for renewable energy projects, waste treatment and recovery, and water and effluent treatment.

6.1.4. Building a sustainable future together: initiatives, external commitments and partnerships

Recognising the importance of collaboration, the Crédito Agrícola Group continues to engage with its stakeholders to accelerate change and contribute to solving different challenges facing society. Through partnerships and concrete commitments, the Group wants to contribute to a more sustainable future for all.

Main initiatives and partnerships

In a world increasingly challenged by sustainability issues, it is crucial to create synergies between different institutions in order to co-create effective solutions. The development of initiatives and partnerships in the field of

[20] The Portuguese municipalities with the lowest per capita purchasing power were considered; Source: INE, 2021.

sustainability allows for the sharing of resources, knowledge and experience, boosting the capacity for action and the achievement of more significant results. The Crédito Agrícola Group recognises the importance of collaboration and networking as fundamental pillars for building a more sustainable future, developing various initiatives and partnerships with different stakeholders throughout the year.

Among the many initiatives supported by the Group in 2023, we would highlight the following:

- **Home renovation with Just a Change**: a social project developed in partnership with the Just a Change Association, to fight against energy poverty; with philanthropic support to the value of €50,000, which helped to restore and improve the energy efficiency of 20 homes in Portugal and to start a corporate empowerment and volunteering programme in which 26 of the Group's employees in Lisbon, Porto and Guimarães took part;

- **Christmas Campaign AGRI.DOAR 2023**: participation in the AGRI.DOAR initiative, which, with the participation of 51 other institutions in the agricultural sector, raised around €30,000, which was donated to the Association for the Education and Rehabilitation of Disabled Citizens of Mafra (APERCIM); the CA Group contributed €2,000;

- **CA Solidarity Tour (2nd edition)**: an initiative organised by the Group, with the support of CA's Culture and Sports Centre, in partnership with the Lisbon Transplantation Centre. Dedicated to the Group's Employees, their families and other partners, it included awareness-raising sessions on blood diseases and bone marrow donation, and a donation of €5,000 to the Portuguese Association Against Leukaemia;

- **CA Day – Always Sustainable**: celebration of the anniversary of the Crédito Agrícola Group, with 2 competitions linked to sustainable initiatives:

    - Competition for Social Economy Institutions, with 4 prizes of €10,000 each to be awarded to customers wishing to implement projects in the area of decarbonisation, circular economy or ecosystem services;

    - Competition for Individual Customers, with the award of 3 electric bicycles to Customers of CA sustainable products.

- **CA Vida – Corrida Sempre Mulher**: sponsorship of the "Corrida Sempre Mulher" (Always Woman Race), which had more than 12,000 participants and raised €133,000 for the Portuguese Association for the Support of Women with Breast Cancer;

- **Support for the Portuguese League Against Cancer**: donation of €15,000 to the Portuguese League Against Cancer for the purchase of a mobile mammography machine;

- **Association Plantar uma Árvore**: corporate volunteering action promoted by CA Seguros with a donation of €5,000 to support the rehabilitation of the Sintra-Cascais Natural Park by planting trees, which was attended by 9 volunteers from the Group;

- **Welectric Talks**: awareness-raising project on topics related to sustainable development (smart cities, energy transition, agri-food, blue economy, combating energy poverty, human rights, diversity, equity and inclusion, mobility, green finance, among others), in the form of videocasts and podcasts, involving 14 experts on each of the topics highlighted;

- **Healthy Hour moments**: CA Vida's initiative is characterised by several online sessions that encourage and promote the physical and psychological well-being of its Employees;

- **CA Life at KidZania**: insurance literacy initiative for children, through a dedicated space at KidZania;

- **Banking Open Day**: financial literacy initiative, organised in conjunction with the Portuguese Banking Association, where young people from Pombal had the opportunity to learn more about digital banking and new trends in the sector;

- **On My School Bench**: the Group took part in this initiative, in collaboration with the Portuguese Banking Association (APB), on financial literacy, which included several financial literacy sessions for around 230 students from the 3rd cycle and secondary schools who had the opportunity to learn more about Family Budget Planning and Management;

- **"Doar Amor" action** an initiative to support the young people of the Entre Mundos Specialised Children's Home, which involved collecting letters with Christmas wishes from the children at the Home, and the subsequent materialisation of the gifts requested;

- **Reforestation Action**: The action was promoted by the "Zero" Association and was attended by around 40 participants, 12 of whom are part of Crédito Agrícola's motorcyclist club Núcleo Motard, in an action to cut back trees and native shrubs from planting actions carried out in previous years. This is a forestry project by the "Zero" environmental organisation in the Leiria National Forest, which the Núcleo Motard has supported and participated in voluntarily since 2019 as a way of offsetting the emissions from its trips throughout the year. According to data from the Institute for Nature Conservation and Forests (ICNF), there are currently 1,234 hectares that have been reforested in the Leiria National Forest in the context of volunteer actions such as this one;
- **Núcleo Motard Volunteering Action**: For the 11th consecutive year, the motorcyclist club Núcleo Motard of the Crédito Agrícola Cultural and Sports Centre (CCDCAM) has carried out its social solidarity action, supporting 4 Associations from the north to the south of the country:
    - APPACDM – Portuguese Association of Parents and Friends of Mentally Handicapped Citizens (Esposende);
    - Animal Support Association – "O Cantinho da Milu " (Setúbal);
    - Integrar Association (Coimbra);

- Centro Social e Jardim Infantil de São Cristóvão (São Cristovão Social Centre and Kindergarten) (Portalegre).

This campaign raised more than €6,000 in donations from members of the Núcleo Motard, Associated Caixas, Caixa Central, CA Vida, CA Serviços, Crédito Agrícola Cultural and Sports Centre (CCDCAM), employees and family members, converted into equipment and goods that were delivered to the various beneficiary institutions;

In addition, the Núcleo Motard also collaborated in a campaign linking the Crédito Agrícola Group to the private institution for social solidarity (IPSS) Just a Change, to which it contributed a bicycle and its protective equipment for a child;

- **Other support** granted regularly to social institutions:
  - Comunidade Vida e Paz;
  - Fundação António Luís de Oliveira (António Luís de Oliveira Foundation);
  - Crescer Ser;
  - Casa do Infantado;
  - Centro Juvenil Padre Amadeu Pinto (Father Amadeu Pinto Youth Centre);
  - Orquestra Geração (Generation Orchestra);
  - Associação Integrar (Integrate Association);
  - Associação Portuguesa de Pais e Amigos do Cidadão Deficiente Mental (Portuguese Association of Parents and Friends of Mentally Handicapped Citizens);
  - Centro Social e Jardim Infantil de São Cristóvão (São Cristovão Social Centre and Kindergarten).

Further information in "**CA initiatives**".

In addition to these initiatives, the Group subscribes to and participates in a number of national and international programmes aimed at fostering collaborative sustainable development.

Subscriptions and active participation in the Crédito Agrícola Group's sustainability programmes and working groups

- Letter of Commitment for Sustainable Financing in Portugal developed in 2019 by the **Government of Portugal** in collaboration with **Banco de Portugal**, the **Portuguese Securities Market Commission** and the **Portuguese Banking Association**

- Letter of Principles of BCSD Portugal
- Net-Zero Banking Alliance of the Finance Initiative of the United Nations Environmental Programme (UNEP)
- Principles for Responsible Banking from the Finance Initiative of the United Nations Environmental Programme (UNEP)
- Working Group of the APB – Associação Portuguesa de Bancos (Portuguese Banking Association) (APB)
- Working Group on Reporting and Sustainable Finance, of BCSD Portugal
- Working Group on Diversity, Equity and Inclusion of BCSD Portugal
- Working Group on Biodiversity of BCSD Portugal
- Working Group for financial sustainability of the European Association for Co-operative Banks (EACB)
- Working Group of the Partnership for Carbon Accounting Financials (PCAF)
- Technical Reflection Group for Sustainable Financing, under the aegis of the Ministry of the Environment and Climate Action

6.2. VALUE AND IMPACT CREATION: A SUSTAINABILITY APPROACH FOCUSED ON OUR STAKEHOLDERS

The economic value generated by the Crédito Agrícola Group enables wealth to be created and distributed among the different stakeholder groups along its value chain. Compared to 2022, the economic value distributed in 2023 increased by 47% to 711.6 million euros

(€)	2021	2022	2022R[21]	2023	Variation 2023/2022
ECONOMIC VALUE GENERATED	570.507.347	652.593.982	573.371.102	**1.008.826.044**	**76%**
Operating Income	569.861.741	652.024.664	572.801.783	**1.008.272.821**	76%
Results from shareholdings in associates	645.607	569.318	569.318	**553.233**	-3%
ECONOMIC VALUE DISTRIBUTED	411.731.041	508.298.480	485.599.026	**711.601.607**	**47%**
Employee salaries and benefits	223.271.404	236.439.970	236.439.970	**249.483.532**	6%
General administrative expenses	115.731.777	129.650.984	129.650.984	**135.443.014**	4%
Depreciation[22]	33.713.412	34.821.459	34.821.459	**36.281.641**	4%
Gains / Losses in modifications	1.146.860	-5.855.318	-5.855.318	**2.139.432**	137%
Provisions and impairment[yy]	-2.151.618	57.376.044	57.385.233	**129.110.552**	125%
Results from non-current assets held for sale	-629.130	-3.195.663	-3.195.663	**43.725.059**	1468%
Payments to the State	40.489.455	58.756.637	36.108.689	**115.189.155**	219%
Minority interests	158.880	304.367	243.671	**229.222**	-6%
ECONOMIC VALUE HELD	158.776.306	144.295.502	87.772.077	**297.224.436**	**239%**
Net Income	158.776.306	144.295.502	87.772.077	**297.224.436**	239%

[21] For comparability purposes, a restatement of figures relative to the period ended in 31 December 2022 took place, on an unaudited basis, marked where appropriate. The restatement is related to the application of the accounting standards IFRS 17 and 9, as from 1 January 2022, impacting only the individual accounts of the Group's insurance companies and, consequently, the consolidated accounts. All comparisons refer to the restated 2022 figures.

[22] The Income Statements presente the item "Provisions and Impairments" as defined in the Alternative Performance Measures in the 2023 Annual Report.

Increase in %	2021	2022	2022R	2023	Variation 2023/2022
Economic value generated	-7%	14%	1%	**76%**	75,4
Economic value distributed	32%	23%	18%	**47%**	28,6
Economic value held	-48%	-9%	-45%	**239%**	283,4

Weight in value generated	2021	2022	2022R	2023	Variation 2023/2022
Economic value distributed	72%	78%	85%	**71%**	-14,2
Economic value held	28%	22%	15%	**29%**	14,2

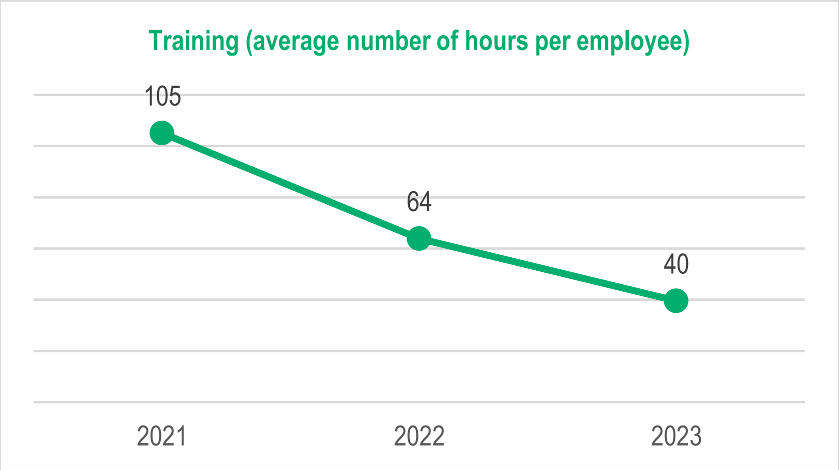
Capitalization (€)	2021	2022	2022R	2023	Variation 2023/2022
Assets	26.001.520.190	24.894.754.257	24.980.600.006	**25.302.040.861**	1%
Liabilities	23.982.967.901	22.853.089.851	22.873.383.100	**22.864.508.768**	0%
Equity	2.018.552.289	2.041.664.407	2.107.216.907	**2.437.532.093**	16%

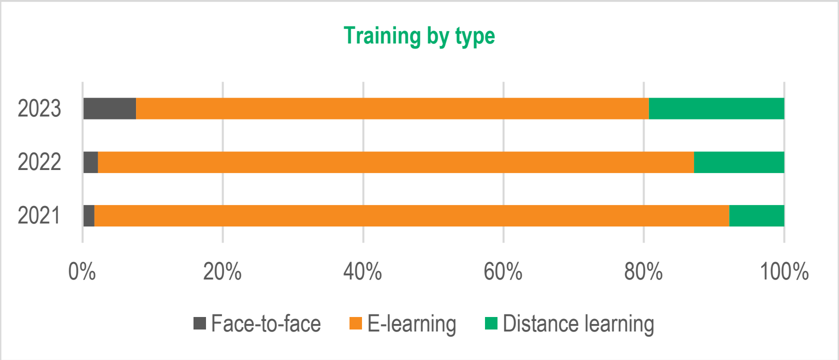
6.2.1. Our Employees: the agents of change in the Crédito Agrícola Group

The Crédito Agrícola Group recognises that its Employees are its main asset. It believes that an organisational culture that welcomes, integrates and values every Employee is crucial to the Group's success, investing in providing a positive and stimulating work environment that promotes well-being, values talent and experience, fosters communication and collaboration, and celebrates success. By valuing its Employees, the Crédito Agrícola Group guarantees that it will continue to prosper in the future.

Professional capacity-building and development

Faced with the constant evolution of the national and global business environment, it is crucial that its Employees have the skills and knowledge they need to keep up with the changes and respond appropriately to the challenges. To this end, the Group continues to invest in the training and qualification of its Employees.

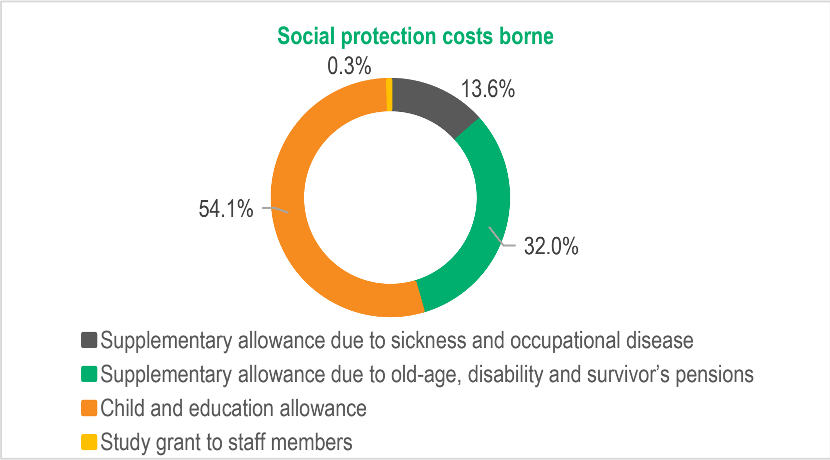




During 2023, each Employee of the Crédito Agrícola Group had, on average, around 40 hours of training, which is lower than the figure recorded in the previous year (-38%). This reduction, in line with that observed in 2022, was due to the fact that some training courses were only aimed at new Employees. The Crédito Agrícola Group continues to favour e-learning training for its Employees, based on the flexibility and wider range of opportunities offered by this type of training.

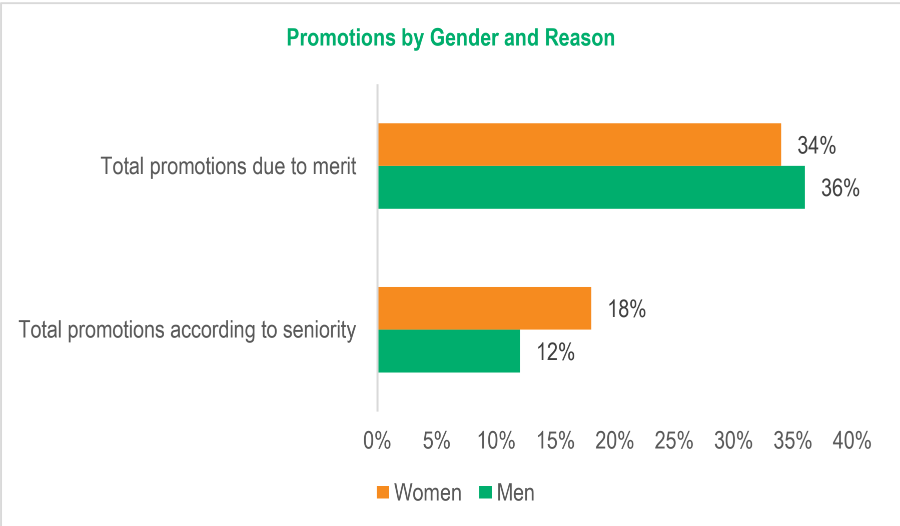
Benefits and support for our Employees

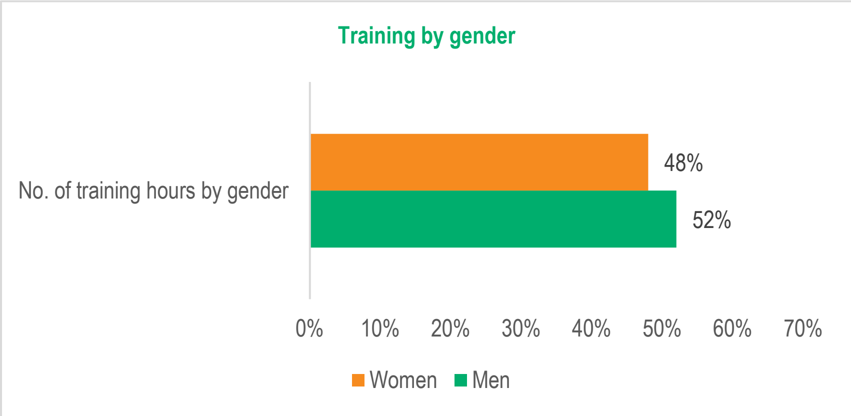
The Group provides its Employees with a range of support and benefits, both in terms of financial benefits and access to sports, cultural and recreational activities. In addition to the benefits referred to above, the Group pays for an extra series of social protection charges.



Fostering a culture of diversity, equality and inclusion

The Group recognises the added value provided by the wealth and diversity of experiences and perspectives of its Employees. It therefore prioritizes a work culture where everyone feels valued, listened to and respected, believing that diversity enriches and contributes to the success of the business.





6.2.2. Our Customers: The driving engine behind our ambition

The Crédito Agrícola Group places the Customer at the heart of its strategy and actions, focusing on understanding their needs and expectations, offering personalised and innovative solutions, and fostering solid relationships based on trust, transparency and proximity.

It believes that building solid, long-lasting relationships with its Customers is essential to the Group's long-term success. To this end, the Crédito Agrícola Group is committed to excellence in customer service and the quality of its products and services, and to promoting attentive listening and transparent communication, which will enable it to retain its Customers and guarantee their long-term satisfaction.

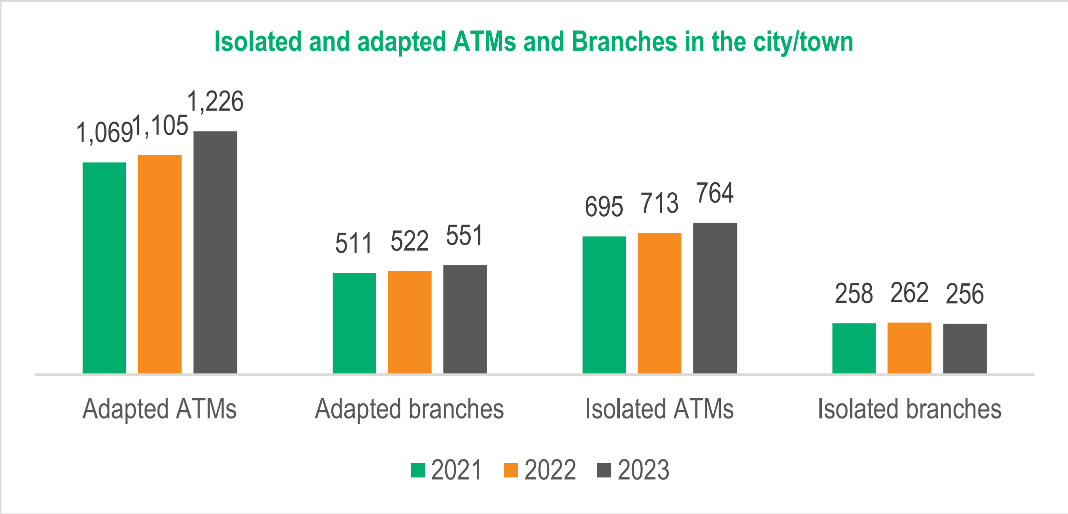
In 2023, the Group had approximately 1,600,000 Customers and 400,000 Members, as well as 618 Branches spread across the different geographies of mainland Portugal, the Azores and Madeira.

Removing barriers and promoting accessibility

It is one of the Group's priorities to ensure that its services and agencies are accessible and equipped with the necessary features to serve all its customers in the best possible way, from the north to the south of Portugal.

To this end, it has been continuously improving the conditions of its automated teller machine (ATM) points and branches, in a constant quest to improve their accessibility and inclusion. In 2023, the Group increased the number of ATMs and branches adapted for people with reduced mobility, amounting to 1,226 ATMs and 551 branches respectively, despite being aware that the mission of ensuring accessibility in its various forms is unfinished.

Because it believes that territorial cohesion and access to banking services are a critical success factor for a developed economy and a universal right, the Crédito Agrícola Group has more than 760 ATMs and 250 branches in places where there are no other banking institutions. These values reflect the essence of a proximity service that is in tune with the principles and goals of sustainable development, and the cooperative genesis of the Group.



Satisfaction of our Customers

For the second year running, the Crédito Agrícola Group has been elected "Consumer Choice 2023" as Best Bank in the "Small and Medium-sized Banks" category. This distinction results from the preference of national consumers with an overall satisfaction rating of 82.8%, a satisfaction score of 83.0% and a recommendation score of 82.0%. It should be noted that in 2023 the Group came first in 8 of the 10 categories under evaluation.

Award of an environmental and social rating to our customers

The Crédito Agrícola Group, aware of its impacts and with the aim of fostering a culture of sustainability throughout its value chain, launched ESG questionnaires in 2021 for its corporate customers applying for new loans. Inspired by the European Taxonomy, the Group has defined a process for assigning an Environmental and Social Rating, which classifies customers and financing operations according to a set of ESG principles.

Based on the answers to the questionnaires, each company and/or loan will be graded A, B, C or D in terms of its alignment with the principles of sustainability:

A – Very Good | B – Good | C – Low | D – Very Low.

This initiative allows Crédito Agrícola to deepen its knowledge of the ESG impacts of its Customers, improve risk management in this area and prepare its Customers for the regulatory changes already approved and to be implemented in the short term. In 2023, a total of 26,100 questionnaires were carried out – company questionnaires (48%) and credit operations questionnaires (52%).

Type of Questionnaire and Rating	No. of questionnaires	%
Company Questionnaire	**12,575**	**48%**
A	187	1%
B	444	4%
C	712	6%
D	11,232	89%
Credit Operations Questionnaire	**13,525**	**52%**
A	1,058	8%
B	3,390	25%
C	7,884	58%
D	1,193	9%
Grand Total	**26,100**	

Although 89% of the companies that responded to the questionnaire showed very low alignment with sustainability principles (D rating), in the case of credit operations this figure corresponds to just 9%, which indicates that companies are already starting to invest in activities aligned with the transition to more sustainable development. Based on the responses obtained, it can be seen that 1/3 of the credit operations obtained a rating of "good" or "very good" with regard to their alignment with sustainability principles.

With regard to the company questionnaires, it can be seen that the vast majority correspond to micro-enterprises and sole proprietorships (88%), in line with the large representation of these companies in the Portuguese business structure.

COMPANY QUESTIONNAIRES

Type of company and Rating	No. of questionnaires	%
Micro and sole proprietorships	**11,037**	**88%**
A	153	1%
B	397	4%
C	623	6%
D	9,864	89%
SMEs and Large Companies	**1,538**	**12%**
A	34	2%
B	47	3%
C	89	6%
D	1,368	89%
Grand Total	**12,575**	

As for the credit operations questionnaires, 30% correspond to loans granted to six main sectors: Agriculture and Livestock; Property Acquisition; Construction and Renovation; Restaurants; Tourism. In these sectors, 40% of the questionnaires obtained an environmental and social rating of "good" or "very good".

CREDIT OPERATIONS QUESTIONNAIRES

Sector and Rating	No. of questionnaires	%
Agriculture and Livestock	**2,367**	**18%**
A	176	7%
B	826	35%
C	914	39%
D	451	19%
Acquisition of property (rural and urban)	**470**	**3%**
B	17	4%
C	252	54%
D	201	43%
Construction and Renovation	**567**	**4%**
A	12	2%
B	111	20%
C	435	77%
D	9	2%
General	**9,533**	**70%**
A	792	8%
B	2,103	22%
C	6,120	64%
D	518	5%
Restaurants	**401**	**3%**
A	57	14%
B	225	56%
C	105	26%
D	14	3%
Tourism	**187**	**1%**
A	21	11%
B	108	58%
C	58	31%
Grand Total	**13,525**	

European taxonomy for sustainable activities

The European Taxonomy for Environmentally Sustainable Activities – Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 – is a system for classifying economic activities, which makes it possible to identify those that can be considered "green" or environmentally sustainable. This classification is intended to promote the mobilisation of financial flows (e.g. investment and financing) for projects, assets and companies that best promote the transition of the European economy to a more sustainable model (e.g. less carbon-intensive, more circular and with less impact on the use and preservation of natural resources).

In chapter 4.8 – European taxonomy for sustainable activities, the Crédito Agrícola Group discloses information on the legal context, the main assumptions and limitations and an executive summary under mandatory and voluntary reporting. In addition, chapter 7.3 of this report presents the information disclosed in accordance with the information models defined in the European Taxonomy.

6.2.3. Focus on Suppliers: promoting the desired change in the value chain

The commitment to local suppliers plays a crucial role in the development and sustainability of communities. By seeking to prioritize local companies, the Crédito Agrícola Group contributes to boosting the regional economy, generating employment, income and strengthening the social fabric. Furthermore, the focus on proximity supply makes it possible to reduce the carbon footprint by reducing the need for logistical transportation.

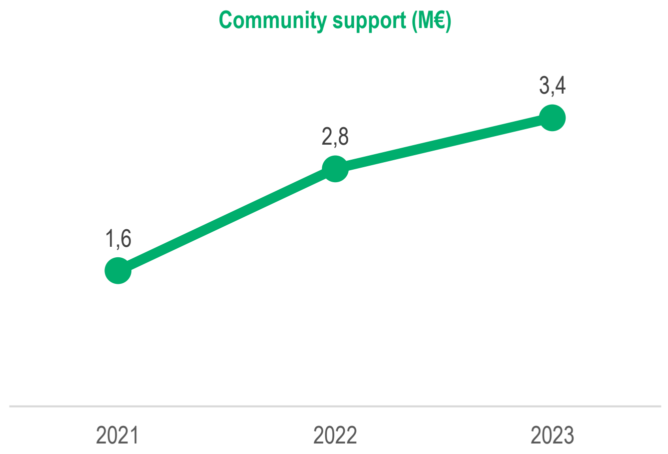
In 2023, the Group contributed 128.2 million euros to the local economy by paying suppliers for goods and services. Corresponding to 45% of the total amount paid to suppliers, this figure was down around 7% on the previous year. With regard to the number of suppliers, the Group used 4,064 local suppliers, which corresponds to 52% of the total and translates into a slight reduction of around 4% compared to 2022.

Crédito Agrícola Group	2021	2022	2023	Var. Annual (%)
% value of local purchases	52%	48%	**45%**	-6.7%
% number of local suppliers	57%	55%	**52%**	-4.3%

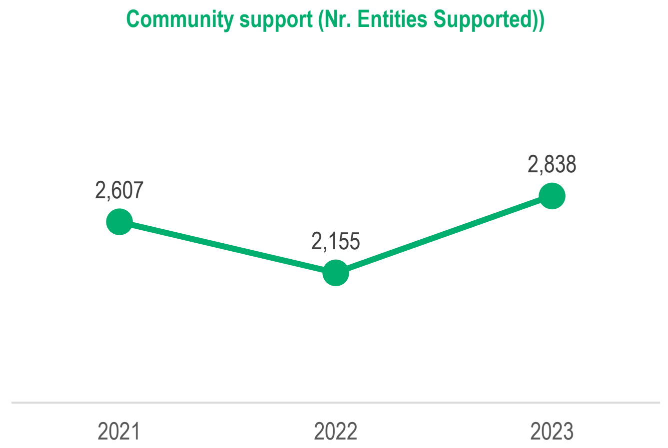
6.2.4. Community Support: creating long-term value in the community

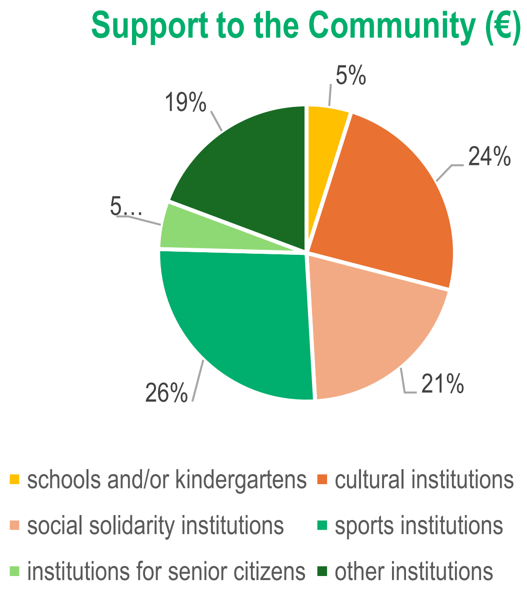
Proximity and support for the community are central to the activity of the Crédito Agrícola Group. The Group believes that by collaborating and investing in local initiatives, it can strengthen its relationship with community members, promote joint problem-solving and promote the well-being of the communities in which it operates, creating a more positive, prosperous and resilient future for all.

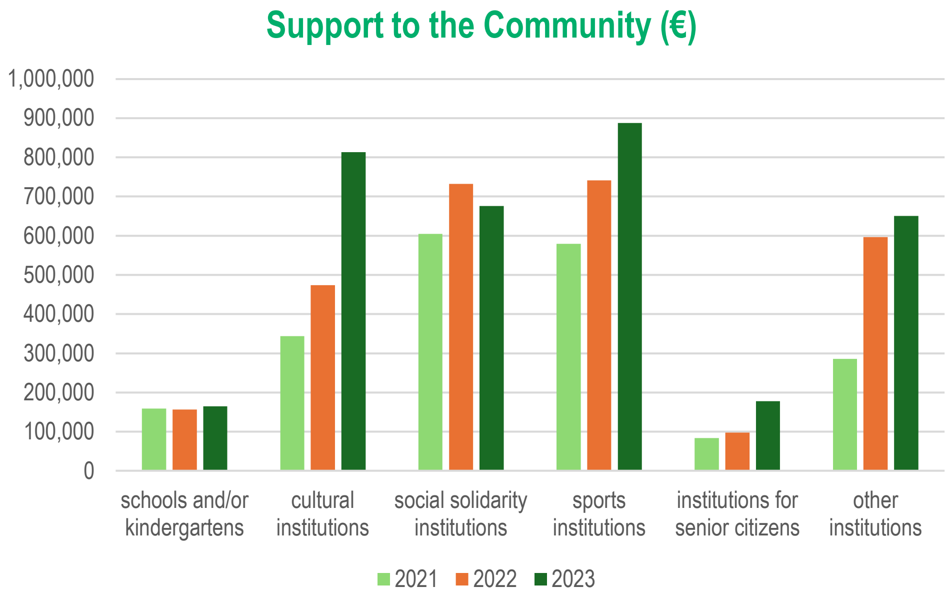
In the Group, the initiatives of support to the community go beyond the traditional model, and are aimed at the construction of solid and close relationships with the communities, ultimately seeking to foster their development and resilience. In 2023, between donations and financial sponsorships, the Crédito Agrícola Group supported the community to the tune of more than 3 million euros, representing an increase of 21% compared to 2022.



In 2023 the Group increased by 31.7% the number of entitities supported in comparison to the previous year, to a total of 2,838. This support is given essentially to entities related to sports, culture and social solidarity.







Supporting the comunity continues to be a differentiating factor of the Group which, fostering a role of proximity with several institutions, significantly contributes to local social and economic development. In 2023, the Crédito Agrícola Group supported, directly or through its companies, a set of initiatives supporting the Community. We highlight the following:

• **Recovering homes with Just a Change**: a social project developed in partnership with the Just a Change Association, to fight energetic poverty, with a philanthropic support of 50 thousand euros, which contributed to recover and improve the energy efficiency of 20 homes in Portugal and enabled the start of an empowerment and corporate volunteering programme which included 26 employees of the Group in Lisbon, Porto and Guimarães.

• **CA Vida - Corrida Sempre Mulher** (running): sponsorship of the "Corrida Sempre Mulher" race, which had over 12,000 participants and raised 133,000€ for the Portuguese Association of Support to Women with Breast Cancer.

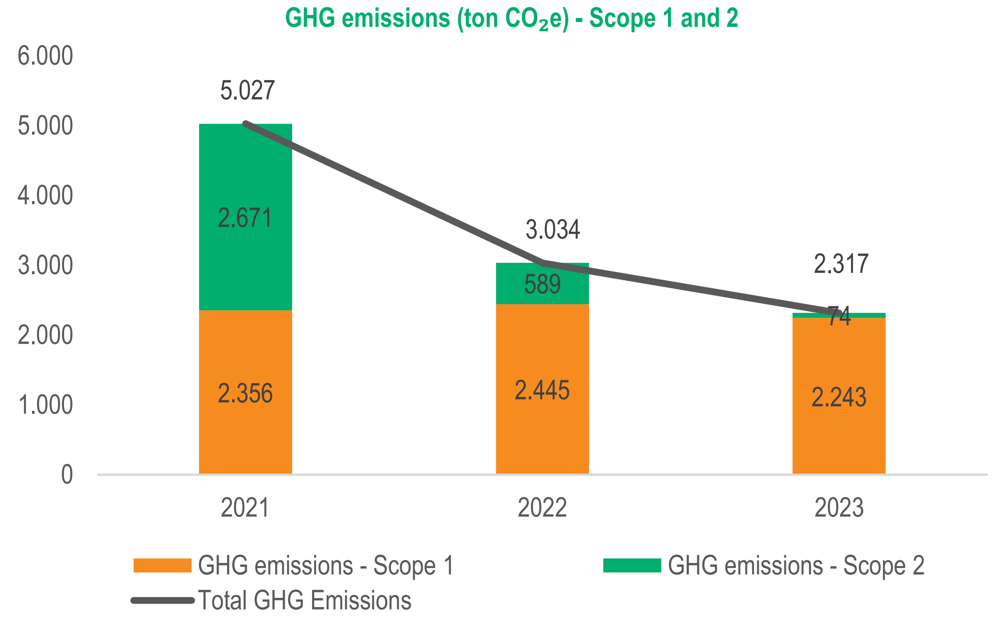
• **Volta Solidária CA** (CA Solidarity Bike Ride, 2nd edition): an initiative organized by the Crédito Agrícola Group, with the support of the Crédito Agrícola Centre for Culture and Sports and in partnership with the Lisbon Transplantation Centre, including awareness sessions on blood diseases and the donation of bone marrow. Also, 5,000€ were donated to the Portuguese Association Against Leukemia.

6.2.5. Environmental sustainability: our impact on the climate

In line with our Sustainability Policy, the Crédito Agrícola Group's ambition goes beyond merely minimising its environmental impact. Through continuous carbon footprint mitigation measures and the implementation of other environmental footprint reduction practices, we are committed to making a positive contribution to a more balanced planet and are actively working towards creating a more sustainable future for everyone.

Our carbon footprint

Scope 1 and 2 emissions



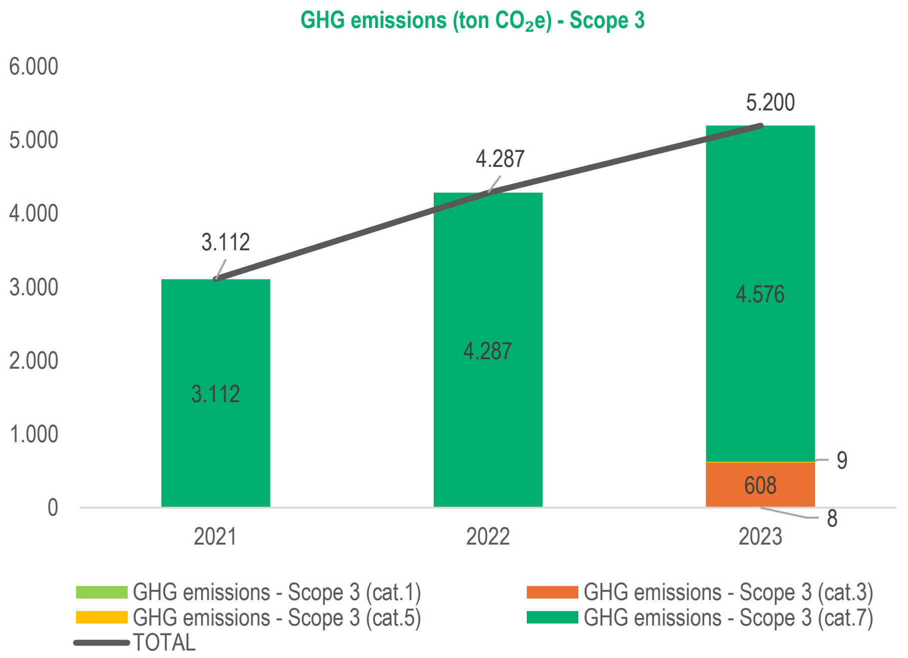
In 2023, the Crédito Agrícola Group continued to measure and monitor its carbon footprint, based on the methodology of the Greenhouse Gas Protocol. With regard to its direct activity (scopes 1 and 2), in 2023 the Group's total greenhouse gas (GHG) emissions were 2,317 tons CO_2e, which represents a 24% reduction compared to 2022. In line with its strategy, the Group continued to contract the supply of electricity from renewable sources, which is why the carbon footprint of scope 2 in 2023 was only 74 ton CO_2e. Scope 1 GHG emissions fell by around 8%, due to various sustainable mobility measures implemented in the company's own fleet (namely an increase in hybrid and electric vehicles).

Scope 3 emissions

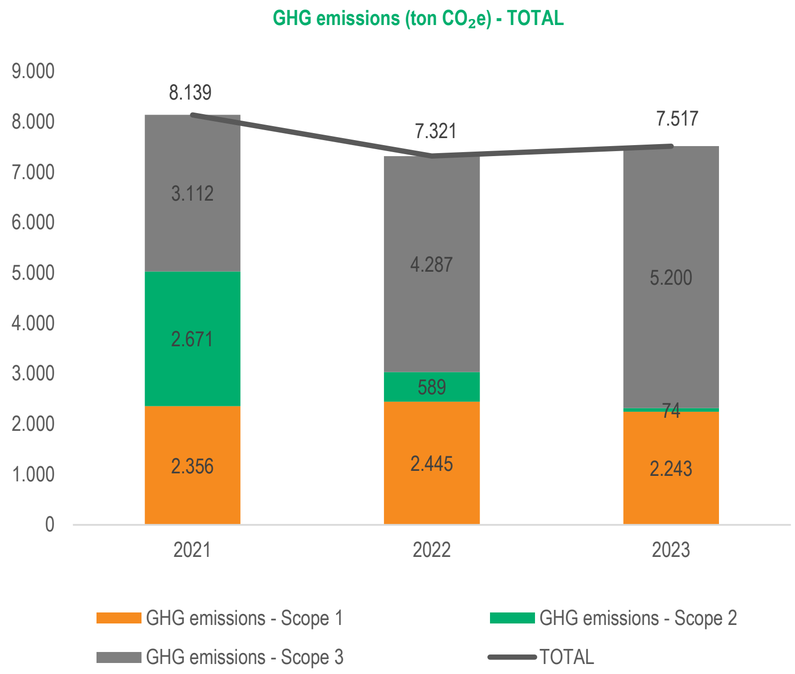
In 2023, in line with its Net Zero Transition Plan, the CA Group began to measure GHG emissions from more categories in **scope 3** (indirect emissions along the value chain), namely categories 1 – goods and services purchased[23] (upstream), 3 – activities related to fuel and energy (not included in scopes 1 and 2) and 5 – waste generated by the operation[24], in addition to 7 – employee travel which it was already reporting. Total GHG

[23] This category only accounted for the GHG emissions associated with the Group's water services.
[24] This category only accounted for GHG emissions associated with the Group's wastewater treatment.

emissions in scope 3 amount to 5,200 tons CO_2e. Categories 1, 3, 5 and 7 corresponded to emissions of 8 tons CO_2e, 608 tons CO_2e, 9 tons CO_2e and 4,576 tons CO_2e, respectively.



Considering the 3 scopes calculated, it can be seen that the Group is responsible for the direct and indirect emission of at least 7,517 tons of CO_2e. Although scope 1 has been slightly reduced and scope 2 has an only 74 tons of CO_2e carbon footprint, the fact that 3 additional categories of scope 3 were considered in 2023 explains the observed increase.



Crédito Agrícola Net Zero Transition Plan

At the end of 2023, following the COP28 climate negotiations, the Crédito Agrícola Group announced its Net Zero Transition Plan, reinforcing its contribution and that of the banking sector to the fight against climate change, in line with the Paris Agreement.

In line with its unique cooperative values in the Portuguese market and its responsibility towards sectors of activity with high exposure to climate risks, the Crédito Agrícola Group is committed to becoming Net Zero by 2050, and to reducing GHG emissions associated with its internal management by 60% by 2030.

In addition, the Group has set emission reduction targets for 8 business sectors represented in its loan portfolio: Residential Real Estate, Commercial Real Estate, Agriculture, Hotels and Restaurants, Energy, Aviation, Waste and Wastewater, and Automotive.

The Crédito Agrícola Group thus becomes the Portuguese bank with the highest (public) ambition in terms of the number of business sectors in its loan portfolio covered by Net Zero targets by 2030.

In line with the Roadmap to Carbon Neutrality 2050 and international benchmarks such as the Science-Based Targets Initiative, the Group is committed to implementing a number of initiatives, such as:

1_ The transformation of the financing offer to include incentive mechanisms for the climate transition of business and individual customers

2_ Adapting the way banking is done in order to support customers more closely and pedagogically in the transition process

3_ Changing the policies for granting and accepting credit operations so that they reflect good climate risk management

4_ The implementation and/or reinforcement of internal decarbonisation initiatives in terms of mobility, energy efficiency, the reduction and reuse of resources and materials and responsible waste management, in order to mobilise and lead by example

5_ The creation of a culture of ESG data, essential for measuring impacts and monitoring compliance with this

Recognising that its success will also depend on the involvement and commitment of the various stakeholders involved, Crédito Agrícola's Net Zero Plan represents a strong commitment to sustainable development and building a more resilient future. Its implementation will be a challenge, but also an opportunity for Crédito Agrícola to assert itself as a leader in sustainable banking.

Further information in "**Our Net Zero commitment**".

By working in close collaboration with all the stakeholders, the Crédito Agrícola Group is committed to continuously improve its sustainability performance. The Group acknowledges that there is still much to do in order to achieve its long-term sustainability goals, but is confident that it is firmly on the right path.

6.3. EUROPEAN TAXONOMY FOR SUSTAINABLE ACTIVITIES

The European Taxonomy for Environmentally Sustainable Activities – Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 – is a system for classifying economic activities, which makes it possible to identify those that can be considered "green" or environmentally sustainable. This classification is intended to promote the mobilisation of financial flows (e.g. investment and financing) for projects, assets and companies that best promote the transition of the European economy to a more sustainable model (e.g. less carbon-intensive, more circular and with less impact on the use and preservation of natural resources).

In order to support the implementation of the European Taxonomy, the European Commission endorsed, on 6 July 2021, the Delegated Act for Disclosure of Information (Disclosures Delegated Act) – Commission Delegated Regulation (EU) 2021/2178 – which establishes the information, structure, methodologies and form of data presentation to be followed by financial institutions and non-financial institutions, regarding the proportion of sustainable activities in their business, investment or granting of credit, in the form of performance indicators (KPIs) and templates to be adopted by the different entities.

Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (Climate Delegated Act) complements the Taxonomy Regulation by establishing the criteria under which an economic activity can be considered environmentally sustainable by contributing to climate change mitigation or adaptation (the two initial environmental objectives).

The Disclosures Delegated Act and the Climate Delegated Act were subsequently amended to incorporate the disclosure requirements arising from the Supplementary Climate Delegated Act (Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022), which defines the criteria for the treatment, in the European Taxonomy, of activities in the energy sector, namely those associated with the production and distribution of natural gas and nuclear energy.

Finally, the Environmental Delegated Act – Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 – complemented the existing requirements by establishing the criteria that address the remaining (four) environmental objectives on which the European Taxonomy was designed.

Based on this framework, the Crédito Agrícola Group discloses the applicable indicators and information under the terms of Article 10 of the Disclosures Delegated Act, in compliance with the obligations established in Article 8 of the Taxonomy Regulation.

The “GAR Tables” section of this chapter presents the information disclosed according to the information models defined in the European Taxonomy. In the Sustainability Report, the Group presents additional information, prepared on a voluntary basis, on the application of the European Taxonomy to its assets.

Legal basis for European Taxonomy disclosures

Under the terms of Article 10(5) of the Disclosures Delegated Act, as of 1 January 2024, financial institutions must disclose the main indicators set out in the regulations (namely the Green Asset Ratio – GAR) and present all the relevant information that accompanies them in compliance with Annexes V, VI, XI and XII of the Disclosures Delegated Act regulation (points 1.2.3 and 1.2.4). Annex V shall only apply from 1 January 2026). Likewise, the disclosures related to the activities of the energy sector – as per the Complementary Climate Delegated Act – are also applicable as of 1 January 2024.

In addition, and pursuant to Article 10(7) of the Disclosures Delegated Act, for the period from 1 January 2024 to 31 December 2025, financial institutions must only disclose indicators, on a relative basis, on the eligibility of activities regulated by the Environmental Delegated Act.

Also noteworthy is the publication by the European Commission of the guidelines (FAQ) on reporting the environmental performance of financial institutions' activities in accordance with the European Taxonomy, on 21 December 2023.

Based on this framework, the Crédito Agrícola Group discloses the mandatory qualitative and quantitative information in accordance with the methodologies described in the following sections. Thus, with this disclosure, the Group complies with the following requirements:

- Qualitative information referred to in Annex XI of the Disclosures Delegated Act;

- Quantitative information referred to in Annexes V and VI of the Delegated Act for the Disclosure of Information, including Annex XII on natural gas and nuclear energy, introduced by the Complementary Climate Delegated Act.

For the third year running, the Group is reporting on its progress in applying the European Taxonomy for sustainable activities. In order to highlight the developments that the Group has made in terms of adopting the Taxonomy – for the purposes of classifying and monitoring the business and characterising the risks on the balance sheet – disclosures are also presented, on a voluntary basis, but which allow for greater transparency on the sustainability of the Group's business.

Scope of the European Taxonomy

In accordance with the European Taxonomy Regulation, the information presented refers to the period ending 31 December 2023 and concerns the universe of relevant assets, as described below, for the prudential consolidation perimeter of the Crédito Agrícola Group. Therefore, the following legal entities are included in this disclosure:

CA Capital SCR SA
CA Gest SA
CA Imobiliário – FEIIA
CA Imóveis Unipessoal Lda
CA Informática SA
CA Seguros e Pensões SGPS SA
CA Seguros, SA
CA Serviços ACE
CA Vida, SA
Caixa Central de Crédito Agrícola Mútuo CRL
CCAM Açores CRL
CCAM Albufeira CRL
CCAM Alcácer do Sal e Montemor-o-Novo CRL
CCAM Alcobaça Cartaxo Nazaré Rio Maior e Santarém CRL
CCAM Alenquer CRL
CCAM Alentejo Central CRL
CCAM Alentejo Sul CRL
CCAM Algarve CRL
CCAM Aljustrel e Almodôvar CRL
CCAM Alto Cávado e Basto CRL
CCAM Alto Douro CRL
CCAM Área Metropolitana do Porto CRL
CCAM Azambuja CRL
CCAM Bairrada e Aguieira CRL
CCAM Baixo Mondego CRL
CCAM Baixo Vouga CRL

CCAM Batalha CRL
CCAM Beira Baixa (Sul) CRL
CCAM Beira Centro CRL
CCAM Beira Douro e Lafões CRL
CCAM Cadaval CRL
CCAM Caldas Rainha Óbidos e Peniche CRL
CCAM Cantanhede e Mira CRL
CCAM Coimbra CRL
CCAM Coruche CRL
CCAM Costa Azul CRL
CCAM Costa Verde CRL
CCAM Douro e Côa CRL
CCAM Douro e Sabor CRL
CCAM Elvas Campo Maior e Borba CRL
CCAM Entre Tejo e Sado CRL
CCAM Estremoz Monforte e Arronches CRL
CCAM Guadiana Interior CRL
CCAM Loures Sintra e Litoral CRL
CCAM Lourinhã CRL
CCAM Médio Ave CRL
CCAM Moravis CRL
CCAM Nordeste Alentejano CRL
CCAM Noroeste CRL
CCAM Norte Alentejano CRL
CCAM Oliveira Azeméis e Estarreja CRL
CCAM Oliveira do Bairro Albergaria e Sever CRL
CCAM Paredes CRL
CCAM Pernes e Alcanhões CRL
CCAM Centro Litoral CRL
CCAM Porto de Mós CRL
CCAM Póvoa Varzim Vila Conde e Esposende CRL
CCAM Região do Fundão e Sabugal CRL
CCAM Ribatejo Norte e Tramagal CRL
CCAM Ribatejo Sul CRL
CCAM Salvaterra de Magos CRL
CCAM São Teotónio CRL
CCAM Serra da Estrela CRL
CCAM Sobral de Monte Agraço CRL
CCAM Sotavento Algarvio CRL
CCAM Terra Quente CRL
CCAM Terras de Santa Maria CRL
CCAM Terras de Viriato CRL
CCAM Terras do Arade CRL
CCAM Terras do Sousa Ave Basto e Tâmega CRL
CCAM Trás-os-Montes e Alto Douro CRL
CCAM Vagos CRL
CCAM Vale do Dão e Alto Vouga CRL
CCAM Vale do Sousa e Baixo Tâmega CRL
CCAM Vale do Távora e Douro CRL
Vila Franca de Xira and Arruda dos Vinhos
CCAM Vila Verde e Terras do Bouro CRL
CCAM Zona do Pinhal CRL
CCCAM Gestão Investimentos e Consultoria Unipessoal Lda
Crédito Agrícola SGPS SA
Fenacam FCRL
Imovalor CA – FEIIF

All the relevant assets of each of the above-mentioned institutions were assessed against the Taxonomy criteria. The environmental objectives that support the valuation of the assets comprise the first two environmental objectives – climate change mitigation (CCM) and climate change adaptation (CCA) – defined by the Climate Delegated Act, and the additional objectives, whose criteria are defined in the Environmental Delegated Act, amounting to the following six environmental objectives:

- Climate Change Mitigation (CCM);
- Climate Change Adaptation (CCA);
- Sustainable use and protection of water and marine resources (RHM);
- Transition to a circular economy (EC);
- Pollution prevention and control (PPC);
- Protection and restoration of biodiversity and ecosystems (BIO).

Given that the Environmental Delegated Act is of recent application, it was noted that most of the Group's counterparties/customers do not yet report their eligibility or alignment with the four additional environmental objectives – for this reason, the Credit Group is not disclosing information on the eligibility of exposure to these same objectives. Considering the eligibility defined by the six environmental objectives, all exposure to economic activities not qualifying by the European Taxonomy is also excluded.

Nevertheless, using internal estimates based on the Portuguese Economic Activity Classification (CAE), the Group calculated a potential eligibility of 28% of its total exposure to companies subject and not subject to non-financial reporting obligations (NFRD).

Data as at 31 December 2023, consolidated information	M Euros	% Exposure
Total exposure to non-financial companies	6,255	100%
Of which, companies with eligible main economic activity classification[25] for the European Taxonomy	4,293	69%
CCM + CCA objectives	2,559	41%
Additional objectives (four environmental)	1,734	28%
Of which, companies covered by non-financial reporting obligations (NFRD)	177	3%
Of which, companies not covered by non-financial reporting obligations (NFRD)	6,078	97%

[25] According to internal estimates.

In order to apply the European Taxonomy criteria, the following assets/portfolios on the Group's balance sheet (including off-balance sheet positions) and belonging to its banking portfolio are assessed:

- **Loans and advances to non-financial corporations**: these are financing activities consisting of funds made directly available to the Group's customer companies. The loans are still outstanding at the date of application of the Taxonomy and are valued on the basis of their gross book value. Regardless of the contractual definitions or the characteristics of any guarantees associated with the operations, the entire portfolio was subjected to the Taxonomy application process.
- **Loans and advances to households**: these are financing activities consisting of funds made available to individuals. The loans are still outstanding at the date of application of the Taxonomy and are valued on the basis of their gross book value. Only loans associated with residential mortgages and the financing of motor vehicles were subject to the Taxonomy application process. Loans granted for the purpose of renovating buildings are partly classified as mortgages – in the remaining cases, the operations were not assessed by Taxonomy as a result of the need to better characterize and assess the use of the funds associated with these operations.
- **Investments in financial securities**: these are debt (e.g. bonds, commercial paper) or equity (e.g. funds, shares) instruments represented by financial securities held in the Group's banking book. The relevant amounts for the application of the Taxonomy correspond to the gross book value of these instruments.
- **Loans to local governments**: loans disbursed to government institutions of a local or regional nature (e.g. municipalities). The loans are still outstanding at the date of application of the Taxonomy and are valued on the basis of their gross book value. Regardless of the contractual definitions or the characteristics of any guarantees associated with the operations, the entire portfolio was subjected to the Taxonomy application process. In general, the institutions included here are not obliged to disclose non-financial information and the financing provided is of a general nature (i.e. not associated with any specific project) – for this reason, the results resulting from the application of the Taxonomy are not reported.
- **Non-current assets held for sale**: real estate assets received in lieu of payment or recovered as part of credit litigation (residential and commercial properties) and classified under this heading of the Group's balance sheet were subject to the Taxonomy application process, at their gross book value.
- **Other assets in the banking book:** guarantees provided and assets under management (AuM) have been assessed for the purposes of the Taxonomy disclosures. The respective sorting was carried out according to the nature of each item, in accordance with the definitions presented above.

Under the terms of the European Taxonomy Regulation, the information presented refers to the period ending on 31 December 2023, concerning the universe of relevant assets, as described below, for the prudential consolidation perimeter of the Crédito Agrícola Group.

Process of applying the European Taxonomy

The analysis process to determine the extent to which the portfolios and assets defined above are environmentally sustainable, from the Taxonomy's point of view, follows a four-stage approach:

- **Stage 1 – eligibility:** the asset must be associated with an activity that potentially has a substantial contribution to one or more of the (six) environmental objectives defined in the European Taxonomy Regulation. These assets are thus called "eligible" – in other words, they correspond to an activity covered by the Delegated Acts on climate and the environment.

If the asset corresponds to an eligible activity, further analysis will be required to assess whether or not it is in line with the technical criteria of the Taxonomy. To do this, the following steps must be followed:

- **Stage 2 – alignment:** the asset must make a substantial contribution to any of the six environmental objectives currently covered by the EU Taxonomy;
- **Stage 3 – alignment:** the asset must not cause significant harm to any of the other environmental objectives (Do No Significant Harm – DNSH); and
- **Stage 4 – alignment:** minimum social safeguards must be complied with.

In strict accordance with the provisions established by the Disclosures Delegated Act (and with the complementary guidance provided by the European Commission's FAQ of December 2023) the Taxonomy application process is based exclusively on information disclosed by counterparties (i.e. the Taxonomy KPIs applicable to non-financial corporations) – in cases where this information is not available, and even if it can be estimated, it has not been taken into account for the purposes of disclosing the mandatory information for the Taxonomy.
In addition, the way in which the process is applied depends on the type and purpose of the asset:

- **General purpose loans or investments:** the process is based on companies' disclosures regarding their Turnover and Capital Expenditure (CAPEX), resulting from or related to environmentally sustainable activities. Thus, for this type of operation, the process is carried out twice – both for the valuation of CAPEX and Turnover data.
- **Loans or investments with a specific purpose (use of proceeds):** the process is based on the assessment of eligibility and alignment by the Crédito Agrícola Group itself, based on the analysis carried out on the financed activities in accordance with the respective technical criteria described in the delegated acts of the Taxonomy.

The external data used (i.e. disclosed by companies) is captured through a platform shared by the Portuguese banking system. For counterparties whose exposure relates to financial securities (investments), the relevant data was obtained from Bloomberg and Refinitiv – Reuters.
In recent years, the Crédito Agrícola Group has been working on implementing Taxonomy as a tool for classifying commercial operations as green or sustainable. During 2024, these efforts will continue to progress, promoting the effective integration of Taxonomy criteria into business decision-making and monitoring processes.

Main assumptions and sources of uncertainty

The regulatory framework supporting the European Taxonomy has been evolving rapidly, which has an impact on the interpretation of the applicable requirements. This view is also demonstrated by the European Commission's recent publications, namely the FAQ of 21 December 2023, which aims to clarify some requirements for the preparation of Taxonomy disclosures by financial institutions.

Despite all the efforts that the Crédito Agrícola Group has made to collect the information needed to disseminate the Taxonomy, the availability of data continues to be an operational challenge.

In accordance with Article 8 of the Delegated Act for the Disclosure of Information, the Group uses the most recent information published by counterparties – however, for the most part, the information that is available has a reference date of December 2022, which may cause fluctuations in the 2023 update.

In addition, the number of counterparties disclosing the required data is still limited (limited to NFRD companies), especially in the main sectors financed by the Group. In this context, the Crédito Agrícola Group considers the KPIs resulting from the application of the European Taxonomy to be of limited comparability between Portuguese and European banking institutions.

In view of the different interpretations and well-founded doubts regarding the application of the Taxonomy classification process for loans to households (and non-current assets held for sale), particularly with regard to compliance with the DNSH criteria, the Crédito Agrícola Group opted not to include these assets in the scope of the reporting carried out (e.g. KPI disclosures and Taxonomy information models).

Without prejudice to the paragraph above, for the sake of transparency of information and on a voluntary basis, the impacts on the main KPIs (e.g. GAR) of the potential inclusion of these assets are presented. Therefore, and in the section below, more detail on these results is presented, based on the following criteria for determining voluntary alignment with the European Taxonomy for loans to households and non-current assets:

- For compliance with the substantial contribution criteria – the assets are associated with financing the acquisition or renovation of properties that were built before 31 December 2020, have a minimum real energy performance certificate of A or higher.
- For compliance with the DNSH criteria – the properties referred to in the previous point have a low or negligible level of physical risk, according to the Group's internal model (for floods, forest fires and landslides), in a climate scenario aligned with the Current Policies narrative of the Network for Greening the Financial System (reference year, 2080), thus exempting the presentation of plans or other evidence of response to these risk factors.

Properties built after 31 December 2020 were not considered within the scope of the voluntary disclosure, as a result of the absence of detailed information to support not only the validation of the substantial contribution – specifically, the classification of their energy efficiency in the context of the energy performance of the national real estate *stock* – but also of the DNSH criteria, namely the water efficiency of the property and waste management practices including the reuse of waste.

Summary of the main results of applying the Taxonomy

With reference to 31 December 2023, the Crédito Agrícola Group reports a mandatory eligibility ratio of 26.7%, based on the Turnover information disclosed by its corporate customers (27.0% based on CAPEX).

The breakdown of the above information is presented below, showing how the Crédito Agrícola Group assessed its balance sheet in terms of the European Taxonomy criteria.

Assets that meet the criteria of the Taxonomy application process, described in the previous sections, are considered aligned and form part of the Group's Green Asset Ratio (GAR) – as at 31 December 2023, the Group's GAR is 0.50%, valuing the Turnover information of corporate customers (0.71%, based on CAPEX).

In a transparent approach and considering the information prepared on a voluntary basis (e.g. alignment of loans to households and non-current assets held for sale), the ratios presented above could potentially be revised to 0.51% based on Turnover (0.72% in terms of CAPEX).

The summary of the Taxonomy metrics, using the information presented on a **mandatory basis**, is as follows:

Taxonomy metrics – Turnover basis M Euros	**Eligible**	**Exposure**	**Eligible (%)**	**Aligned**	**Aligned%**
Loans and investments					
Financial companies [a]	1 855	32	0.2%	32	0.2%
Non-financial companies	6 470	50	29%	50	0.3%
Subject to NFRD [b]	177	50	0.3%	50	0.3%
Not subject to NFRD	6,293	0	0%	0	0%
Loans to households [c]	5 178	4 066	24.8%	0	0%
Local and regional governments [d]	407	0.2	0.0%	0	0%
Non-current assets [e]	223	223	1.4%	0	0%
Total assets of numerator and denominator [26]	16 347	4 372	26.7%	82	0.50%
Exposure to companies not subject to the NFRD	6 293	---	---	---	---
Financial derivatives	686	---	---	---	---
Interbank financing	67	---	---	---	---
Cash and other assets	1 461	---	---	---	---
Total denominator assets	8 507	**---**	**---**	**---**	**---**
Green Assets Ratio (GAR%)					0.50%

26 Adding a + b + c+ d +e

The summary of the Taxonomy metrics, using the information presented on a **voluntary basis**, is as follows:

Taxonomy metrics – Turnover basis	**Eligible**	**Exposure**	**Eligible%**	**Aligned**	**Aligned%**
Loans and investments					
Financial companies [a]	1 855	32	0.2%	32	0.2%
Non-financial companies	6 470	50	29%	50	0.3%
Subject to NFRD [b]	177	50	0.3%	50	0.3%
Not subject to NFRD	6 293	0	0%	0	0%
Loans to households [c]	5 178	4 066	24.8%	0.10	0.0%
Local and regional governments [d]	407	0.2	0%	0	0%
Non-current assets [e]	223	223	1.4%	1.7	0.01%
Total assets of numerator and denominator [27]	16 347	4 372	26.7%	84	0.51%
Exposure to companies not subject to the NFRD	6 293	---	---	---	---
Financial derivatives	686	---	---	---	---
Interbank financing	67	---	---	---	---
Cash and other assets	1 461	---	---	---	---
Total denominator assets	8 507	**---**	**---**	**---**	**---**
Green Assets Ratio (GAR%)					0.51%

27 Adding a + b + c+ d +e

GAR tables

The Crédito Agrícola Group discloses the mandatory quantitative information under Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020. Thus, with this disclosure, the Group complies with the requirement "*Quantitative information referred to in Annexes V and VI of the Delegated Act for the Disclosure of Information (Disclosures Delegated Act) – Commission Delegated Regulation (EU) 2021/2178, including Annex XII on natural gas and nuclear energy, introduced by the Complementary Climate Delegated Act.*"

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

Year 2023 (million euros, except %)		Total environmentally sustainable assets	KPI Turnover (4)	KPI CAPEX (5)	% coverage (over total assets) (3)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	82.0	0.5%	0.7%	30.89%	33.52%	35.59%

		Total environmentally sustainable activities	KPI Turnover	KPI CAPEX	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	-	0.0%	0.0%	46.9%	53.1%	0.0%
	Trading book (1)						
	Financial guarantees	0	0.00%	0.00%			
	Assets under management	2	0.42%	0.48%			
	Fee and commission income (2)						

(1) For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR.

(2) Fees and commissions income from services other than lending and AuM.

Institutions shall disclose forward looking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

(3) Per cent of assets covered by the KPI over banks' total assets.

(4) Based on the Turnover KPI of the counterparty.

(5) Based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used.

1. Assets for calculating GAR based on Turnover

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
	Year 2023 (million euros)	31 December 2023														
		Total carrying amount [gross]	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					of which Use of Proceeds	Of which transitional	Of which enabling			of which Use of Proceeds	Of which enabling			of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	7,840	4,372	82	32	0	0	0	0	0	0	4,372	82	32	0	0
2	**Financial companies**	1,855	32	32	32	0	0	0	0	0	0	32	32	32	0	0
3	Credit institutions	1,362	32	32	32	0	0	0	0	0	0	32	32	32	0	0
4	Loans and advances	33	0	0	0							0	0	0	0	0
5	Debt securities, including units of participation	1,324	32	32	32							32	32	32	0	0
6	Capital instruments	5	0	0								0	0		0	0
7	Other financial corporations	493		0	0	0	0		0	0	0	0	0	0	0	0
8	of which investment firms	450	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	197	0	0	0							0	0	0	0	0
10	Debt securities, including units of participation	206	0	0	0							0	0	0	0	0
11	Capital instruments	47	0	0								0	0		0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0							0	0	0	0	0
14	Debt securities, including units of participation	0	0	0	0							0	0	0	0	0
15	Capital instruments	0	0	0								0	0		0	0
16	of which insurance undertakings	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0							0	0	0	0	0
18	Debt securities, including units of participation	43	0	0	0							0	0	0	0	0
19	Capital instruments	0	0	0								0	0		0	0
20	**Non-financial corporations**	177	50	50	0	0	0	0	0	0	0	50	50	0	0	0
21	Loans and advances	4	0	0	0							0	0	0	0	0
22	Debt securities, including units of participation	173	51	50	0							51	50	0	0	0
23	Capital instruments	0	0	0								0	0		0	0

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
		31 December 2023														
	Year 2023 (million euros)	Total carrying amount [gross]	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					of which Use of Proceeds	Of which transitional	Of which enabling			of which Use of Proceeds	Of which enabling			of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator															
24	**Households**	5,178	4,066									4,066	0	0	0	0
25	of which loans collateralised by residential immovable property	3,847	3,847									3,847	0	0	0	0
26	of which building renovation loans	169	169									169	0	0	0	0
27	of which motor vehicle loans	50	50									50	0	0	0	0
28	**Local government financing**	407	0									0	0	0	0	0
29	House financing	0	0									0	0	0	0	0
30	Other local government financing	407	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	223	223									223	0	0	0	0
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	8,507	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	**Financial and non-financial corporations**	6,293														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	6,069														
35	Loans and advances	5,645														
36	of which loans collateralised by commercial immovable property	3,794														
37	of which building renovation loans	0														
38	Debt securities, including units of participation	282														
39	Equity instruments	142														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	224														
41	Loans and advances	0														
42	Debt securities, including units of participation	224														
43	Equity instruments	0														
44	**Derivatives**	686														
45	**On demand interbank loans**	67														
46	**Cash and cash-related assets**	154														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	1,307														
48	**Total GAR assets**	16,347	4,372	82	32	0	0	0	0	0	0	4,372	82	32	0	0
49	**Assets not covered for GAR calculation**	9,033														
50	**Central governments and Supranational issuers**	7,514														
51	**Central banks exposure**	1,395														
52	**Trading book**	124														
53	**Total assets**	25,380	4,372	82	32	0	0	0	0	0	0	4,372	82	32	0	0
	Off-balance sheet exposures - undertakings subject to NFRD disclosure obligations															
54	Financial guarantees	7	0	0	0							0	0	0	0	0
55	Assets under management	555	17	2	2							17	2	2	0	0
56	Of which debt securities	463	16	2	2							16	2	2	0	0
57	Of which equity instruments	2	0	0	0							0	0	0	0	0

TOTAL = Climate Change Mitigation (CCM) + Climate Change Adaptation (CCA) + WTR (Water and marine resources) + CE (Circular economy) + PPC (Pollution) + BIO (Biodiversity and Ecosystems)

1. Assets for calculating GAR based on Turnover (Flow)

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
		31 December 2023														
	Year 2023 (million euros)	Total carrying amount [gross]	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					of which Use of Proceeds	Of which transitional	Of which enabling			of which Use of Proceeds	Of which enabling			of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,199	440	0	0	0	0	0	0	0	0	440	0	0	0	0
2	**Financial companies**	107	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Credit institutions	107	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	50										0	0	0	0	0
5	Debt securities, including units of participation	57										0	0	0	0	0
6	Capital instruments	0										0	0		0	0
7	Other financial corporations			0	0	0	0		0	0	0	0	0	0	0	0
8	of which investment firms		0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	59										0	0	0	0	0
10	Debt securities, including units of participation	0										0	0	0	0	0
11	Capital instruments	0										0	0		0	0
12	of which management companies		0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0										0	0	0	0	0
14	Debt securities, including units of participation	0										0	0	0	0	0
15	Capital instruments	0										0	0		0	0
16	of which insurance undertakings		0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	20										0	0	0	0	0
18	Debt securities, including units of participation	0										0	0	0	0	0
19	Capital instruments	0										0	0		0	0

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
		31 December 2023														
	Year 2023 (million euros)	Total carrying amount [gross]	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					of which Use of Proceeds	Of which transitional	Of which enabling			of which Use of Proceeds	Of which enabling			of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,199	440	0	0	0	0	0	0	0	0	440	0	0	0	0
20	**Non-financial companies**		0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Loans and advances	3										0	0	0	0	0
22	Debt securities, including units of participation	0										0	0	0	0	0
23	Equity instruments	0										0	0		0	0
24	**Households**	949	331									331	0	0	0	0
25	of which loans collateralised by residential immovable property	305	305									305	0	0	0	0
26	of which building renovation loans	9	9									9	0	0	0	0
27	of which motor vehicle loans	17	17									17	0	0	0	0
28	**Local government financing**	34	0									0	0	0	0	0
29	House financing	0	0									0	0	0	0	0
30	Other local government financing	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	109	109	0								109	0	0	0	0
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	1,355	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	**Financial and non-financial corporations**	1,329														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1,310														
35	Loans and advances	1,310														
36	of which loans collateralised by commercial immovable property	616														
37	of which building renovation loans	293														
38	Debt securities, including units of participation															
39	Equity instruments															
40	Non-EU country counterparties not subject to NFRD disclosure obligations	19														
41	Loans and advances	0														
42	Debt securities, including units of participation	19														
43	Equity instruments	0														
44	**Derivatives**	0														
45	**On demand interbank loans**	2														
46	**Cash and cash-related assets**	24														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	0														
48	**Total GAR assets**	2,554	440	0	0	0	0	0	0	0	0	440	0	0	0	0

TOTAL = Climate Change Mitigation (CCM) + Climate Change Adaptation (CCA) + WTR (Water and marine resources) + CE (Circular economy) + PPC (Pollution) + BIO (Biodiversity and Ecosystems)

1. Assets for the calculation of GAR based on Capex

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
		31 December 2023														
	Year 2023 (million euros)	Total carrying amount [gross]	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					of which Use of Proceeds	Of which transitional	Of which enabling			of which Use of Proceeds	Of which enabling			of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	7,840	4,409	115	32	0	0	0	0	0	0	4,409	115	32	0	0
2	**Financial companies**	1,855	32	32	32	0	0	0	0	0	0	32	32	32	0	0
3	Credit institutions	1,362	32	32	32	0	0	0	0	0	0	32	32	32	0	0
4	Loans and advances	33	0	0	0							0	0	0	0	0
5	Debt securities, including units of participation	1,324	32	32	32							32	32	32	0	0
6	Capital instruments	5	0	0								0	0		0	0
7	Other financial corporations	493	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	450	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	197	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including units of participation	206	0	0		0	0	0	0		0	0	0	0	0	0
11	Capital instruments	47										0	0		0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including units of participation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Capital instruments	0	0	0		0	0	0	0		0	0	0		0	0
16	of which insurance undertakings	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including units of participation	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Capital instruments	0	0	0		0	0	0	0		0	0	0		0	0
20	**Non-financial corporations**	177	87	83	0	0	0	0	0	0	0	87	83	0	0	0
21	Loans and advances	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	Debt securities, including units of participation	173	87	83	0	0	0	0	0	0	0	87	83	0	0	0
23	Capital instruments	0	0	0		0	0	0	0		0	0	0		0	0
24	**Households**	5,178	4,066									4,066	0	0	0	0
25	of which loans collateralised by residential immovable property	3,847	3,847									3,847	0	0	0	0
26	of which building renovation loans	169	169									169	0	0	0	0
27	of which motor vehicle loans	50	50									50	0	0	0	0
28	**Local government financing**	407	0									0	0	0	0	0
29	House financing	0	0									0	0	0	0	0
30	Other local government financing	407	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	223	223									223	0	0	0	0

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
		31 December 2023														
	Year 2023 (million euros)	Total carrying amount [gross]	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					of which Use of Proceeds	Of which transitional	Of which enabling			of which Use of Proceeds	Of which enabling			of which Use of Proceeds	Of which transitional	Of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	8,507	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	**Financial and non-financial corporations**	6,293														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	6,069														
35	Loans and advances	5,645														
36	of which loans collateralised by commercial immovable property	3,794														
37	of which building renovation loans	0														
38	Debt securities, including units of participation	282														
39	Equity instruments	142														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	224														
41	Loans and advances	0														
42	Debt securities, including units of participation	224														
43	Equity instruments	0														
44	**Derivatives**	686														
45	**On demand interbank loans**	67														
46	**Cash and cash-related assets**	154														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	1,307														
48	**Total GAR assets**	16,347	4,409	115	32	0	0	0	0	0	0	4,409	115	32	0	0
49	**Assets not covered for GAR calculation**	9,033														
50	**Central governments and Supranational issuers**	7,514														
51	**Central banks exposure**	1,395														
52	**Trading book**	124														
53	**Total assets**	25,380	4,409	115	32	0	0	0	0	0	0	4,409	115	32	0	0
	Off-balance sheet exposures - undertakings subject to NFRD disclosure obligations															
54	Financial guarantees	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	555	17	3	2							17	3	2	0	0
56	Of which debt securities	463	16	2	2							16	2	2	0	0
57	Of which equity instruments	2	1	0	0							1	0	0	0	0

TOTAL = Climate Change Mitigation (CCM) + Climate Change Adaptation (CCA) + WTR (Water and marine resources) + CE (Circular economy) + PPC (Pollution) + BIO (Biodiversity and Ecosystems)

1. Assets for calculating GAR based on Turnover (Flow)

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
		31 December 2023														
	Year 2023 (million euros)	Total carrying amount [gross]	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					of which Use of Proceeds	Of which transitional	Of which enabling			of which Use of Proceeds	Of which enabling			of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,199	440	0	0	0	0	0	0	0	0	440	0	0	0	0
2	**Financial companies**	107	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Credit institutions	107	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	50										0	0	0	0	0
5	Debt securities, including units of participation	57										0	0	0	0	0
6	Capital instruments	0										0	0		0	0
7	Other financial corporations			0	0	0	0		0	0	0	0	0	0	0	0
8	of which investment firms		0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	59										0	0	0	0	0
10	Debt securities, including units of participation	0										0	0	0	0	0
11	Capital instruments	0										0	0		0	0
12	of which management companies		0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0										0	0	0	0	0
14	Debt securities, including units of participation	0										0	0	0	0	0
15	Capital instruments	0										0	0		0	0
16	of which insurance undertakings		0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	20										0	0	0	0	0
18	Debt securities, including units of participation	0										0	0	0	0	0
19	Capital instruments	0										0	0		0	0
20	**Non-financial corporations**		0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Loans and advances	3										0	0	0	0	0
22	Debt securities, including units of participation											0	0	0	0	0
23	Capital instruments											0	0		0	0
24	**Households**	949	331									331	0	0	0	0
25	of which loans collateralised by residential immovable property	305	305									305	0	0	0	0
26	of which building renovation loans	9	9									9	0	0	0	0
27	of which motor vehicle loans	17	17									17	0	0	0	0
28	**Local government financing**	34	0									0	0	0	0	0
29	House financing	0	0									0	0	0	0	0
30	Other local government financing	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	109	109	0								109	0	0	0	0

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
		31 December 2023														
	Year 2023 (million euros)	Total carrying amount [gross]	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					of which Use of Proceeds	Of which transitional	Of which enabling			of which Use of Proceeds	Of which enabling			of which Use of Proceeds	Of which transitional	Of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	1,355	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	**Financial and non-financial corporations**	1,329														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1,310														
35	Loans and advances	1,310														
36	of which loans collateralised by commercial immovable property	616														
37	of which building renovation loans	293														
38	Debt securities, including units of participation															
39	Equity instruments															
40	Non-EU country counterparties not subject to NFRD disclosure obligations	19														
41	Loans and advances	0														
42	Debt securities, including units of participation	19														
43	Equity instruments															
44	**Derivatives**	0														
45	**On demand interbank loans**	2														
46	**Cash and cash-related assets**	24														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	0														
48	**Total GAR assets**	2,554	440	0	0	0	0	0	0	0	0	440	0	0	0	0

TOTAL = Climate Change Mitigation (CCM) + Climate Change Adaptation (CCA) + WTR (Water and marine resources) + CE (Circular economy) + PPC (Pollution) + BIO (Biodiversity and Ecosystems)

2. GAR sector information based on Turnover

		a	b	c	d	e	f	g	h	y	z	aa	ab
	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]	
		Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (AAC)	Million EUR	Of which environmentally sustainable (AAC)	Million EUR	Of which environmentally sustainable (CCM + CCA + RHM + EC + PCP + BIO)	Million EUR	Of which environmentally sustainable (CCM + CCA + RHM + EC + PCP + BIO)
1	02.10 Silviculture and other forestry activities									0	0		
2	02.20 Logging									0	0		
3	02.30 Gathering of wild growing non-wood products									0	0		
4	02.40 Support services to forestry									0	0		
5	09.10 Support activities for petroleum and natural gas extraction									0	0		
6	16.10 Sawmilling and planing of wood									0	0		
7	16.21 Manufacture of veneer sheets and wood-based panels									0	0		
8	16.22 Manufacture of assembled parquet floors									0	0		
9	16.23 Manufacture of other builders' carpentry and joinery									0	0		
10	16.24 Manufacture of wooden containers									0	0		
11	16.29 Manufacture of other products of wood; manufacture of articles of cork, strawand plaiting materials									0	0		
12	17.11 Manufacture of pulp									0	0		
13	17.12 Manufacture of paper and paperboard									0	0		
14	17.21 Manufacture of corrugated paper and paperboard and of containers of paper and paperboard									0	0		
15	17.22 Manufacture of household and sanitary goods and of toilet requisites									0	0		
16	17.23 Manufacture of paper stationery									0	0		
17	17.24 Manufacture of wallpaper									0	0		
18	17.29 Manufacture of other articles of paper and paperboard									0	0		
19	20.11 Manufacture of industrial gases									0	0		
20	20.13 Manufacture of other inorganic basic chemicals									0	0		
21	20.14 Manufacture of other organic basic chemicals									0	0		
22	20.15 Manufacture of fertilisers and nitrogen compounds									0	0		
23	20.16 Manufacture of plastics in primary forms									0	0		
24	22.11 Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres									0	0		
25	22.19 Manufacture of other rubber products									0	0		
26	22.21 Manufacture of plastic plates, sheets, tubes and profiles									0	0		
27	22.22 Manufacture of plastic packing goods									0	0		
28	22.23 Manufacture of builders' ware of plastic									0	0		
29	22.29 Manufacture of other plastic products									0	0		
30	23.11 Manufacture of flat glass									0	0		
31	23.12 Shaping and processing of flat glass									0	0		
32	23.13 Manufacture of hollow glass									0	0		
33	23.14 Manufacture of glass fibres									0	0		
34	23.19 Manufacture and processing of other glass, including technical glassware									0	0		
35	23.20 Manufacture of refractory products									0	0		
36	23.31 Manufacture of ceramic tiles and flags									0	0		
37	23.32 Manufacture of bricks, tiles and construction products, in baked clay									0	0		
38	23.41 Manufacture of ceramic household and ornamental articles									0	0		
39	23.42 Manufacture of ceramic sanitary fixtures									0	0		
40	23.43 Manufacture of ceramic insulators and insulating fittings									0	0		
41	23.44 Manufacture of other technical ceramic products									0	0		
42	23.49 Manufacture of other ceramic products									0	0		
43	23.51 Manufacture of cement									0	0		
44	23.52 Manufacture of lime and plaster									0	0		
45	23.61 Manufacture of concrete products for construction purposes									0	0		
46	23.62 Manufacture of plaster products for construction purposes									0	0		
47	23.63 Manufacture of ready-mixed concrete									0	0		
48	23.64 Manufacture of mortars									0	0		
49	23.65 Manufacture of fibre cement									0	0		
50	23.69 Manufacture of other articles of concrete, plaster and cement									0	0		

		a	b	c	d	e	f	g	h	y	z	aa	ab
	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]	
		Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (AAC)	Million EUR	Of which environmentally sustainable (AAC)	Million EUR	Of which environmentally sustainable (CCM + CCA + RHM + EC + PCP + BIO)	Million EUR	Of which environmentally sustainable (CCM + CCA + RHM + EC + PCP + BIO)
51	23.70 Cutting, shaping and finishing of stone									0	0		
52	23.91 Production of abrasive products									0	0		
53	23.99 Manufacture of other non-metallic mineral products n.e.c.									0	0		
54	24.10 Manufacture of basic iron and steel and of ferro-alloys									0	0		
55	24.20 Manufacture of tubes, pipes, hollow profiles and related fittings, of steel									0	0		
56	24.31 Cold drawing of bars									0	0		
57	24.32 Cold rolling of narrow strip									0	0		
58	24.33 Cold forming or folding									0	0		
59	24.34 Cold drawing of wire									0	0		
60	24.42 Aluminium production									0	0		
61	24.51 Casting of iron									0	0		
62	24.52 Casting of steel									0	0		
63	24.53 Casting of light metals									0	0		
64	25.11 Manufacture of metal structures and parts of structures									0	0		
65	25.12 Manufacture of doors and windows of metal									0	0		
66	25.21 Manufacture of central heating radiators and boilers									0	0		
67	25.29 Manufacture of other tanks, reservoirs and containers of metal									0	0		
68	25.30 Manufacture of steam generators, except central heating hot water boilers									0	0		
69	25.40 Manufacture of weapons and ammunition									0	0		
70	25.50 Forging, pressing, stamping and roll-forming of metal; powder metallurgy									0	0		
71	25.61 Treatment and coating of metals									0	0		
72	25.62 Machining									0	0		
73	25.71 Manufacture of cutlery									0	0		
74	25.72 Manufacture of locks and hinges									0	0		
75	25.73 Manufacture of tools									0	0		
76	25.91 Manufacture of steel drums and similar containers									0	0		
77	25.92 Manufacture of light metal packaging									0	0		
78	25.93 Manufacture of wire products, chain and springs									0	0		
79	25.94 Manufacture of fasteners and screw machine products									0	0		
80	25.99 Manufacture of other fabricated metal products n.e.c.									0	0		
81	26.11 Manufacture of electronic components									0	0		
82	26.12 Manufacture of loaded electronic boards									0	0		
83	26.20 Manufacture of computers and peripheral equipment									0	0		
84	26.30 Manufacture of communication equipment									0	0		
85	26.40 Manufacture of consumer electronics									0	0		
86	26.51 Manufacture of instruments and appliances for measuring, testing and navigation									0	0		
87	26.52 Manufacture of watches and clocks									0	0		
88	26.60 Manufacture of irradiation, electromedical and electrotherapeutic equipment									0	0		
89	26.70 Manufacture of optical instruments and photographic equipment									0	0		
90	26.80 Manufacture of magnetic and optical media									0	0		
91	27.11 Manufacture of electric motors, generators and transformers									0	0		
92	27.12 Manufacture of electricity distribution and control apparatus									0	0		
93	27.20 Manufacture of batteries and accumulators									0	0		
94	27.31 Manufacture of fibre optic cables									0	0		
95	27.32 Manufacture of other electronic and electric wires and cables									0	0		
96	27.33 Manufacture of wiring devices									0	0		
97	27.40 Manufacture of electric lighting equipment									0	0		
98	27.51 Manufacture of electric domestic appliances									0	0		
99	27.52 Manufacture of non-electric domestic appliances									0	0		
100	27.90 Manufacture of other electrical equipment									0	0		
101	28.11 Manufacture of engines and turbines, except aircraft, vehicle and cycle engines									0	0		
102	28.12 Manufacture of fluid power equipment									0	0		
103	28.13 Manufacture of other pumps and compressors									0	0		
104	28.14 Manufacture of other taps and valves									0	0		
105	28.15 Manufacture of bearings, gears, gearing and driving elements									0	0		
106	28.21 Manufacture of ovens, furnaces and furnace burners									0	0		
107	28.22 Manufacture of lifting and handling equipment									0	0		
108	28.23 Manufacture of office machinery and equipment (except computers and peripheral equipment)									0	0		
109	28.24 Manufacture of power-driven hand tools									0	0		
110	28.25 Manufacture of non-domestic cooling and ventilation equipment									0	0		
111	28.29 Manufacture of other general-purpose machinery n.e.c.									0	0		
112	28.30 Manufacture of agricultural and forestry machinery									0	0		
113	28.41 Manufacture of metal forming machinery									0	0		
114	28.49 Manufacture of other machine tools									0	0		
115	28.91 Manufacture of machinery for metallurgy									0	0		
116	28.92 Manufacture of machinery for mining, quarrying and construction									0	0		
117	28.93 Manufacture of machinery for food, beverage and tobacco processing									0	0		
118	28.94 Manufacture of machinery for textile, apparel and leather production									0	0		
119	28.95 Manufacture of machinery for paper and paperboard production									0	0		
120	28.96 Manufacture of plastic and rubber machinery									0	0		
121	28.99 Manufacture of other special-purpose machinery n.e.c.									0	0		
122	29.10 Manufacture of motor vehicles									0	0		
123	29.20 Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailersand semi-trailers									0	0		
124	29.31 Manufacture of electrical and electronic equipment for motor vehicles									0	0		
125	29.32 Manufacture of other parts and accessories for motor vehicles									0	0		
126	30.11 Building of ships and floating structures									0	0		
127	30.12 Building of pleasure and sporting boats									0	0		
128	30.20 Manufacture of railway locomotives and rolling stock									0	0		
129	30.30 Manufacture of air and spacecraft and related machinery									0	0		
130	30.91 Manufacture of motorcycles									0	0		
131	30.92 Manufacture of bicycles and invalid carriages									0	0		
132	30.99 Manufacture of other transport equipment n.e.c.									0	0		
133	33.12 Repair of machinery									0	0		
134	33.13 Repair of electronic and optical equipment									0	0		
135	33.14 Repair of electrical equipment									0	0		
136	33.15 Repair and maintenance of ships and boats									0	0		
137	33.16 Repair and maintenance of aircraft and spacecraft									0	0		
138	33.17 Repair and maintenance of other transport equipment									0	0		
139	33.20 Installation of industrial machinery and equipment									0	0		
140	35.11 Production of electricity	49	49			0	0			49	49		
141	35.12 Transmission of electricity									0	0		
142	35.13 Distribution of electricity									0	0		
143	35.21 Manufacture of gas									0	0		
144	35.22 Distribution of gaseous fuels through mains									0	0		
145	35.30 Steam and air conditioning supply									0	0		
146	36.00 Water collection, treatment and supply									0	0		
147	37.00 Sewerage									0	0		
148	38.11 Collection of non-hazardous waste									0	0		
149	38.21 Treatment and disposal of non-hazardous waste									0	0		
150	38.32 Recovery of sorted materials									0	0		

		a	b	c	d	e	f	g	h	y	z	aa	ab
	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]	
		Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (AAC)	Million EUR	Of which environmentally sustainable (AAC)	Million EUR	Of which environmentally sustainable (CCM + CCA + RHM + EC + PCP + BIO)	Million EUR	Of which environmentally sustainable (CCM + CCA + RHM + EC + PCP + BIO)
151	39.00 Remediation activities and other waste management services									0	0		
152	41.10 Development of building projects									0	0		
153	41.20 Construction of residential and non-residential buildings									0	0		
154	42.11 Construction of roads and motorways									0	0		
155	42.12 Construction of railways and underground railways									0	0		
156	42.13 Construction of bridges and tunnels									0	0		
157	42.21 Construction of utility projects for fluids									0	0		
158	42.22 Construction of utility projects for electricity and telecommunications									0	0		
159	42.91 Construction of water projects									0	0		
160	42.99 Construction of other civil engineering projects n.e.c.									0	0		
161	43.11 Demolition									0	0		
162	43.12 Site preparation									0	0		
163	43.13 Test drilling and boring									0	0		
164	43.21 Electrical installation									0	0		
165	43.22 Plumbing, heat and air conditioning installation									0	0		
166	43.29 Other construction installation									0	0		
167	43.31 Plastering									0	0		
168	43.32 Joinery installation									0	0		
169	43.33 Floor and wall covering									0	0		
170	43.34 Painting and glazing									0	0		
171	43.39 Other building completion and finishing									0	0		
172	43.91 Roofing activities									0	0		
173	43.99 Other specialised construction activities n.e.c.									0	0		
174	49.10 Passenger rail transport, interurban									0	0		
175	49.20 Freight rail transport									0	0		
176	49.31 Urban and suburban passenger land transport									0	0		
177	49.32 Taxi operation									0	0		
178	49.39 Other passenger land transport n.e.c.									0	0		
179	49.41 Freight transport by road									0	0		
180	49.50 Transport via pipeline									0	0		
181	50.10 Sea and coastal passenger water transport									0	0		
182	50.20 Sea and coastal freight water transport									0	0		
183	50.30 Inland passenger water transport									0	0		
184	50.40 Inland freight water transport									0	0		
185	51.10 Passenger air transport									0	0		
186	51.21 Freight air transport									0	0		
187	52.21 Service activities incidental to land transportation									0	0		
188	52.22 Service activities incidental to water transportation									0	0		
189	52.23 Service activities incidental to air transportation									0	0		
190	52.24 Cargo handling									0	0		
191	52.29 Other transportation support activities									0	0		
192	53.10 Postal activities under universal service obligation									0	0		
193	53.20 Other postal and courier activities									0	0		
194	59.11 Motion picture, video and television programme production activities									0	0		
195	59.12 Motion picture, video and television programme post-production activities									0	0		
196	59.13 Motion picture, video and television programme distribution activities									0	0		
197	59.14 Motion picture projection activities									0	0		
198	59.20 Sound recording and music publishing activities									0	0		
199	60.10 Radio broadcasting									0	0		
200	60.20 Television programming and broadcasting activities									0	0		
201	61.10 Wired telecommunications activities									0	0		
202	61.20 Wireless telecommunications activities									0	0		
203	61.30 Satellite telecommunications activities									0	0		
204	61.90 Other telecommunications activities									0	0		
205	62.01 Computer programming activities									0	0		
206	62.02 Computer consultancy activities									0	0		
207	62.03 Computer facilities management activities									0	0		
208	62.09 Other information technology and computer service activities									0	0		
209	63.11 Data processing, hosting and related activities									0	0		
210	65.12 Non-life insurance									0	0		
211	65.20 Reinsurance									0	0		
212	68.10 Buying and selling of own real estate									0	0		
213	68.20 Renting and operating of own or leased real estate									0	0		
214	68.31 Real estate agencies									0	0		
215	68.32 Management of real estate on a fee or contract basis									0	0		
216	71.11 Architectural activities									0	0		
217	71.12 Engineering activities and related technical consultancy									0	0		
218	71.20 Technical testing and analysis									0	0		
219	72.11 Research and experimental development on biotechnology									0	0		
220	72.19 Other research and experimental development on natural sciences and engineering									0	0		
221	74.90 Other professional, scientific and technical activities n.e.c.									0	0		
222	77.11 Renting and leasing of cars and light motor vehicles									0	0		
223	77.12 Renting and leasing of trucks									0	0		
224	77.21 Renting and leasing of recreational and sports goods									0	0		
225	77.34 Renting and leasing of water transport equipment									0	0		
226	77.35 Renting and leasing of air transport equipment									0	0		
227	77.39 Renting and leasing of other machinery, equipment and tangible goods n.e.c.	0	0			0	0			0	0		
228	80.20 Security systems service activities									0	0		
229	84.11 General public administration activities									0	0		
230	84.12 Regulation of the activities of providing health care, education, cultural services and other social services, excluding social security									0	0		
231	84.13 Regulation of and contribution to more efficient operation of businesses									0	0		
232	84.21 Foreign affairs									0	0		
233	84.22 Defence activities									0	0		
234	84.23 Justice and judicial activities									0	0		
235	84.24 Public order and safety activities									0	0		
236	84.25 Fire service activities									0	0		
237	84.30 Compulsory social security activities									0	0		
238	85.10 Pre-primary education									0	0		
239	85.20 Primary education									0	0		
240	85.31 General secondary education									0	0		
241	85.32 Technical and vocational secondary education									0	0		
242	85.41 Post-secondary non-tertiary education									0	0		
243	85.42 Tertiary education									0	0		
244	85.51 Sports and recreation education									0	0		
245	85.52 Cultural education									0	0		
246	85.53 Driving school activities									0	0		
247	85.59 Other education n.e.c.									0	0		
248	85.60 Educational support activities									0	0		
249	86.10 Hospital activities									0	0		
250	86.90 Other human health activities									0	0		

		a	b	c	d	e	f	g	h	y	z	aa	ab
	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]	
		Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (AAC)	Million EUR	Of which environmentally sustainable (AAC)	Million EUR	Of which environmentally sustainable (CCM + CCA + RHM + EC + PCP + BIO)	Million EUR	Of which environmentally sustainable (CCM + CCA + RHM + EC + PCP + BIO)
251	87.10 Residential nursing care activities									0	0		
252	87.20 Residential care activities for learning disabilities, mental health and substance abuse									0	0		
253	87.30 Residential care activities for the elderly and disabled									0	0		
254	87.90 Other residential care activities									0	0		
255	88.99 Other social work activities without accommodation n.e.c.									0	0		
256	90.01 Performing arts									0	0		
257	90.02 Support activities to performing arts									0	0		
258	90.03 Artistic creation									0	0		
259	90.04 Operation of arts facilities									0	0		
260	91.01 Library and archives activities									0	0		
261	91.02 Museums activities									0	0		
262	91.03 Operation of historical sites and buildings and similar visitor attractions									0	0		
263	91.04 Botanical and zoological gardens and nature reserves activities									0	0		
264	95.21 Repair of consumer electronics									0	0		
265	95.22 Repair of household appliances and home and garden equipment									0	0		

Note: the total amounts of eligible and aligned gross carrying amounts, 49 million euros (for both), reported in columns (y) and (z), do not correspond to the totals reported in Template 1 row 20 columns (ab) and (ac), 50 million euros (for both), due to the exclusion of eligible amounts measured for counterparties with NACE activity code M70 (Activities of head offices; management consultancy activities). These operations were classified as general financing, so the overall eligibility and alignment ratios reported by the counterparties were used.

TOTAL = Climate Change Mitigation (CCM) + Climate Change Adaptation (CCA) + WTR (Water and marine resources) + CE (Circular economy) + PPC (Pollution) + BIO (Biodiversity and Ecosystems)

2. GAR sector information based on CapEx

		a	b	c	d	e	f	g	h	y	z	aa	ab
	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]	
		Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (AAC)	Million EUR	Of which environmentally sustainable (AAC)	Million EUR	Of which environmentally sustainable (CCM + CCA + RHM + EC + PCP + BIO)	Million EUR	Of which environmentally sustainable (CCM + CCA + RHM + EC + PCP + BIO)
1	02.10 Silviculture and other forestry activities									-	-		
2	02.20 Logging									-	-		
3	02.30 Gathering of wild growing non-wood products									-	-		
4	02.40 Support services to forestry									-	-		
5	09.10 Support activities for petroleum and natural gas extraction									-	-		
6	16.10 Sawmilling and planing of wood									-	-		
7	16.21 Manufacture of veneer sheets and wood-based panels									-	-		
8	16.22 Manufacture of assembled parquet floors									-	-		
9	16.23 Manufacture of other builders' carpentry and joinery									-	-		
10	16.24 Manufacture of wooden containers									-	-		
11	16.29 Manufacture of other products of wood; manufacture of articles of cork, strawand plaiting materials									-	-		
12	17.11 Manufacture of pulp									-	-		
13	17.12 Manufacture of paper and paperboard									-	-		
14	17.21 Manufacture of corrugated paper and paperboard and of containers of paper and paperboard									-	-		
15	17.22 Manufacture of household and sanitary goods and of toilet requisites									-	-		
16	17.23 Manufacture of paper stationery									-	-		
17	17.24 Manufacture of wallpaper									-	-		
18	17.29 Manufacture of other articles of paper and paperboard									-	-		
19	20.11 Manufacture of industrial gases									-	-		
20	20.13 Manufacture of other inorganic basic chemicals									-	-		
21	20.14 Manufacture of other organic basic chemicals									-	-		
22	20.15 Manufacture of fertilisers and nitrogen compounds									-	-		
23	20.16 Manufacture of plastics in primary forms									-	-		
24	22.11 Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres									-	-		
25	22.19 Manufacture of other rubber products									-	-		
26	22.21 Manufacture of plastic plates, sheets, tubes and profiles									-	-		
27	22.22 Manufacture of plastic packing goods									-	-		
28	22.23 Manufacture of builders' ware of plastic									-	-		
29	22.29 Manufacture of other plastic products									-	-		
30	23.11 Manufacture of flat glass									-	-		
31	23.12 Shaping and processing of flat glass									-	-		
32	23.13 Manufacture of hollow glass									-	-		
33	23.14 Manufacture of glass fibres									-	-		
34	23.19 Manufacture and processing of other glass, including technical glassware									-	-		
35	23.20 Manufacture of refractory products									-	-		
36	23.31 Manufacture of ceramic tiles and flags									-	-		
37	23.32 Manufacture of bricks, tiles and construction products, in baked clay									-	-		
38	23.41 Manufacture of ceramic household and ornamental articles									-	-		
39	23.42 Manufacture of ceramic sanitary fixtures									-	-		
40	23.43 Manufacture of ceramic insulators and insulating fittings									-	-		
41	23.44 Manufacture of other technical ceramic products									-	-		
42	23.49 Manufacture of other ceramic products									-	-		
43	23.51 Manufacture of cement									-	-		
44	23.52 Manufacture of lime and plaster									-	-		
45	23.61 Manufacture of concrete products for construction purposes									-	-		
46	23.62 Manufacture of plaster products for construction purposes									-	-		
47	23.63 Manufacture of ready-mixed concrete									-	-		
48	23.64 Manufacture of mortars									-	-		
49	23.65 Manufacture of fibre cement									-	-		
50	23.69 Manufacture of other articles of concrete, plaster and cement									-	-		

		a	b	c	d	e	f	g	h	y	z	aa	ab
	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]	
		Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (AAC)	Million EUR	Of which environmentally sustainable (AAC)	Million EUR	Of which environmentally sustainable (CCM + CCA + RHM + EC + PCP + BIO)	Million EUR	Of which environmentally sustainable (CCM + CCA + RHM + EC + PCP + BIO)
51	23.70 Cutting, shaping and finishing of stone									-	-		
52	23.91 Production of abrasive products									-	-		
53	23.99 Manufacture of other non-metallic mineral products n.e.c.									-	-		
54	24.10 Manufacture of basic iron and steel and of ferro-alloys									-	-		
55	24.20 Manufacture of tubes, pipes, hollow profiles and related fittings, of steel									-	-		
56	24.31 Cold drawing of bars									-	-		
57	24.32 Cold rolling of narrow strip									-	-		
58	24.33 Cold forming or folding									-	-		
59	24.34 Cold drawing of wire									-	-		
60	24.42 Aluminium production									-	-		
61	24.51 Casting of iron									-	-		
62	24.52 Casting of steel									-	-		
63	24.53 Casting of light metals									-	-		
64	25.11 Manufacture of metal structures and parts of structures									-	-		
65	25.12 Manufacture of doors and windows of metal									-	-		
66	25.21 Manufacture of central heating radiators and boilers									-	-		
67	25.29 Manufacture of other tanks, reservoirs and containers of metal									-	-		
68	25.30 Manufacture of steam generators, except central heating hot water boilers									-	-		
69	25.40 Manufacture of weapons and ammunition									-	-		
70	25.50 Forging, pressing, stamping and roll-forming of metal; powder metallurgy									-	-		
71	25.61 Treatment and coating of metals									-	-		
72	25.62 Machining									-	-		
73	25.71 Manufacture of cutlery									-	-		
74	25.72 Manufacture of locks and hinges									-	-		
75	25.73 Manufacture of tools									-	-		
76	25.91 Manufacture of steel drums and similar containers									-	-		
77	25.92 Manufacture of light metal packaging									-	-		
78	25.93 Manufacture of wire products, chain and springs									-	-		
79	25.94 Manufacture of fasteners and screw machine products									-	-		
80	25.99 Manufacture of other fabricated metal products n.e.c.									-	-		
81	26.11 Manufacture of electronic components									-	-		
82	26.12 Manufacture of loaded electronic boards									-	-		
83	26.20 Manufacture of computers and peripheral equipment									-	-		
84	26.30 Manufacture of communication equipment									-	-		
85	26.40 Manufacture of consumer electronics									-	-		
86	26.51 Manufacture of instruments and appliances for measuring, testing and navigation									-	-		
87	26.52 Manufacture of watches and clocks									-	-		
88	26.60 Manufacture of irradiation, electromedical and electrotherapeutic equipment									-	-		
89	26.70 Manufacture of optical instruments and photographic equipment									-	-		
90	26.80 Manufacture of magnetic and optical media									-	-		
91	27.11 Manufacture of electric motors, generators and transformers									-	-		
92	27.12 Manufacture of electricity distribution and control apparatus									-	-		
93	27.20 Manufacture of batteries and accumulators									-	-		
94	27.31 Manufacture of fibre optic cables									-	-		
95	27.32 Manufacture of other electronic and electric wires and cables									-	-		
96	27.33 Manufacture of wiring devices									-	-		
97	27.40 Manufacture of electric lighting equipment									-	-		
98	27.51 Manufacture of electric domestic appliances									-	-		
99	27.52 Manufacture of non-electric domestic appliances									-	-		
100	27.90 Manufacture of other electrical equipment									-	-		
101	28.11 Manufacture of engines and turbines, except aircraft, vehicle and cycle engines									-	-		
102	28.12 Manufacture of fluid power equipment									-	-		
103	28.13 Manufacture of other pumps and compressors									-	-		
104	28.14 Manufacture of other taps and valves									-	-		
105	28.15 Manufacture of bearings, gears, gearing and driving elements									-	-		
106	28.21 Manufacture of ovens, furnaces and furnace burners									-	-		
107	28.22 Manufacture of lifting and handling equipment									-	-		
108	28.23 Manufacture of office machinery and equipment (except computers and peripheral equipment)									-	-		
109	28.24 Manufacture of power-driven hand tools									-	-		
110	28.25 Manufacture of non-domestic cooling and ventilation equipment									-	-		
111	28.29 Manufacture of other general-purpose machinery n.e.c.									-	-		
112	28.30 Manufacture of agricultural and forestry machinery									-	-		
113	28.41 Manufacture of metal forming machinery									-	-		
114	28.49 Manufacture of other machine tools									-	-		
115	28.91 Manufacture of machinery for metallurgy									-	-		
116	28.92 Manufacture of machinery for mining, quarrying and construction									-	-		
117	28.93 Manufacture of machinery for food, beverage and tobacco processing									-	-		
118	28.94 Manufacture of machinery for textile, apparel and leather production									-	-		
119	28.95 Manufacture of machinery for paper and paperboard production									-	-		
120	28.96 Manufacture of plastic and rubber machinery									-	-		
121	28.99 Manufacture of other special-purpose machinery n.e.c.									-	-		
122	29.10 Manufacture of motor vehicles									-	-		
123	29.20 Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailersand semi-trailers									-	-		
124	29.31 Manufacture of electrical and electronic equipment for motor vehicles									-	-		
125	29.32 Manufacture of other parts and accessories for motor vehicles									-	-		
126	30.11 Building of ships and floating structures									-	-		
127	30.12 Building of pleasure and sporting boats									-	-		
128	30.20 Manufacture of railway locomotives and rolling stock									-	-		
129	30.30 Manufacture of air and spacecraft and related machinery									-	-		
130	30.91 Manufacture of motorcycles									-	-		
131	30.92 Manufacture of bicycles and invalid carriages									-	-		
132	30.99 Manufacture of other transport equipment n.e.c.									-	-		
133	33.12 Repair of machinery									-	-		
134	33.13 Repair of electronic and optical equipment									-	-		
135	33.14 Repair of electrical equipment									-	-		
136	33.15 Repair and maintenance of ships and boats									-	-		
137	33.16 Repair and maintenance of aircraft and spacecraft									-	-		
138	33.17 Repair and maintenance of other transport equipment									-	-		
139	33.20 Installation of industrial machinery and equipment									-	-		
140	35.11 Production of electricity	48	48							48	48		
141	35.12 Transmission of electricity									-	-		
142	35.13 Distribution of electricity									-	-		
143	35.21 Manufacture of gas									-	-		
144	35.22 Distribution of gaseous fuels through mains									-	-		
145	35.30 Steam and air conditioning supply									-	-		
146	36.00 Water collection, treatment and supply									-	-		
147	37.00 Sewerage									-	-		
148	38.11 Collection of non-hazardous waste									-	-		
149	38.21 Treatment and disposal of non-hazardous waste									-	-		
150	38.32 Recovery of sorted materials									-	-		

		a	b	c	d	e	f	g	h	y	z	aa	ab
	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]	
		Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (AAC)	Million EUR	Of which environmentally sustainable (AAC)	Million EUR	Of which environmentally sustainable (CCM + CCA + RHM + EC + PCP + BIO)	Million EUR	Of which environmentally sustainable (CCM + CCA + RHM + EC + PCP + BIO)
151	39.00 Remediation activities and other waste management services									-	-		
152	41.10 Development of building projects									-	-		
153	41.20 Construction of residential and non-residential buildings									-	-		
154	42.11 Construction of roads and motorways									-	-		
155	42.12 Construction of railways and underground railways									-	-		
156	42.13 Construction of bridges and tunnels									-	-		
157	42.21 Construction of utility projects for fluids									-	-		
158	42.22 Construction of utility projects for electricity and telecommunications									-	-		
159	42.91 Construction of water projects									-	-		
160	42.99 Construction of other civil engineering projects n.e.c.									-	-		
161	43.11 Demolition									-	-		
162	43.12 Site preparation									-	-		
163	43.13 Test drilling and boring									-	-		
164	43.21 Electrical installation									-	-		
165	43.22 Plumbing, heat and air conditioning installation									-	-		
166	43.29 Other construction installation									-	-		
167	43.31 Plastering									-	-		
168	43.32 Joinery installation									-	-		
169	43.33 Floor and wall covering									-	-		
170	43.34 Painting and glazing									-	-		
171	43.39 Other building completion and finishing									-	-		
172	43.91 Roofing activities									-	-		
173	43.99 Other specialised construction activities n.e.c.									-	-		
174	49.10 Passenger rail transport, interurban									-	-		
175	49.20 Freight rail transport									-	-		
176	49.31 Urban and suburban passenger land transport									-	-		
177	49.32 Taxi operation									-	-		
178	49.39 Other passenger land transport n.e.c.									-	-		
179	49.41 Freight transport by road									-	-		
180	49.50 Transport via pipeline									-	-		
181	50.10 Sea and coastal passenger water transport									-	-		
182	50.20 Sea and coastal freight water transport									-	-		
183	50.30 Inland passenger water transport									-	-		
184	50.40 Inland freight water transport									-	-		
185	51.10 Passenger air transport									-	-		
186	51.21 Freight air transport									-	-		
187	52.21 Service activities incidental to land transportation									-	-		
188	52.22 Service activities incidental to water transportation									-	-		
189	52.23 Service activities incidental to air transportation									-	-		
190	52.24 Cargo handling									-	-		
191	52.29 Other transportation support activities									-	-		
192	53.10 Postal activities under universal service obligation									-	-		
193	53.20 Other postal and courier activities									-	-		
194	59.11 Motion picture, video and television programme production activities									-	-		
195	59.12 Motion picture, video and television programme post-production activities									-	-		
196	59.13 Motion picture, video and television programme distribution activities									-	-		
197	59.14 Motion picture projection activities									-	-		
198	59.20 Sound recording and music publishing activities									-	-		
199	60.10 Radio broadcasting									-	-		
200	60.20 Television programming and broadcasting activities									-	-		
201	61.10 Wired telecommunications activities									-	-		
202	61.20 Wireless telecommunications activities									-	-		
203	61.30 Satellite telecommunications activities									-	-		
204	61.90 Other telecommunications activities									-	-		
205	62.01 Computer programming activities									-	-		
206	62.02 Computer consultancy activities									-	-		
207	62.03 Computer facilities management activities									-	-		
208	62.09 Other information technology and computer service activities									-	-		
209	63.11 Data processing, hosting and related activities									-	-		
210	65.12 Non-life insurance									-	-		
211	65.20 Reinsurance									-	-		
212	68.10 Buying and selling of own real estate									-	-		
213	68.20 Renting and operating of own or leased real estate									-	-		
214	68.31 Real estate agencies									-	-		
215	68.32 Management of real estate on a fee or contract basis									-	-		
216	71.11 Architectural activities									-	-		
217	71.12 Engineering activities and related technical consultancy									-	-		
218	71.20 Technical testing and analysis									-	-		
219	72.11 Research and experimental development on biotechnology									-	-		
220	72.19 Other research and experimental development on natural sciences and engineering									-	-		
221	74.90 Other professional, scientific and technical activities n.e.c.									-	-		
222	77.11 Renting and leasing of cars and light motor vehicles									-	-		
223	77.12 Renting and leasing of trucks									-	-		
224	77.21 Renting and leasing of recreational and sports goods									-	-		
225	77.34 Renting and leasing of water transport equipment									-	-		
226	77.35 Renting and leasing of air transport equipment									-	-		
227	77.39 Renting and leasing of other machinery, equipment and tangible goods n.e.c.	0.052	0.052			0.001	0.001			0.05	0.05		
228	80.20 Security systems service activities									-	-		
229	84.11 General public administration activities									-	-		
230	84.12 Regulation of the activities of providing health care, education, cultural services and other social services, excluding social security									-	-		
231	84.13 Regulation of and contribution to more efficient operation of businesses									-	-		
232	84.21 Foreign affairs									-	-		
233	84.22 Defence activities									-	-		
234	84.23 Justice and judicial activities									-	-		
235	84.24 Public order and safety activities									-	-		
236	84.25 Fire service activities									-	-		
237	84.30 Compulsory social security activities									-	-		
238	85.10 Pre-primary education									-	-		
239	85.20 Primary education									-	-		
240	85.31 General secondary education									-	-		
241	85.32 Technical and vocational secondary education									-	-		
242	85.41 Post-secondary non-tertiary education									-	-		
243	85.42 Tertiary education									-	-		
244	85.51 Sports and recreation education									-	-		
245	85.52 Cultural education									-	-		
246	85.53 Driving school activities									-	-		
247	85.59 Other education n.e.c.									-	-		
248	85.60 Educational support activities									-	-		
249	86.10 Hospital activities									-	-		
250	86.90 Other human health activities									-	-		

		a	b	c	d	e	f	g	h	y	z	aa	ab
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	Breakdown by sector - NACE 4 digits level (code and label)	Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]		Carrying amount [gross]	
		Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (CCM)	Million EUR	Of which environmentally sustainable (AAC)	Million EUR	Of which environmentally sustainable (AAC)	Million EUR	Of which environmentally sustainable (CCM + CCA + RHM + EC + PCP + BIO)	Million EUR	Of which environmentally sustainable (CCM + CCA + RHM + EC + PCP + BIO)
251	87.10 Residential nursing care activities									-	-		
252	87.20 Residential care activities for learning disabilities, mental health and substance abuse									-	-		
253	87.30 Residential care activities for the elderly and disabled									-	-		
254	87.90 Other residential care activities									-	-		
255	88.99 Other social work activities without accommodation n.e.c.									-	-		
256	90.01 Performing arts									-	-		
257	90.02 Support activities to performing arts									-	-		
258	90.03 Artistic creation									-	-		
259	90.04 Operation of arts facilities									-	-		
260	91.01 Library and archives activities									-	-		
261	91.02 Museums activities									-	-		
262	91.03 Operation of historical sites and buildings and similar visitor attractions									-	-		
263	91.04 Botanical and zoological gardens and nature reserves activities									-	-		
264	95.21 Repair of consumer electronics									-	-		
265	95.22 Repair of household appliances and home and garden equipment									-	-		

Note: the total amounts of eligible and aligned gross carrying amounts, 48 million euros (for both), reported in columns (y) and (z), do not correspond to the totals reported in Template 1 row 20 columns (ab) and (ac), 87 million euros and 83 million euros (respectively), due to the exclusion of eligible amounts measured for counterparties with NACE activity code M70 (Activities of head offices; management consultancy activities). These operations were classified as general financing, so the overall eligibility and alignment ratios reported by the counterparties were used.

TOTAL = Climate Change Mitigation (CCM) + Climate Change Adaptation (CCA) + WTR (Water and marine resources) + CE (Circular economy) + PPC (Pollution) + BIO (Biodiversity and Ecosystems)

3. GAR KPI stock based on Turnover

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af
		31 December 2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)					Proportion of total assets covered
	% (compared to total covered assets in the denominator)	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
				of which Use of Proceeds	Of which transitional	Of which enabling			of which Use of Proceeds	Of which enabling			of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	55.76%	1.05%	0.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	55.76%	1.05%	0.41%	0.00%	0.00%	30.89%
2	**Financial companies**	1.72%	1.72%	1.72%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.72%	1.72%	1.72%	0.00%	0.00%	7.31%
3	Credit Institutions	2.34%	2.34%	2.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.34%	2.34%	2.34%	0.00%	0.00%	5.37%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.13%
5	Debt securities, including units of participation	2.45%	2.45%	2.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.45%	2.45%	2.45%	0.00%	0.00%	5.21%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.02%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.94%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.77%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.78%
10	Debt securities, including units of participation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.81%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.19%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including units of participation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.17%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including units of participation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.17%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial companies**	28.46%	28.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	28.46%	28.34%	0.00%	0.00%	0.00%	0.70%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%
22	Debt securities, including units of participation	29.49%	28.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	29.49%	28.99%	0.00%	0.00%	0.00%	0.68%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**	78.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	78.53%	0.00%	0.00%	0.00%	0.00%	20.40%
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	15.16%
26	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.67%
27	of which motor vehicle loans	100.00%	0.00%	0.00%	0.00%	0.00%										
28	**Local government financing**	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%	1.61%
29	House financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.00%	0.00%	0.00%	0.00%	1.61%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.88%
32	**Total GAR assets**	26.74%	0.50%	0.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	26.74%	0.50%	0.20%	0.00%	0.00%	30.89%

TOTAL = Climate Change Mitigation (CCM) + Climate Change Adaptation (CCA) + WTR (Water and marine resources) + CE (Circular economy) + PPC (Pollution) + BIO (Biodiversity and Ecosystems)

3. GAR KPI stock based on CapEx

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af
		31 December 2023														
	% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)					Proportion of total assets covered
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
				of which Use of Proceeds	Of which transitional	Of which enabling			of which Use of Proceeds	Of which enabling			of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	56.2%	1.5%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	56.2%	1.5%	0.4%	0.0%	0.0%	30.89%
2	**Financial companies**	1.7%	1.7%	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%	1.7%	1.7%	0.0%	0.0%	7.31%
3	Credit Institutions	2.4%	2.4%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%	2.4%	2.4%	0.0%	0.0%	5.37%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.13%
5	Debt securities, including units of participation	2.4%	2.4%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%	2.4%	2.4%	0.0%	0.0%	5.21%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.02%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.94%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.77%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.78%
10	Debt securities, including units of participation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.81%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.19%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
14	Debt securities, including units of participation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.17%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
18	Debt securities, including units of participation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.17%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
20	**Non-financial companies**	49.5%	47.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	49.5%	47.0%	0.0%	0.0%	0.0%	0.70%
21	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.02%
22	Debt securities, including units of participation	50.6%	48.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.6%	48.1%	0.0%	0.0%	0.0%	0.68%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
24	**Households**	78.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	78.5%	0.0%	0.0%	0.0%	0.0%	20.40%
25	of which loans collateralised by residential immovable property	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	15.16%
26	of which building renovation loans	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.67%
27	of which motor vehicle loans	100.0%	0.0%	0.0%	0.0%	0.0%										
28	**Local government financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.61%
29	House financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
30	Other local government financing	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	1.61%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.88%
32	**Total GAR assets**	27.0%	0.7%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	27.0%	0.7%	0.2%	0.0%	0.0%	30.9%

TOTAL = Climate Change Mitigation (CCM) + Climate Change Adaptation (CCA) + WTR (Water and marine resources) + CE (Circular economy) + PPC (Pollution) + BIO (Biodiversity and Ecosystems)

4. GAR KPI flow based on Turnover (Flow)

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af
		31 December 2023														
	% (compared to flow of total eligible assets)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)					Proportion of total assets covered
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
				of which Use of Proceeds	Of which transitional	Of which enabling			of which Use of Proceeds	Of which enabling			of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	36.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	36.69%	0.00%	0.00%	0.00%	0.00%	46.94%
2	**Financial companies**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.21%
3	Credit Institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.21%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.96%
5	Debt securities, including units of participation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.25%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.31%
10	Debt securities, including units of participation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including units of participation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.78%
18	Debt securities, including units of participation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial companies**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.11%
22	Debt securities, including units of participation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**	34.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	34.90%	0.00%	0.00%	0.00%	0.00%	37.16%
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	11.92%
26	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.37%
27	of which motor vehicle loans	100.00%	0.00%	0.00%	0.00%	0.00%										
28	**Local government financing**	0.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.33%	0.00%	0.00%	0.00%	0.00%	1.32%
29	House financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.33%	0.00%	0.00%	0.00%	0.00%	1.32%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	4.25%
32	**Total GAR assets**	17.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	17.22%	0.00%	0.00%	0.00%	0.00%	46.94%

TOTAL = Climate Change Mitigation (CCM) + Climate Change Adaptation (CCA) + WTR (Water and marine resources) + CE (Circular economy) + PPC (Pollution) + BIO (Biodiversity and Ecosystems)

4. GAR KPI flow based on CapEx (Flow)

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af
		31 December 2023														
	% (compared to flow of total eligible assets)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)					Proportion of total assets covered
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
				of which Use of Proceeds	Of which transitional	Of which enabling			of which Use of Proceeds	Of which enabling			of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	36.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	36.69%	0.00%	0.00%	0.00%	0.00%	46.94%
2	**Financial companies**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.21%
3	Credit Institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.21%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.96%
5	Debt securities, including units of participation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.25%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.31%
10	Debt securities, including units of participation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including units of participation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.78%
18	Debt securities, including units of participation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial companies**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.11%
22	Debt securities, including units of participation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**	34.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	34.90%	0.00%	0.00%	0.00%	0.00%	37.16%
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	11.92%
26	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.37%
27	of which motor vehicle loans	100.00%	0.00%	0.00%	0.00%	0.00%										
28	**Local government financing**	0.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.33%	0.00%	0.00%	0.00%	0.00%	1.32%
29	House financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.33%	0.00%	0.00%	0.00%	0.00%	1.32%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	4.25%
32	**Total GAR assets**	17.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	17.22%	0.00%	0.00%	0.00%	0.00%	46.94%

TOTAL = Climate Change Mitigation (CCM) + Climate Change Adaptation (CCA) + WTR (Water and marine resources) + CE (Circular economy) + PPC (Pollution) + BIO (Biodiversity and Ecosystems)

5. KPI off-balance sheet exposures based on Turnover

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae
		31 December 2023													
	% (compared to total eligible off-balance sheet assets)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				of which Use of Proceeds	Of which transitional	Of which enabling			of which Use of Proceeds	Of which enabling			of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	2.98%	0.42%	0.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.98%	0.42%	0.41%	0.00%	0.00%

TOTAL = Climate Change Mitigation (CCM) + Climate Change Adaptation (CCA) + WTR (Water and marine resources) + CE (Circular economy) + PPC (Pollution) + BIO (Biodiversity and Ecosystems)

5. KPI off-balance sheet exposures based on CapEx

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)		31 December 2023													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + RHM + EC + PCP + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				of which Use of Proceeds	Of which transitional	Of which enabling			of which Use of Proceeds	Of which enabling			of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	3.07%	0.48%	0.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.07%	0.48%	0.41%	0.00%	0.00%

TOTAL = Climate Change Mitigation (CCM) + Climate Change Adaptation (CCA) + WTR (Water and marine resources) + CE (Circular economy) + PPC (Pollution) + BIO (Biodiversity and Ecosystems)

Disclosures in accordance with Annex XII – Nuclear and fossil gas related activities

Template 1 Nuclear and fossil gas related activities

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

6.4. TABLE OF CORRESPONDENCE WITH DECREE-LAW 89/ 2017 OF 28 JULY

In accordance with Article 66B of Decree-Law 89/2017, the non-financial statement must contain sufficient information for an understanding of the evolution, performance, position and impact of the Group's activities relating, at a minimum, to environmental, social and employee issues, equality between women and men, non-discrimination, respect for human rights, combating corruption and attempts at bribery, including:

Information	Source	Section / Chapter	Chapter / Subschapter Nos.
1- a) Brief description of the company's business model	Annual Report (AR)	Presentation of the Crédito Agrícola Group (CA Group)	3
	SR	Material topics and Priority SDG	4.4
1- b) and c) Description of the policies followed (…) and results of those policies	SR	Social bond issuance	4.7
	SR	What will happen in 2024	6.1
	SR	Annex – Table on Core GRI Standards	7.3
1 – d) Main risks associated with these issues, linked to the company's activities (…) and how they are managed (…)	SR	Our ESG risk management	4.5
1 – e) Relevant key performance indicators for its specific activity	SR	Value creation in the Crédito Agrícola Group: Acting today to benefit tomorrow – Grupo Crédito Agrícola (GCA) and Caixa Central (CCCAM) indicators	5
4 – If appropriate, reference to the values stated in the annual financial statements and explanations (…)	SR	Our economic value	5.1
	SR	Our social value	5.2
	SR	Our environmental value	5.3

Caption: SR – Sustainability Report of the Crédito Agrícola Group 2023; AR – Crédito Agrícola Group Annual Report 2023.

Financial Statements of the CA Group

CRÉDITO AGRÍCOLA GROUP

CONSOLIDATED BALANCE SHEET AS AT 31 December 2023 AND 2022

(Amounts in Euros)

ASSETS	Notes	31-Dec-23	31-Dec-22
Cash, cash balances at central banks and other demand deposits	5	1,615,302,740	1,356,382,565
Financial assets held for trading	6	142,628,139	179,444,567
Non-trading financial assets mandatorily at fair value through profit or loss	7	149,854,509	143,795,617
Financial assets at fair value through other comprehensive income	8	905,800,150	690,910,595
Financial assets at amortised cost	9	20,867,886,651	20,663,435,367
Debt securities	9.1	9,553,815,991	9,422,130,827
Loans and advances - Central Banks and Credit Institutions	9.2	32,779,894	29,089,985
Loans and advances - Customers	9.3	11,281,290,766	11,212,214,555
Derivatives - Hedge accounting	10	686,290,248	885,429,290
Investments in subsidiaries, joint ventures and associates	11	3,041,258	2,829,626
Tangible assets	12	248,344,252	247,439,143
Intangible assets	13	103,872,699	109,229,383
Tax assets	14	81,210,140	87,591,051
Other assets	15	490,322,017	354,033,740
Non-current assets and disposal groups classified as held for sale	16	7,488,058	260,079,062
TOTAL ASSETS		**25,302,040,861**	**24,980,600,006**
LIABILITIES	**Notes**	**31-Dec-23**	**31-Dec-22**
Financial liabilities held for trading	6	9,871,752	5,215,793
Financial liabilities measured at amortised cost	17	20,810,313,091	20,804,719,787
Deposits	17.1	20,228,045,227	20,467,449,216
Deposits - Central Banks		*18,122,262*	*28,203,606*
Deposits - Credit Institutions		*206,363,168*	*41,275,390*
Deposits - Customers		*20,003,559,797*	*20,397,970,220*
Debt securities issued	17.2	561,522,370	301,171,233
Other financial liabilities	17.3	20,745,494	36,099,338
Derivatives - Hedge accounting	10	97,297,073	27,415,374
Provisions	18	50,335,939	41,142,669
Tax liabilities	14	124,719,699	51,960,534
Share capital repayable on demand	19	59,530	430,305
Other liabilities	20	1,771,911,684	1,942,498,638
TOTAL LIABILITIES		**22,864,508,768**	**22,873,383,100**
EQUITY	**Notes**	**31-Dec-23**	**31-Dec-22**
Capital	22	1,522,830,952	1,443,426,537
Other accumulated comprehensive income	23	-47,537,931	-77,365,911
Retained earnings	23	-1,930,704	11,448,814
Revaluation reserves	23	-310,271	-162,032
Other reserves	23	665,059,467	640,116,940
Profit or loss attributable to owners of the parent company	24	297,224,436	87,772,077
Non-controlling interests	25	2,196,144	1,980,481
TOTAL EQUITY		**2,437,532,093**	**2,107,216,906**
TOTAL EQUITY AND TOTAL LIABILITIES		**25,302,040,861**	**24,980,600,006**

The Certified Accountant **The Executive Board of Directors**

The Notes are an integral part of the Annual Report of Caixa as at 31 December 2023

CRÉDITO AGRÍCOLA GROUP

CONSOLIDATION INCOME STATEMENT AS AT 31 December 2023 AND 2022

(Amounts in Euros)

	Notes	31-Dec-23	31-Dec-22
Interest income	26	953,150,249	561,835,389
(Interest expense)	27	203,671,476	194,035,148
NET INTEREST INCOME		**749,478,773**	**367,800,241**
Dividend income	28	827,833	725,734
Fee and commission income	29	181,596,867	166,780,712
(Fee and commission expenses)	30	28,569,291	28,515,669
Gains or (-) losses on financial assets and liabilities not measured at fair value through profit or loss, net	31	358,785	-4,776,082
Gains or (-) losses on financial assets and liabilities held for trading, net	32	10,332,648	-399,976
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net	33	6,449,123	-13,692,666
Gains or (-) losses from hedge accounting, net	34	7,856,584	-697,347
Foreign Exchange differences [gains or losses (-)], net	35	2,017,211	2,296,958
Gains or (-) losses on derecognition of non-financial assets, net	36	686,109	1,817,999
Insurance contracts results	37	90,529,493	88,329,261
Other operating income	38	39,412,902	41,051,453
(Other operating expenses)	39	45,740,181	38,243,724
TOTAL OPERATING INCOME, NET		**1,015,236,856**	**582,476,894**
(Administrative expenses)		384,926,546	366,090,954
(Staff expenses)	40	249,483,532	236,439,970
(Other administrative expenses)	41	135,443,014	129,650,984
(Cash contributions to resolution funds and deposit guarantee schemes)	42	6,964,036	9,675,111
(Depreciation/Amortisation)	12/13	36,281,641	34,821,459
Modification gains or (-) losses, net	43	-2,139,432	5,855,318
(Provisions or (-) reversal of provisions)	18	15,817,242	10,095,079
(Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss)	18	91,907,442	47,330,563
(Impairment or (-) reversal of impairment on non-financial assets)	18	21,385,868	-40,409
Share of the profit or (-) loss of investments in joint ventures and associates accounted for using the equity method	11	553,223	569,318
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	44	-43,725,059	3,195,663
PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS		**412,642,813**	**124,124,436**
(Tax (-) expenses or income related to profit or loss from continuing operations)	14	115,189,155	36,108,689
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS		**297,453,658**	**88,015,748**
PROFIT OR (-) LOSS FOR THE YEAR		**297,453,658**	**88,015,748**
Attributable to non-controlling interests	**25**	229,222	243,671
Attributable to owners of the parent company		**297,224,436**	**87,772,077**

The Certified Accountant

The Executive Board of Directors

The Notes are an integral part of the Annual Report of Caixa as at 31 December 2023

CRÉDITO AGRÍCOLA GROUP

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT AS AT 31 December 2023 AND 2022

(Amounts in Euros)

	Notes	31-Dec-23	31-Dec-22
Profit or loss (-) for the year		**297,224,436**	**87,772,077**
Other comprehensive income		**29,827,980**	**-45,569,632**
Items that will not be reclassified to profit and loss		**-690,128**	**3,419,716**
Actuarial gains or (-) loss on defined benefit pension plans	46	-690,128	3,419,716
Items that can be reclassified to profit or loss		**30,518,108**	**-48,989,348**
Debt instruments at fair value through other comprehensive income	23	48,250,705	-132,555,805
Valuation gains or losses (-) taken to equity		20,287,198	-84,436,006
Transferred to profit or loss		27,988,565	-48,567,332
Other reclassifications	23	-25,058	447,533
Impairment of securities at FVTOCI		*-24,267*	*457,230*
Other		*-790*	*-9,697*
Income tax relating to items that can be reclassified to profit or loss (-)	23	-7,435,301	13,379,110
Adjustments to the financial component of insurance contracts	23	-10,297,296	70,187,347
Total comprehensive income for the year		**327,052,416**	**42,202,445**
Attributable to non-controlling interests			
Attributable to owners of the parent company		327,052,416	42,202,445
Total comprehensive income for the year		**327,052,416**	**42,202,445**
Attributable to the group		326,800,386	42,085,607
Attributable to non-controlling interests		252,031	116,837

The Certified Accountant **The Executive Board of Directors**

The Notes are an integral part of the Annual Report of Caixa as at 31 December 2023

CRÉDITO AGRÍCOLA GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 December 2023 AND 2022
(Amounts in Euros)

Sources of changes in equity	Notes	Capital	Other accumulated comprehensive income	Retained earnings	Revaluation reserves	Other reserves	Profit or loss (-) attributable to owners of the parent company	Non-controlling interests	Total
Closing balance as at 31 December 2021 - before the adoption of IFRS 9 and IFRS 17		**1,401,032,187**	**-31,796,279**	**-62,773,438**	**1,712,294**	**549,730,658**	**158,776,306**	**1,870,560**	**2,018,552,289**
Impact of the application of IFRS 9 and IFRS 17 on the insurance business (Note 2.5)			5,951,617	48,455,963		-2,519,618			
Opening balance as of 1 January 2022 - after application of the adoption of IFRS 9 and IFRS 17		**1,401,032,187**	**-25,844,662**	**-14,317,475**	**1,712,294**	**547,211,040**	**158,776,306**	**1,870,560**	**2,070,440,251**
Issue of ordinary shares	22	48,778,330							48,778,330
Share capital increase through incorporation of reserves		*43,962,840*							*43,962,840*
Share capital increase through new members		*4,815,490*							*4,815,490*
Share capital reduction	22	-6,383,980							-6,383,980
Dividends				-80,739		-842,139			-922,879
Other increases or decreases (-) in equity	23			25,847,028	-1,874,326	93,748,038	-158,776,306	109,921	-40,945,644
Appropriation of net profit				*33,557,394*		*125,218,912*			*158,776,306*
Capital movement through incorporation of reserves				*4,238,322*		*-48,201,162*			*-43,962,840*
Adjustments to the financial component of insurance and reinsurance contracts						*17,181,024*			*17,181,024*
Other				*-11,948,688*		*-450,736*			*-12,399,423*
Total comprehensive income for the year	23		-51,521,249				87,772,077		36,250,828
Debt instruments at FVTOCI - Valuation gains or losses (-)			*-110,824,229*						*-110,824,229*
Debt instruments at FVTOCI – Transferred to profit or loss			*-55,816,506*						*-55,816,506*
Taxes			*41,515,368*						*41,515,368*
Actuarial gains or losses			*3,419,716*						*3,419,716*
Adjustments to the financial component of insurance contracts			*70,187,347*						*70,187,347*
Other			*-2,945*						*-2,945*
Closing balance as at 31 December 2022 - after application of the adoption of IFRS 9 and IFRS 17		**1,443,426,537**	**-77,365,911**	**11,448,814**	**-162,032**	**640,116,940**	**87,772,077**	**1,980,481**	**2,107,216,906**
Issue of ordinary shares	22	90,599,410							90,599,410
Share capital increase through incorporation of reserves		*74,198,585*							*74,198,585*
Share capital increase through new members		*15,711,595*							*15,711,595*
Dividends converted into capital		*689,230*				*-689,230*			0
Share capital reduction	22	-11,194,995		1,849,936		-495,009			-9,840,069
Dividends				-82,161		-927,050			-1,009,211
Other increases or decreases (-) in equity	23			-15,147,294	-148,239	27,053,815	-87,772,077	215,663	-75,798,132
Appropriation of net profit				*-25,680,946*		*113,453,023*			*87,772,077*
Capital movement through incorporation of reserves				*4,871,529*		*-79,070,114*			*-74,198,585*
Adjustments to the financial component of insurance and reinsurance contracts						*-6,661,482*			*-6,661,482*
Net income already recognised in retained earnings				*8,016,431*					*8,016,431*
Other				*-2,354,308*		*-667,612*			*-3,021,920*
Total comprehensive income for the year	23		29,827,980				297,224,436		327,052,416
Debt instruments at FVTOCI			*20,287,198*						*20,287,198*
Debt instruments at FVTOCI – Transferred to profit or loss			*27,988,565*						*27,988,565*
Taxes			*-7,435,301*						*-7,435,301*
Actuarial gains or losses			*-690,128*						*-690,128*
Adjustments to the financial component of insurance contracts			*-10,297,296*						*-10,297,296*
Other			*-25,058*						*-25,058*
Closing balance as at 31 December 2023		**1,522,830,952**	**-47,537,931**	**-1,930,704**	**-310,271**	**665,059,467**	**297,224,436**	**2,196,144**	**2,437,532,093**

The Certified Accountant

The Executive Board of Directors

The Notes are an integral part of the Annual Report of Caixa as at 31 December 2023

CRÉDITO AGRÍCOLA GROUP

CONSOLIDATED CASH FLOW STATEMENT AS AT 31 December 2023 AND 2022
(Amounts in Euros)

	Notes	31-Dec-23	31-Dec-22
Cash flows from operating activities			
Interest, fee and commission income	26/29	1,067,439,853	754,879,539
Interest, fee and commission expenses	27/30	(184,788,470)	(231,179,443)
Payments to employees and suppliers	20/40/41	(378,519,059)	(362,953,283)
Payments and contributions to pension funds	46	(5,153,484)	(6,669,862)
Income tax (payments)/receipts	14	(43,484,381)	(35,820,332)
Other (payments)/receipts relating to operating activities		79,161,787	142,935,248
Operating income before changes in operating assets		**534,656,246**	**261,191,867**
(Increases) / decreases in operating assets:			
Non-trading financial assets mandatorily at fair value through profit or loss	7	3,712,921	8,835,425
Financial assets at amortised cost	9	268,927,178	1,920,608,094
Financial assets at fair value through profit or loss and derivatives	6/10	(284,083,858)	832,266,050
Financial assets stated at fair value through other comprehensive income	8	162,280,382	(1,037,838,539)
Other assets	15	(28,808,519)	(131,868,531)
Other assets - margin call	15	(23,083,069)	(8,684,287)
		98,945,035	**1,583,318,213**
Increases / (decreases) in operating liabilities:			
Financial liabilities at amortised cost	17	(273,647,292)	(2,002,191,415)
Financial liabilities at fair value through profit or loss and derivatives	6/10	64,659,741	(168,062,250)
Other liabilities	20	74,044,862	39,364,363
Other liabilities - margin call	20	(248,798,148)	879,760,098
		(383,740,837)	**(1,251,129,204)**
Net cash from operating activities		**51,970,373**	**(2,573,255,551)**
Cash flows from investing activities			
Dividends	28	827,833	725,734
Acquisitions of associates	11	(211,632)	(335,605)
Acquisitions of tangible and intangible assets and investment properties	12/13	(33,773,151)	(37,429,846)
Disposals of tangible and intangible assets and investment properties	12/13	1,564,699	1,276,524
Net cash from investment activities		**(31,592,251)**	**(35,763,193)**
Cash flows from financing activities			
Lease liabilities	21	(3,823,424)	2,090,529
Issue of subordinated debt	17	250,000,000	0
Repayments of subordinated liabilities	17	(370,775)	(55,680)
Non-controlling interests	25	(13,559)	(673,625)
Dividends	22	(1,009,211)	(922,879)
Share capital increase	22 / DACP	15,711,595	4,815,490
Share capital decrease	22 / DACP	(21,952,573)	(10,944,633)
Net cash from financing activities		**238,542,053**	**(5,690,798)**
Increase / (decrease) in cash and cash equivalents		237,054,309	(2,635,860,174)
Change in cash and cash equivalents in foreign currency		21,865,867	21,150,633
Cash, cash balances at central banks and other demand deposits at the beginning of the year	5	1,356,382,565	3,971,092,106
Cash, cash balances at central banks and other demand deposits at the end of the year	5	1,615,302,740	1,356,382,565
Cash and cash equivalents at the end of the year comprise:			
Cash, cash balances at central banks and other demand deposits	5	1,615,302,740	1,356,382,565
		1,615,302,740	1,356,382,565

The Certified Accountant **The Executive Board of Directors**

The Notes are an integral part of the Annual Report of Caixa as at 31 December 2023

SICAM - INTEGRATED SYSTEM OF CRÉDITO AGRÍCOLA MÚTUO

CONSOLIDATED BALANCE SHEET AS AT 31 December 2023 AND 2022

(Amounts in Euros)

ASSETS	31-Dec-23	31-Dec-22
Cash, cash balances at central banks and other demand deposits	**1,615,278,564**	**1,356,001,557**
Cash on hand	153,918,062	129,437,204
Cash balances at central banks	1,394,836,647	1,162,303,844
Other demand deposits	66,523,855	64,260,509
Financial assets held for trading	**122,189,344**	**163,144,052**
Derivatives	14,987,602	5,706,994
Debt securities	107,201,742	157,437,058
Non-trading financial assets mandatorily at fair value through profit or loss	**139,536,064**	**160,334,193**
Equity instruments	139,536,064	160,334,193
Financial assets at fair value through other comprehensive income	**320,057,098**	**137,164,954**
Debt securities	320,057,098	137,164,954
Financial assets at amortised cost	**20,670,069,037**	**20,482,463,508**
Debt securities	9,277,872,954	9,146,399,606
Loans and advances - Central Banks and Credit Institutions	32,779,894	29,089,985
Loans and advances - Customers	11,359,416,189	11,306,973,918
Derivatives - Hedge accounting	**686,290,248**	**885,429,290**
Investments in subsidiaries, joint ventures and associates	**90,970,180**	**90,969,190**
Tangible assets	**231,044,545**	**229,810,763**
Property, plant and equipment	231,044,545	229,810,763
Intangible assets	**86,517**	**89,109**
Other intangible assets	86,517	89,109
Tax assets	**65,412,294**	**64,688,127**
Current tax assets	952,062	2,949,230
Deferred tax assets	64,460,232	61,738,896
Other assets	**448,617,421**	**403,156,824**
Non-current assets and disposal groups classified as held for sale	**3,083,302**	**145,159,000**
TOTAL ASSETS	**24,392,634,614**	**24,118,410,567**

LIABILITIES	31-Dec-23	31-Dec-22
Financial liabilities held for trading	**9,871,752**	**5,215,793**
Derivatives	9,871,752	5,215,793
Financial liabilities measured at amortised cost	**20,881,101,333**	**20,876,905,071**
Deposits	20,298,833,469	20,539,634,499
Deposits - Central Banks	*18,122,262*	*28,203,605*
Deposits - Credit Institutions	*206,412,906*	*41,275,390*
Deposits - Customers	*20,074,298,301*	*20,470,155,503*
Debt securities issued	561,522,370	301,171,233
Other financial liabilities	20,745,494	36,099,338
Derivatives - Hedge accounting	**97,297,073**	**27,415,374**
Provisions	**47,984,189**	**24,262,150**
Commitments and guarantees given	12,424,699	11,492,006
Other provisions	35,559,489	12,770,144
Tax liabilities	**90,272,845**	**11,002,926**
Current tax liabilities	88,721,404	9,800,585
Deferred tax liabilities	1,551,441	1,202,341
Share capital repayable on demand	**59,530**	**430,305**
Other liabilities	**904,292,607**	**1,110,315,009**
TOTAL LIABILITIES	**22,030,879,328**	**22,055,546,628**

EQUITY	31-Dec-23	31-Dec-22
Capital	**1,522,830,952**	**1,443,426,537**
Paid-up capital	1,522,830,952	1,443,426,537
Other accumulated comprehensive income	**-36,570,574**	**-43,601,240**
Items that will not be reclassified to profit and loss	**-27,680,570**	**-26,556,210**
Actuarial gains or (-) loss on defined benefit pension plans	-27,680,570	-26,556,210
Items that can be reclassified to profit or loss	**-8,890,005**	**-17,045,030**
Fair value changes of debt instruments measured at fair value through other comprehensive income	-8,890,005	-17,045,030
Retained earnings	**-23,944,551**	**-28,982,159**
Revaluation reserves	**4,829,326**	**4,972,416**
Other reserves	**606,724,171**	**588,938,118**
Other	606,724,171	588,938,118
Profit or loss attributable to owners of the parent company	**287,885,963**	**98,110,267**
TOTAL EQUITY	**2,361,755,287**	**2,062,863,938**
TOTAL EQUITY AND TOTAL LIABILITIES	**24,392,634,614**	**24,118,410,567**

The Certified Accountant **The Executive Board of Directors**

The Notes are an integral part of the Annual Report of Caixa as at 31 December 2023
Non audited Financial Statements

SICAM - INTEGRATED SYSTEM OF CRÉDITO AGRÍCOLA MÚTUO

CONSOLIDATION INCOME STATEMENT AS AT 31 December 2023 AND 2022

(Amounts in Euros)

	31-Dec-23	31-Dec-22
Interest income	**942,854,340**	**483,866,192**
Financial assets held for trading	7,027,618	521,070
Financial assets at fair value through other comprehensive income	5,034,274	2,662,774
Financial assets at amortised cost	742,690,046	440,741,216
Derivatives - Hedge accounting, interest rate risk	145,712,680	10,509,532
Other assets	42,389,722	9,908,447
Interest income on liabilities	0	19,523,153
(Interest expense)	**200,684,548**	**123,597,446**
(Financial liabilities held for trading)	6,498,454	303,923
(Financial liabilities measured at amortised cost)	75,569,530	14,076,776
(Derivatives - Hedge accounting, interest rate risk)	34,563,871	26,924,910
(Other liabilities)	28,478,910	10,566,440
(Interest expenses on assets)	55,573,783	71,725,397
Dividend income	**1,396,382**	**378,495**
Non-trading financial assets mandatorily at fair value through profit or loss	225,750	378,495
Investments in subsidiaries, joint ventures and associates accounted for using a method other than the	1,170,632	72,667
Fee and commission income	**229,009,092**	**211,107,413**
(Fee and commission expenses)	**27,441,335**	**25,016,055**
Gains or (-) losses on financial assets and liabilities not measured at fair value through profit or loss, net	**127,737**	**345,846**
Financial assets at fair value through other comprehensive income	0	265,558
Financial assets at amortised cost	127,737	80,288
Gains or (-) losses on financial assets and liabilities held for trading, net	**9,470,666**	**6,984,579**
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net	**-13,109,939**	**-15,126,991**
Gains or (-) losses from hedge accounting, net	**7,856,584**	**-697,347**
Foreign Exchange differences [gains or losses (-)], net	**2,017,742**	**2,294,221**
Gains or (-) losses on derecognition of non-financial assets, net	**347,434**	**240,640**
Other operating income	**35,240,933**	**36,144,619**
(Other operating expenses)	**23,940,374**	**21,239,711**
TOTAL OPERATING INCOME, NET	**963,144,715**	**555,684,456**
(Administrative expenses)	**383,786,560**	**363,076,561**
(Staff expenses)	185,867,366	180,404,056
(Other administrative expenses)	197,919,195	182,672,504
(Cash contributions to resolution funds and deposit guarantee schemes)	**6,964,036**	**9,675,111**
(Depreciation/Amortisation)	**17,603,617**	**16,362,738**
(Other tangible assets)	17,601,025	16,359,871
(Other intangible assets)	2,593	2,867
Modification gains or (-) losses, net	**-2,139,432**	**5,855,318**
Financial assets at amortised cost	-2,139,432	5,855,318
(Provisions or (-) reversal of provisions)	**25,225,601**	**-70,992**
(Commitments and guarantees given)	932,697	321,570
(Other provisions)	24,292,904	-392,562
(Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss)	**92,029,057**	**47,321,358**
(Financial assets at fair value through other comprehensive income)	93,960	9,562
(Financial assets at amortised cost)	91,935,097	47,311,795
(Impairment or reversal of impairment of investments in subsidiaries, joint ventures and associates)	**0**	**-3,337,844**
(Impairment or (-) reversal of impairment on non-financial assets)	**21,160,706**	**344,489**
(Other tangible assets)	1,015,332	370,561
(Other)	20,145,374	-26,072
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	**-17,224,508**	**5,391,999**
PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	**397,011,197**	**133,560,352**
(Tax (-) expenses or income related to profit or loss from continuing operations)	109,125,234	35,450,085
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	**287,885,963**	**98,110,267**
PROFIT OR (-) LOSS FOR THE YEAR	**287,885,963**	**98,110,267**
Attributable to non-controlling interests	0	0
Attributable to owners of the parent company	287,885,963	98,110,267

The Certified Accountant **The Executive Board of Directors**

The Notes are an integral part of the Annual Report of Caixa as at 31 December 2023
Non audited Financial Statements

ALTERNATIVE PERFORMANCE MEASURES (APM) OF THE CA GROUP

The European Securities and Markets Authority (ESMA) published a series of guidelines on the disclosure of Alternative Performance Measures by issuers (ESMA/2015/1415 of 5 October). These guidelines, used by the Crédito Agrícola Group to analyse its financial performance, are of mandatory application by issuers from 3 July 2016.

Income Statement — Values in euros

Designation	Dec. 2022 Reported	Dec. 2022 Restated	Dec. 2023	Definition
Net interest income	368,423,908	367,800,241	749,478,773	Comprises "Interest income" less "(Interest expenses)".
Net fees and comissions	146,224,167	138,265,043	153,027,576	Comprises "Fee and commission income" less "(Fee and commission expenses)".
Net trading income	-3,261,701	-14,725,380	28,528,293	Corresponds to the sum of "Dividend income", "Gains or (-) losses on financial assets & liabilities not measured at fair value through profit or loss, net", "Gains or (-) losses on financial assets and liabilities held for trading, net", "Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net", "Gains or (-) losses on financial assets and liabilities stated at fair value through profit or loss, net", "Gains or (-) losses on financial assets and liabilities stated at fair value through profit or loss, net", "Gains or (-) losses from hedge accounting, net", "Foreign Exchange differences [gain or (-) loss], net" and "Gains or (-) losses on derecognition of non-financial assets, net".
Other net operating income	-3,895,678	-6,867,382	-13,291,313	Corresponds to the sum of "Other operating income", plus "(Other operating expenses)" and plus "(Cash contributions to resolution funds and deposit guarantee schemes)".
Operating income	652,024,664	572,801,783	1,008,272,821	Corresponds to the sum of "Total operating income, net" deducted from "Cash contributions to resolution funds and deposit guarantee schemes".
Operating costs	400,912,412	400,912,413	421,208,187	Comprises "(Staff expenses)", "(Other administrative expenses)" and "(Depreciation/Amortisation)".
Impairment and provisions for the period	57,376,044	57,385,233	129,110,552	Comprises "(Provisions or (-) reversal of provisions)", "(Impairments or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)", (Impairments or (-) reversal of impairment on investments in joint ventures and associates)" and "(Impairment or (-) reversal of impairment on non-financial assets)"
Impairment and provisions for the period of which: credit impairment	43,971,782	43,971,782	93,333,294	Corresponds to the Impairments of Assets at amortised cost related to loans and certified/commercial paper (excluding impairment from interest income of stage 3 contracts), ("Top-ups" plus "Write-backs & annulments")
Gain and losses in other assets	3,764,981	3,764,981	-43,171,836	Corresponds to the sum of "Share of the profit or (-) loss of investments in joint ventures and associates accounted for using the equity method" plus "Profit or (-) loss from non current assets and disposal groups classified as held for sale not qualifying as discounted operations".
Consolidated net income	144,295,502	87,772,077	297,224,436	Corresponds to "Profit or (-) Loss for the year attributable to owners of the parent".

Balance sheet

Values in euros

Designation	Dec. 2022 Reported	Dec. 2022 Restated	Dec. 2023	Definition
Total Loans and advances portfolio (gross) to customers	11,982,183,440	11,982,183,440	12,058,627,359	Corresponds to the sum of "Total Credit Portfolio", excluding the "Accumulated impairment – Total Credit Portfolio", as mentioned in Note 9.3 of annual report ("Financial assets at amortised cost" - "Loans and Advances"), plus the total of "Certified" as mentioned in Note 9.1 of annual report ("Financial assets at amortised cost" – "Debt Securities"). Corresponds to "loan portfolio".
Customer deposits	20,397,970,220	20,397,970,220	20,003,559,796	Corresponds to the sum of total of "Deposits", excluding "Loans – Banco de Portugal"; Loans to Other Credit Institutions"; "Interest payable – Banco de Portugal" and "interest payable - of which Other Credit Institutions", as mentioned in Note 17, "Financial liabilities measured at amortised cost". Corresponds to "Customer funds on the balance- sheet".
Loans and advances to customers (net)	11,632,342,471	11,632,342,471	11,669,331,971	Corresponds to the sum of "Total Credit Portfolio", as mentioned in Note 9.3 of annual report ("Financial assets at amortised cost" - "Loans and Advances"), plus the sum of total "Certified" and "Accumulated impairment – Certified", as mentioned in Note 9.1 of annual report ("Financial assets at amortised cost" – "Debt Securities").
Securities portfolio	9,899,852,384	9,932,230,115	10,261,002,397	Corresponds to the sum of "Financial assets held for trading – Debt securities", "Non-trading financial assets mandatorily at fair value through profit or loss – Debt securities", "Financial assets designated at fair value through profit or loss – Debt securities", "Financial assets at fair value through other comprehensive income – Debt securities" and "Financial assets at amortised cost – Debt Securities" excluding "Accumulated impairment – Debt instruments" and the total "Certified" with "Accumulated impairment", as mentioned in Note 9.1 of annual report ("Financial assets at amortised cost" - "Debt Securities").
Total Accumulated impairment and provisions	550,392,023	551,034,067	647,308,800	Corresponds to the sum of "Accumulated impairment – Debt instruments" and "Accumulated impairment – Certified" (Note 9.1 "Financial assets at amortised cost" - "Debt Securities"), "Accumulated impairment – Total Credit Portfolio" and "Investment impairments" (Note 9.3 "Financial assets at amortised cost" - "Loans and Advances"), "Impairment on investments in joint ventures and associates" (Note 11 "Investments in joint ventures and associates"), "Impairment – fixed tangible assets" (Note 12 "Tangible assets"), "Impairment – Other assets" (Note 15 "Other assets"), "Impairment – Impairment of real estate properties" and "Impairment – Impairment of equipment and other assets" (Note 16 "Non-current assets and disposal groups classified as held for sale"), "Impairment of assets at FVTOCI" (Note 23 "Other accumulated comprehensive income, retained earnings and reserves") and "Provisions for guarantees provided and irrevocable commitments" and "Provisions for other risks" (Note 18 "Provisions and Impairment")".
Accumulated impairment and provisions	509,138,889	509,330,454	596,436,184	Corresponds to the sum of "Accumulated impairment – Debt instruments" and "Accumulated impairment – Certified" (Note 9.1 "Financial assets at amortised cost" - "Debt Securities"), "Accumulated impairment – Total Credit Portfolio" and "Investment impairments" (Note 9.3 "Financial assets at amortised cost" - "Loans and Advances"), "Impairment on investments in joint ventures and associates" (Note 11 "Investments in joint ventures and associates"), "Impairment – fixed tangible assets" (Note 12 "Tangible assets"), "Impairment – Other assets" (Note 15 "Other assets"), "Impairment – Impairment of real estate properties" and "Impairment – Impairment of equipment and other assets" (Note 16 "Non-current assets and disposal groups classified as held for sale").
Accumulated impairment and provisions of which: Accumulated impairment of credit	349,840,969	349,840,969	389,295,387	Corresponds to the sum of "Accumulated impairment – Total Credit Portfolio" (Note 9.3 "Financial assets at amortised cost" - "Loans and Advances") and sum of total "Accumulated impairment – Certified" (Note 9.1 "Financial assets at amortised cost" - "Debt Securities").
Off balance sheet customers funds	1,998,222,105	1,998,222,105	2,161,102,588	Off balance sheet funds corresponds to assets under management and value of mathematical provisions and financial liabilities of insurance contracts considered for accounting purposes as insurance contracts subscribed by customers.
Customer funds	22,396,268,804	22,396,268,804	22,164,662,384	Customer funds on and off balance sheet.

Asset quality

Values in euros, except in %

Designation	Dec. 2022 Reported	Dec. 2022 Restated	Dec. 2023	Definition
NPL	585,927,253	585,927,253	728,933,444	Non-performing loans definition, under the Article 178 of Regulation (EU) No 575/2013, includes: Credit past due more than 90 days with materiality criteria as specified in the relevant EBA RTS 2016/06; All transactions with clients who have shown at least 3 evidences/ indicators of unlikeliness to pay; Insolvent clients/ expected to become insolvent; Forborne exposures that have second or more amendments to the contracts; Forborne exposures with amounts more than 30 days past due during the probation period; Urgent restructuring; Quarantine period of 12 months for the credits that are in default by forborne exposures criteria (the existence of contract terms that extend the repayment period, such as grace period for the principal, are added to the quarantine period in default); Quarantine period of 3 months for the remaining loans; and all exposures to a debtor (on-balance and off-balance) with on-balance past due by more than 90 days that account for more than 20% of the on-balance total.
NPL ratio	5.1%	5.1%	6.2%	Non-performing loans divided by loans and advances portfolio to customers excluding central banks (gross).
NPE ratio	2.7%	2.7%	3.2%	According to EBA definition, Non-performing debt instruments other than held for trading or trading [non-performing loans and advances, non-performing cash balances at central banks and other demand deposits and non-performing debt securities] divided by total gross debt instruments [total loans and advances, cash balances at central banks and other demand deposits and total debt securities].
NPL coverage by credit impairments	61.3%	61.3%	53.4%	Credit impairment divided by non-performing loans.
NPL coverage by NPL impairments	41.2%	41.2%	38.0%	Non-performing impairment divided by non-performing loans.
NPL coverage by NPL impairments and collaterals	151.3%	151.3%	140.1%	Total of non-performing impairment and associated collaterals, applying haircuts and recovery costs to the collateral, divided by non-performing loans.
NPL coverage by NPL impairments and collaterals (FINREP)	91.9%	91.9%	89.4%	Non-performing impairment and associated collaterals, applying haircuts and recovery costs to the collateral, limited by the exposure of each contract, divided by non-performing loans.
Texas ratio	27.3%	27.3%	29.9%	Non-performing loans divided by the sum of common equity tier 1 (excluding net income) and the impairment stock.
Cost of risk	0.45%	0.45%	0.77%	Impairments of Assets at amortised cost related to loans and certified/commercial paper (excluding impairment from interest income of stage 3 contracts), ("Top-ups" plus "Write-backs & annulments") divided by Total Loans and advances portfolio (gross) to customers in the period.
Ratio of loans overdue + 90 days	1.2%	1.2%	1.2%	Loans and advances more than 90 days overdue ("Total overdue credit and interest" less overdue credit balances with and without impairment up to three months divided by Total Loans and advances portfolio (gross) to customers).
Coverage ratio	235.5%	235.5%	245.3%	Accumulated impairment and provisions of which: Accumulated impairment of credit divided by Loans and advances more than 90 days overdue ("Total overdue credit and interest" less overdue credit balances with and without impairment up to three months.

Capital & liquidity Values in %

Designation	Dec. 2022 Reported	Dec. 2022 Restated	Dec. 2023	Definition
CET 1 Capital Ratio	19.9%	19.9%	22.3%	CET 1 capital expressed as a percentage of the total risk exposure amount.
Tier 1 capital ratio	19.9%	19.9%	22.3%	Tier 1 capital expressed as a percentage of the total risk exposure amount.
Total capital ratio	19.9%	19.9%	22.3%	Total own funds expressed as a percentage of the total risk exposure amount.
MREL TREA	23.0%	23.0%	27.5%	Total own funds and MREL elegible liabilities expressed as a percentage of the total risk exposure amount.
MREL LRE	8.8%	8.8%	11.9%	Total own funds and MREL elegible liabilities expressed as a percentage of the total exposure measure.
Leverage ratio	7.6%	7.6%	9.6%	Tier 1 capital expressed as a percentage of the total exposure measure.
Loan to deposit ratio	57.0%	57.0%	58.3%	Loans and advances to customers (net) divided by customer deposits.
Liquidity Coverage Ratio	499.9%	499.9%	644.1%	The liquidity coverage ratio is the ration between the amount of high-quality, unencumbered liquid assets (held in a liquidity buffer), available under adverse conditions, and net cash outflows, calculated according to regulatory defined parameters. The LCR aims to ensure the maintenance of sufficient high-quality liquid assets on the balance sheet to withstand a scenario of adverse financing conditions for 30 days.
Net Stable Funding Ratio (NSFR)	167.7%	167.7%	172.4%	The net stable funding ratio requirement is the ratio of an institution's amount of available stable funding to its amount of required stable funding over a one-year horizon. The amount of available stable funding should be calculated by multiplying the institution's liabilities and own funds by appropriate factors that reflect their degree of reliability over the one-year horizon. The amount of required stable funding should be calculated by multiplying the institution's assets and off-balance-sheet exposures by appropriate factors that reflect their liquidity characteristics and residual maturities over the same one-year horizon. The NSFR should be expressed as a percentage and set at a minimum level of 100 per cent., which indicates that an institution holds sufficient stable funding to meet its funding needs over that one-year horizon under both normal and stressed conditions.
Solvency ratios, excluding net income	18.4%	18.4%	19.4%	Own funds, excluding net income, expressed as a percentage of the total risk exposure amount.
MREL TREA, excluding net income	21.5%	21.5%	24.6%	Own funds, excluding net income, and MREL elegible liabilities, expressed as a percentage of the total risk exposure amount.
MREL LRE, excluding net income	8.2%	8.2%	10.6%	Own funds, excluding net income, and MREL elegible liabilities, expressed as a percentage of the total exposure measure.
Leverage ratio, excluding net income	7.1%	7.6%	8.4%	Own funds, excluding net income, expressed as a percentage of the total exposure measure.
Solvency capital requirement (SCR) ratio	CA Vida: 181% CA Seguros: 166%	CA Vida: 181% CA Seguros: 166%	CA Vida: 202% CA Seguros: 167%	Insurance company own funds divided by solvency capital requirement coverage level.

Efficiency and Profitability Values in %

Designation	Dec. 2022 Reported	Dec. 2022 Restated	Dec. 2023	Definition
Cost-to-income	61.5%	70.0%	41.8%	Cost-to-income corresponds to Operating costs divided by Operating Income.
ROA	0.6%	0.3%	1.2%	"Profit or (-) Loss" multiplied by 12 months and divided by number of months of the period divided by the average of "Total assets" (average between the amount in the beginning and in end of the period).
ROE	7.1%	4.3%	13.1%	"Profit or (-) Loss" multiplied by 12 months and divided by number of months of the period divided by the average of "Total equity" (average between the amount in the beginning and in end of the period).

Units, conventional signs and abbreviations:

b.p. – basis points	vs. – versus	€ – euros
p.p. – percentage points	n.a. – non-applicable concept	m€ – million euros
yoy – year-on-year rate of change	n.a. – information not available	bn€ – billion euros

CA GROUP REPORTING PERIMETERS

Crédito Agrícola Group	In euros, before consolidation								
Consolidation Perimeters (as of 31/12/2023)	Capital	Assets	Net Income	Accounting standards	Prudential consolidation	Economic activity	Country	Capital held	Capital held - effective (%)
SICAM - Cross garantee scheme									
Caixa Central de Crédito Agrícola Mutuo, CRL	588,160,016	12,882,332,709	66,271,409	Full consolidation	Full consolidation	Head of the Group + Cooperative bank	Portugal	100.00%	100.00%
Associação – Fundo de Assistência do Crédito Agrícola Mútuo (FACAM)	136,402,371	136,622,149	823,920	Full consolidation	- (1)	Autonomous fund for financial distressed banks	Portugal	100.00%	100.00%
Aggregated Local Banks (68)	2,061,368,162	21,964,031,140	241,825,742	Full consolidation	Full consolidation	Cooperative banks	Portugal	100.00%	100.00%
FENACAM - Federação Nacional das Caixas de Crédito Agrícola Mútuo, FCRL	7,457,119	10,629,870	186,441	Full consolidation	Full consolidation	Federation of cooperative banks	Portugal	99.98%	99.98%
Crédito Agrícola Vida, S.A.	156,259,407	878,277,553	6,575,506	Full consolidation	Equity method	Insurance company	Portugal	99.95%	99.93%
Crédito Agrícola Seguros, S.A.	67,682,129	278,715,812	7,869,114	Full consolidation	Equity method	Insurance company	Portugal	97.40%	97.38%
Crédito Agrícola GEST – SGOIC, S.A.	2,051,591	3,535,405	480,615	Full consolidation	Full consolidation	Asset management	Portugal	100.00%	100.00%
FIM Alternativo de Obrigações Fechado CA Institucionais	19,348,122	19,363,020	1,183,244	Full consolidation	- (2)	Mutual fund	Portugal	100.00%	98.79%
Crédito Agrícola Serviços – Centro de Serviços Partilhados – ACE	0	108,758,200	0	Full consolidation	Full consolidation	IT/IS instrumental company	Portugal	100.00%	99.82%
Crédito Agrícola Informática – Serviços de Informática, S.A.	9,214,309	14,469,985	511,875	Full consolidation	Full consolidation	IT/IS instrumental company	Portugal	99.45%	99.45%
Crédito Agrícola S.G.P.S., S.A.	61,651,795	156,326,847	3,504,361	Full consolidation	Full consolidation	Holding	Portugal	100.00%	100.00%
Crédito Agrícola Seguros e Pensões S.G.P.S	137,540,036	154,558,837	6,683,214	Full consolidation	Full consolidation	Holding	Portugal	99.98%	99.98%
CCCAM Gestão de Investimentos e Consultoria, Unipessoal, Lda.	389,141	4,434,082	-874,263	Full consolidation	Full consolidation	Instrumental company	Portugal	100.00%	100.00%
CA Capital – Sociedade de Capital de Risco S.A.	472,963	2,378,770	-219,695	Full consolidation	Full consolidation	Venture capital company	Portugal	100.00%	100.00%
Crédito Agrícola Imóveis Unipessoal, Lda.	1,915,649	10,165,005	-2,151,062	Full consolidation	Full consolidation	Real estate company (foreclosed assets)	Portugal	100.00%	100.00%
FEIIA CA Imobiliário	97,974,261	100,967,073	-14,838,672	Full consolidation	Full consolidation	Real estate fund (foreclosed assets)	Portugal	99.92%	99.92%
FEIIF Imovalor CA	10,896,266	11,066,108	-23,225	Full consolidation	Full consolidation	Real estate fund (foreclosed assets)	Portugal	100.00%	100.00%
Rede Nacional de Assistência, SA	15,615,329	21,941,945	2,840,521	Equity method	- (3)	Insurance company	Portugal	20.00%	19.48%

Notes:
(1) Part of the securites portfolio (SICAM).
(2) Only 10% is outside the control of insurance companies.
(3) Owned by Crédito Agrícola Seguros, S.A.

EXPLANATORY NOTES TO THE CONSOLIDATED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS

1. Introduction

The incorporation, in 1991, of the Sistema Integrado do Crédito Agrícola Mútuo (SICAM or Integrated System of Crédito Agrícola Mútuo), composed of Caixa Central – Caixa Central de Crédito Agrícola Mútuo, CRL (Caixa Central) and its Associated Caixas, established an arrangement of co-responsibility between them. The Caixas have freedom of association to Caixa Central and may pursue their business outside SICAM, although under stricter rules, similar to those applied for all other credit institutions.

On 1 January 2020, Decree-Law 106/2019 of 12 August, which determined the transfer of the deposit guarantee arm of FGCAM to the Deposit Guarantee Fund (FGD), came into force. However, the assistance component remained in FGCAM, which was transformed into a private law association called Associação – Fundo de Assistência do Crédito Agrícola Mútuo (FACAM or Crédito Agrícola Mútuo Assistance Fund) to which the autonomous assets resulting from the transformation were allocated and which pursues the financial assistance activity of SICAM (see Note 4).

The consolidated accounts presented reflect the financial situation of the Integrated System of Crédito Agrícola Mútuo (SICAM), comprising the Caixa Central, the associated Caixas de Crédito Agrícola and the FACAM, with their respective subsidiary and associated companies, which together form the Financial Group of Crédito Agrícola Mútuo ("Crédito Agrícola Group", "CA Group" or “CA Group"), and are prepared in accordance with the legal and regulatory provisions in force, as laid down in Article 74 of the Legal Framework of Crédito Agrícola Mútuo, Decree-Law 36/92, and the instructions laid down in Article 7 of this law.

The Crédito Agrícola Group is a nationwide financial group, comprising 68 local banks (Caixas Agrícolas), Caixa Central de Crédito Agrícola Mútuo, and specialised companies, with the central structure being Caixa Central, which is a credit institution that also has powers to supervise, guide and monitor the activities of the Associated Caixas and FENACAM - Federação Nacional das Caixas de Crédito Agrícola Mútuo, a cooperative representative institution that provides specialised services to the CA Group.

The financial statements attached herewith refer to the consolidated activity of the Crédito Agrícola Group and were prepared in order to comply with the requirements on the presentation of accounts of Banco de Portugal.

On 24 April 2024, the Executive Board of Directors of Caixa Central approved the consolidated financial statements with reference to 31 December 2023 and, on 24 April, the Management Report and the Notes to the consolidated Financial Statements to be submitted to the General Meeting. The financial statements will be submitted to the approval of the General Meeting of Associates to be held on 25 May 2024.

The General Meeting may reject the proposal of the members of the Executive Board of Directors relative to the approval of the accounts and determine the preparation of new accounts or the reformulation of specific points of the presented accounts. However, the Executive Board of Directors does not expect this to happen.

In 2023 the activities were maintained in relation to the reporting of accounting and prudential aspects underpinned by harmonised information models in the European context (FINREP / COREP), as well as the periodic conduct of various exercises that, in addition to the CA Group's internal management items, represent prudential supervisory instruments used by the regulator. In this regard, of particular importance is (i) the Funding and Capital Plan, which presents projections of the main financial and prudential aggregates aimed at highlighting potential capital and liquidity needs in a markedly prospective manner; (ii) the Internal Capital Adequacy Assessment Process (ICAAP), which seeks to assess and quantify the main risks to which the institution is exposed, the Internal Liquidity Adequacy Assessment Process (ILAAP), the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) Funding Plan and the Recovery Plan whose objective is the prior planning of measures that may be adopted so as to avoid or correct, in a timely form, any possible situation of financial imbalance, of capital or liquidity shortage.

During 2023, there were changes to the scope of SICAM arising from mergers, namely: CCAM de Arruda dos Vinhos, CRL and CCAM de Vila Franca de Xira, CRL, which took place in July, giving rise to CCAM de Vila Franca de Xira e Arruda dos Vinhos, CRL; CCAM da Serra da Estrela, CRL and CCAM de Oliveira do Hospital, CRL, which took place in October, giving rise to CCAM da Serra da Estrela, CRL; CCAM de Serras de Ansião, CRL and CCAM de Pombal, CRL, which took place in November, giving rise to CCAM Centro Litoral, CRL.

Therefore, on 31 December 2023, the consolidated accounts include the accounts of the 68 associated Caixas de Crédito Agrícola Mútuo, which, together with Caixa Central and Associação – Fundo de Assistência do Crédito Agrícola Mútuo (FACAM), form SICAM, whose main objective is the granting of loans and the performance of other acts inherent to banking activities, as well as the following entities that form part of the Crédito Agrícola Group ("GCA" or “CA Group"):

- FENACAM - Federação Nacional das Caixas de Crédito Agrícola Mútuo, FCRL, whose corporate purpose consists of the representation and development of Crédito Agrícola Mútuo, strengthening the spirit of solidarity and cooperation between the associates, as well as the promotion, coordination and conduct of activities of common interest to them, and especially: i) representation of the Caixas Agrícolas and regional unions of their associates before any national, foreign or international institutions in the realisation and defence of the rights and interests of the associates; and ii) promotion of cooperativism within the Group;

- Crédito Agrícola SGPS, S.A. and Crédito Agrícola Seguros e Pensões SGPS, whose purpose is the management of equity holdings in other CA Group companies;

- The insurers Crédito Agrícola Seguros, S.A. and Crédito Agrícola Vida, S.A., dedicated to insurance activity in all non-life technical segments (except for the air, credit, and surety business lines) and in the life business, respectively;

- Crédito Agrícola Serviços – Centro de Serviços Partilhados – ACE, whose purpose is the provision of information technology, operational, technical and management services in a manner complementing the individual and group activities of its Group members;

- Crédito Agrícola Informática – Serviços de Informática, S.A., essentially dedicated to the provision of information technology services, including consulting on matters of selection of software and hardware, the development and support to the development of applications, data processing, staff training and provision of consulting services in organisation and management, as well as the marketing and management of information technology equipment and products;

- Crédito Agrícola Gest – SGOIC, S.A., whose main activity is the management of collective investment undertakings. It also carries out the activity of discretionary and individualised management of portfolios on behalf of others and consultancy for investments in securities. In 2019, it took up the management of Real Estate Collective Investment Undertaking;

- Crédito Agrícola Imóveis Unipessoal, Lda whose purpose is the holding, management and administration of real estate properties and the purchase of real estate properties for resale;

- CCCAM Gestão de Investimentos e Consultoria, Unipessoal, Lda, whose activity consists of providing, exclusively to the institutions participating in its share capital, to those in a control or group relationship with them and, in general, to the institutions belonging to the Crédito Agrícola Group, services ancillary to their main purposes, namely the holding and/or management of securities of any nature, including units in collective investment undertakings and funds of any kind and shareholdings, as well as the provision, in general, of specialised economic-financial or strategic advisory services, the provision of accounting services or consultancy services for the direction and management of companies and the preparation of economic-financial studies. On 18 March 2024, the shareholder Crédito Agrícola SGPS, S.A. approved the merger by incorporation of CA Capital SCR, SA into CCCAM Gestão de Investimentos e Consultoria, Unipessoal, Lda.

- CA Capital – Sociedade de Capital de Risco S.A., which, as a venture capital firm, pursues its core business of carrying out investments in venture capital reflected in the acquisition of equity instruments, both within and outside the Group in companies showing high potential development. On 18 March 2024, the shareholder Crédito Agrícola SGPS, S.A. approved the merger by incorporation of CA Capital SCR, SA into CCCAM Gestão de Investimentos e Consultoria, Unipessoal, Lda.

GCA also includes the FEIIA CA Imobiliário and FEIIF Imovalor CA funds, both real estate investment funds, and FIMF CA Institucionais, a securities investment fund, managed by Crédito Agrícola Gest and, finally, the Associação - Fundo de Assistência do Crédito Agrícola Mútuo (FACAM).

2. Basis of presentation, comparability of the information and main accounting policies

2.1. Basis of presentation of the accounts

The consolidated financial statements of the CA Group were prepared pursuant to the going-concern principle, based on the books and accounting ledgers kept in accordance with the principles established in the International Financial Reporting Standards (IAS/IFRS), as endorsed by the European Union, pursuant to Regulation (EC) 1606/2002 of the European Parliament and the Council of 19 July, transposed into Portuguese law by Decree Law 35/2005 of 17 February and by Banco de Portugal Notice 1/2005 of 21 February, and in accordance with the specific rules on consolidation of accounts established in Article 74 of the Legal System for Mutual Agricultural Credit, Decree-Law 36/92 of 28 March, and Banco de Portugal Notice 5/2015. When CA Group companies use different accounting standards, IAS/IFRS conversion adjustments are prepared.

International standards comprise accounting standards issued by the International Accounting Standards Board (‘IASB’) as well as interpretations issued by the International Financial Reporting Interpretation Committee (‘IFRIC’) and their predecessor bodies, in force on 01 January 2023.

With the publication of Notice 1/2019 of 22 January 2019, Banco de Portugal defined that institutions shall refer to the model financial statements and their main applicable items set out in Annex III of Commission Executive Regulation (EU) 680/2014 of 16 April 2014, which sets out technical implementing rules as far as concerns reporting for the purpose of supervision of the institutions, in accordance with the FINREP mapping.

Except with respect to matters regulated by Banco de Portugal, as mentioned above, the institutions of the Crédito Agrícola Group use the Standards and Interpretations issued by the International Accounting Standards Board (IASB) and by the International Financial Reporting Interpretations Committee (IFRIC) which are relevant for their operations and have been approved by the European Union, effective for periods beginning on 01 January 2023.

In the preparation of the consolidated financial statements, the CA Group followed the historical cost convention, modified, when applicable, by measurement of financial assets and liabilities at fair value through profit or loss, derivative financial instruments, investment properties and financial assets at fair value through other comprehensive income.

The preparation of financial statements in conformity with the IAS / IFRS requires the use of estimates, assumptions, and critical judgements in the process of determining the accounting policies to be adopted by the CA Group, which could have a significant impact on the book value of the assets and liabilities, as well as the income and costs of the reporting period. Although these estimates are based on the best experience of the Executive Board of Directors and its expectations in relation to current and future events and actions, the real current and future results could differ from these estimates. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant for the financial statements, are set forth in Note 3.

The consolidated financial statements and accompanying notes are expressed in euros, rounded to the nearest euro.

2.2. Alterations to the accounting policies and comparative information

The financial statements for 2023 are in all material respects comparable with the financial statements presented in this document for the previous year, with the Group having retrospectively applied IFRS 17 - Insurance contracts and IFRS 9 - Financial instruments, which came into force on 1 January 2023. The Group opted for the possibility given to insurers to postpone the application of IFRS 9 to the same date as the adoption of IFRS 17, since the combined implementation with IFRS 17 minimises the distortion of results. The initial adoption of IFRS 17 and IFRS 9 is retrospective, and the impacts on the transition date (1 January 2022) and 31 December 2022 are presented in Note 2.5.

Additionally, a series of amendments were made to the IAS/IFRS during 2023, shown below, which did not have any impact on the accounting policies or financial statements presented as at 31 December 2023.

Impact of the adoption of new standards, amendments to standards which became effective for annual periods starting on 01 January 2023:

a) **IAS 1** (amendment), 'Disclosure of accounting policies'. Amendment to the disclosure requirements of accounting policies based on the definition of ‘material’ rather than ‘significant’. Information about an accounting policy is considered material if, in its absence, users of the financial statements would be unable to understand other financial information included in the financial statements. Immaterial information about accounting policies need not be disclosed. IFRS Practice Statement 2 was also amended to clarify how the concept of ‘material’ applies to the disclosure of accounting policies. No relevant impact on the CA Group's financial statements.

b) **IAS 8** (amendment), 'Disclosure of accounting estimates'. Introduction of the definition of accounting estimate and how it is distinguished from changes in accounting policies. Accounting estimates are now defined as monetary amounts subject to measurement uncertainty that are used to achieve the objective(s) of an accounting policy. No impact on the CA Group's financial statements.

c) **IFRS 17** (new and amendment), 'Insurance contracts'. This new standard replaces IFRS 4 and applies to all entities issuing insurance, reinsurance or investment contracts with discretionary profit-sharing features if they are also issuers of insurance contracts. Under IFRS 17, insurance contract issuers need to assess whether the policyholder may benefit from a particular service as part of a claim, or whether that service is independent of the claim/risk event and separate the non-insurance component. Under IFRS 17, entities must identify portfolios of insurance contracts at initial re/recognition and divide them, as a minimum, into the following groups: i) contracts that are onerous at initial recognition; ii) contracts that do not have a significant possibility of subsequently becoming onerous; and iii) remaining contracts in the portfolio. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty related to insurance contracts. IFRS 17 requires an entity to recognise income as it provides insurance services (rather than when it receives premiums) and to provide information about the insurance contract gains it expects to recognise in the future. IFRS 17 provides three measurement methods for accounting for different types of insurance contracts: i) the General measurement model ("GMM"); ii) the Premium allocation approach ("PAA"); and iii) the Variable fee approach ("VFA"). IFRS 17 is applied retrospectively with some exemptions on the transition date.

The impacts of adopting this standard are disclosed in Note 2.5.

d) **IFRS 17** (amendment), 'Initial application of IFRS 17 and IFRS 9 - Comparative Information'. This amendment is only applicable to insurers in the transition to IFRS 17 and permits the application of overlay in the classification of a financial asset for which the institution does not carry out the retrospective application, under IFRS 9. This amendment seeks to prevent temporary accounting mismatches between financial assets and liabilities of insurance contracts, in the comparative information presented in the initial application of IFRS 17, establishing: (i) the statement of financial assets on an instrument-by-instrument basis; (ii) the presentation of comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset, but without requiring that an institution apply the impairment requirements of IFRS 9; and (iii) the obligation to use reasonable and substantiated information available on the transition date, to determine how the institution expects this financial asset to be classified pursuant to IFRS 9.

The impacts of adopting this standard are disclosed in Note 2.5.

e) **IAS 12** (amendment), 'Deferred tax related to assets and liabilities arising from a single transaction'. IAS 12 now requires institutions to recognise deferred tax on certain specific transactions when their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences. The transactions subject to recognition refer to the recording of: i) assets under right of use and lease liabilities; and ii) provisions for dismantling, restoration or similar liabilities, and the corresponding amounts recognised as part of the cost of the related asset, when at the date of initial recognition, they are not relevant for tax purposes. These temporary differences are not included under the scope of the exemption of initial recognition of deferred taxes. This amendment is applied retrospectively. No impact on the CA Group's financial statements.

f) **IAS 12** (amendment) 'International tax reform – Pillar Two model rules'. Following the implementation of the OECD's Global Anti-Base Erosion ("GloBE") rules, there may be significant impacts on the calculation of deferred taxes of the institutions covered, which are difficult to estimate at this time. This amendment to IAS 12 introduces: i) a temporary exception to the requirements for recognising and disclosing information on deferred tax assets and liabilities related to Pillar Two; and ii) additional disclosure requirements for affected institutions (institutions belonging to multinational groups with consolidated revenues of 750 million euros in at least two of the last four years), such as: the fact that the exception has been applied, the current tax expense that refers to the Pillar Two rules, and the reasonable estimate of the impact of the application of the Pillar Two rules between the date of publication of the legislation and the date of its entry into force. No impact on the CA Group's financial statements.

Published standards (new and amendments), whose application is mandatory for annual periods that begin on or after 01 January 2024, which the European Union has already endorsed:

a) **IAS 1** (amendment), 'Classification of liabilities as non-current and current' and 'Non-current liabilities with covenants' (effective for annual periods beginning on or after 1 January 2024). These amendments clarify that liabilities are classified as current or non-current balances depending on the right that an institution has to defer their payment beyond 12 months after the reporting date. They also clarify that covenants, which an institution is required to comply with on or before the reporting date, affect the classification of a liability as current or non-current even if their verification only occurs after the reporting date. When an entity classifies liabilities arising from financing contracts as non-current and those liabilities are subject to covenants, it is required to disclose information that allows investors to assess the risk that these liabilities will become repayable within 12 months, such as: a) the carrying amount of the liabilities; b) the nature of the "covenants" and the dates of compliance; and c) the facts and circumstances indicating that the institution may have difficulties in complying with the covenants on the due dates. These changes are retrospective. No relevant impacts are expected on the CA Group's financial statements arising from its future adoption.

b) **IFRS 16** (amendment) 'Lease liabilities in sale and leaseback' (applicable in financial years starting on or after 1 January 2024). This amendment introduces guidance regarding the subsequent measurement of lease liabilities for sale and leaseback transactions that qualify as "sales" under 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 lease liabilities, seller-lessees shall determine "lease payments" and "revised lease payments" so that they will not recognise gains/(losses) in respect of the right of use they retain. This amendment is applied retrospectively. No relevant impacts are expected on the CA Group's financial statements arising from its future adoption.

Although these standards have already been approved/endorsed by the European Union, they had not yet been adopted by the CA Group in the preparation of its financial statements as at 31 December 2023, as their application is not yet mandatory.

Published standards (new and amendments), whose application is mandatory for annual periods that begin on or after 01 January 2024, which the European Union has not yet endorsed:

a) **IAS 7** (amendment) and **IFRS 7** (amendment), 'Supplier finance arrangements' (effective for annual periods beginning on or after 1 January 2024). These changes are still subject to approval by the European Union. Supplier finance agreements are characterised by the existence of a financier who undertakes to pay the balances that an entity owes to its suppliers and the institution, in turn, agrees to pay according to the terms and conditions of the agreements, on the same date, or later, than the date of payment to suppliers. The amendments introduced require an entity to make additional disclosures about negotiated supplier finance arrangements to enable: i) an assessment of how supplier finance arrangements affect the institution's liabilities and cash flows; and ii) an understanding of the effect of supplier finance arrangements on an entity's exposure to liquidity risk, and how the entity would be affected if the arrangements were no longer available. The additional requirements complement the presentation and disclosure requirements that already exist in the IFRS, as established by the IFRS IC in the Agenda Decision of December 2020. No relevant impacts are expected on the CA Group’s financial statements arising from its future adoption.

b) **IAS 21** (amendment) 'Effects of changes in foreign exchange rates: Lack of exchangeability' (to be applied to financial years beginning on or after 1 January 2025). This change is still subject to approval by the European Union. This amendment adds the requirements to determine whether a currency can be exchanged for another currency (exchangeability) and to define how to determine the spot exchange rate to be used when it is not possible to exchange a currency over a long period. This amendment also requires the disclosure of information that makes it possible to understand how the currency that cannot be exchanged for another currency affects, or is expected to affect, the institution's financial performance, financial position and cash flows, in addition to the spot exchange rate used on the reporting date and how it was determined. No relevant impacts are expected on the CA Group’s financial statements arising from its future adoption.

2.3. Principles of consolidation and accounting of associate companies

The consolidation of accounts of the Crédito Agrícola Group is conducted in compliance with the requirements of the following legislation:

- Article 74 of the Legal Framework for Crédito Agrícola Mútuo and Cooperatives of Crédito Agrícola (Decree-Law 24/91 of 11 January, as most recently amended by Decree-Law 142/2009 of 16 June);

- Decree-Law 36/92 of 28 March (as amended most recently by Decree-Law 188/2007 of 11 May); and

- Banco de Portugal Notice 5/2015; and

- Banco de Portugal Notice 1/2019.

a) Subsidiaries

The consolidated financial statements include the accounts of Caixa Central - Caixa Central de Crédito Agrícola Mútuo, C.R.L. (Caixa Central), the Associated Caixas de Crédito Agrícola, and the subsidiaries and associates controlled directly and indirectly by Caixa Central (Note 4).

Subsidiaries are those companies in which the CA Group effectively controls their current management in order to obtain economic benefits from their activities. Control normally exists when the Group holds more than 50% of the capital or voting rights.

The Group controls an institution when it is exposed to or has rights to variable returns arising from its involvement with the Institution and has the capacity to affect these same returns through the power it exercises over the Institution. The subsidiaries are consolidated from the date when their control is transferred to the Group and are excluded from consolidation from the date when this control ends.

The consolidation of the accounts of the subsidiaries was carried out by the full consolidation method, from the date when Caixa Central takes control of its activities up to the time when this control ceases to exist. The transactions and significant balances between the consolidated companies were eliminated. Furthermore, when applicable, consolidation adjustments are made in order to assure consistency in the application of the accounting standards of the Crédito Agrícola Group.

Acquisitions of subsidiaries, which constitute a business, are recorded by the purchase method. The acquisition cost corresponds to the sum of the fair values of the assets acquired and liabilities incurred or undertaken, as well as any equity instruments issued in exchange for control over the acquired institution. The costs directly attributable to the transaction are recorded as costs when incurred. On the acquisition date, the assets, liabilities, and contingent assets that are identifiable and meet the requirements for recognition established in IFRS 3 – "Business combinations", are stated at their fair value.

When the acquisition of control is carried out for a percentage of less than 100%, in the application of the purchase method, the non-controlling interests can be measured at fair value or in proportion to the fair value of the acquired assets and liabilities, with this option being defined in each transaction. Whenever control is acquired through potential rights, the non-controlling interests are measured at fair value.

Subsequent transactions involving the disposal or acquisition of holdings from non-controlling interests, which do not imply change of control, do not result in the recognition of gains, losses, or goodwill, with any difference between the transaction value and the book value of the traded holding being recorded in Equity, under Other equity instruments.

Any losses generated in each period by subsidiaries with non-controlling interests are allocated according to the percentage held in them, regardless of being a negative balance.

The value corresponding to third party holdings in the subsidiaries is presented under the equity heading of "Non-controlling interests".

The consolidated profit derives from the sum of the net income of SICAM and the subsidiaries, in proportion to their effective holding, after consolidation adjustments, namely the elimination of dividends received, and capital gains and losses generated in transactions between companies included in the consolidation perimeter.

b) Associated enterprises

Associated enterprises are institutions in which the CA Group has significant influence but does not control. Significant influence is considered to exist when the CA Group has financial holdings (directly or indirectly held) above 20% (but less than 50% with voting rights in proportion to the holding) or the power to participate in decisions about the financial and operational policies of the institution but has neither control nor has joint control over it. Any dividends received are recorded as a decrease of the value of the financial investment.

Investments in related companies are initially measured at cost in the consolidated financial statements. Financial holdings in related companies are subsequently recorded by the equity method, from the moment that the CA Group acquires significant influence until the date it ceases.

The excess of the cost of acquisition over the fair value of the share of the identifiable assets and liabilities acquired, goodwill, is recognised as part of the financial investment in the related companies. If the acquisition cost is lower than the fair value of the net assets of the acquired related companies, the difference is recognised directly as a gain in the Consolidated Comprehensive Income Statement.

If the financial holding in a related companies is reduced, but maintaining the significant influence, only a proportional amount of the values recognised previously in other comprehensive income is reclassified to the Consolidated Income Statement.

Unrealised profits or losses in transactions between the Group and the Associates are eliminated in the application of the equity method.

The accounting policies of the related companies are changed whenever necessary so as to ensure that the same policies are applied consistently by all the Group's companies.

When the share of the losses of an Associate exceeds the investment in that Associate, the Group recognises additional losses if it has undertaken liabilities or made payments in benefit of the Associate.

The consolidated financial statements include the part attributable to the CA Group of the total profit and loss recognised by the associated enterprise.

c) Goodwill

Acquisitions of subsidiaries and related companies occurred after 1 January 2006 are recorded by the purchase method. The acquisition cost corresponds to the fair value determined on the acquisition date of the assigned assets, issued equity instruments, minus the costs directly attributable to the issue. Goodwill refers to the difference calculated between the fair value of the acquisition price of investments in subsidiaries, related companies or business ventures, and the fair value of the assets and liabilities of these companies or business ventures on their acquisition date. Goodwill is recorded in the assets and is subject to impairment tests, pursuant to IAS 36, at least once a year, and is not amortised. Impairment losses relative to goodwill are not reversible. Furthermore, whenever it is detected that the fair value of the acquired net assets is higher than their acquisition cost (negative goodwill), the differential is recognised through profit or loss.

Goodwill is allocated to the cash generating units to which it belongs, for the purpose of conducting impairment tests. When the Group reorganises its corporate structure, implying an alteration of the composition of its cash generating units, to which goodwill has been imputed, the reorganisation process should involve the reallocation of the goodwill to the new cash generating units. The reallocation is made through an approach of relative value, in view of the new cash generating units arising from the reorganisation.

2.4. Summary of the main accounting policies

The most significant accounting policies used in the preparation of the consolidated financial statements were as follows:

a) Accrual basis

The CA Group follows the accrual principle of accounting in relation to most of the items in its financial statements. Hence, the costs and income are recorded as they are generated, independently of the time of their payment or receipt.

b) Foreign currency transactions

Assets and liabilities denominated in foreign currency are converted into euros at the exchange rate prevailing on the reporting date.

Income and costs relative to transactions in foreign currency are recorded in the period when they occur, considering the exchange rates in force on the day when they were carried out.

Additionally, the following accounting procedures are used:

- The spot exchange rate position for each currency, which corresponds to the net balance of the assets and liabilities of any specific currency, is revalued daily pursuant to the fixing exchange rates published by Bloomberg, and recorded against profit or loss.

- The forward exchange rate position of a currency, which corresponds to the net balance of the forward transactions awaiting settlement, is revalued at the market forward exchange rate, or, if such does not exist, at a rate calculated based on the market interest rate for this currency and for the residual term of the transaction. The difference between the balances converted into euros at the revaluation rates used and the balances converted to the contracted rates corresponds to revaluation of the forward exchange rate position and is recorded through profit or loss; and

- Non-monetary assets and liabilities measured at fair value are converted at the exchange rates of the date when the fair value was determined, with the currency conversion differences being recognised through profit or loss. The currency conversion differences of financial assets at fair value through other comprehensive income are, however, recognised in other comprehensive income, and likewise the currency conversion differences relative to cash flow hedges.

The table below shows the exchange rate in US dollars on the reporting date:

Currency	Currency description	Exchange Rate 31-Dec-2023	Exchange Rate 31-Dec-2022
USD	US Dollar	1.10550	1.06505

Source: Bloomberg, 30-Dec-2023 and 31-Dec-2022 at 13h30

c) Loans and advances

These refer to financial instruments classified at amortised cost.

Loans and advances to customers includes loans and advances granted to customers not intended for sale in the short-term, which are recorded on the date when the credit amount is advanced to the customer, being recognised at nominal value/amortised cost.

Subsequently, the credit and accounts receivable are recorded at amortised cost, being submitted to periodic impairment tests.

The interest component, including that relative to any premiums/discounts, is disclosed in the accounts separately in the respective profit or loss accounts, pursuant to the accrual principle. Whenever applicable, the external fees, commissions and costs imputable to the contracting of the operations underlying the assets included in this category should also be divided into periods over the maturity period of the credit, in conformity with the effective interest rate method.

The CA Group institutions (SICAM) classify in loans overdue the instalments of principal or interest that remain unpaid once 30 days have elapsed after their due date as overdue credit. The legal terms and the procedures established in the internal regulations and respective decisions are applicable to loans with overdue instalments, where it is possible, if applicable, in the event of breach of contractual obligations, for the over debt to be considered past due, namely in a context of receivership.

The CA Group (SICAM) may renegotiate or modify the contractual cash flows of a financial asset. When this situation occurs, the CA Group (SICAM) assesses whether these new contract terms are substantially different from the original terms.

In order to determine whether the modification of a financial asset is significant, the CA Group considers quantitative and qualitative assessments. With respect to the quantitative assessment, any difference between the present values of the cash flows of the original debt and those of the modified debt above 10% is considered substantial, where the CA Group also conducts a qualitative analysis to identify other facts and circumstances not captured by the quantitative analysis.

If the terms of the contract are not substantially different, the renegotiation or modification does not give rise to a derecognition, but rather the recalculation of the present value of the modified cash flows discounted at the original effective interest rate. The difference is recognised through modification gains or losses at the time when they are originated, with these gains or losses being reflected in the consolidated income statement under the heading of "Modification gains or losses, net".

On the other hand, if the changes resulting from the renegotiation are substantially different, the CA Group (SICAM) derecognises the asset and recognises a 'new' one.

Loans and advances to customers is derecognised on the balance sheet when (i) the contractual rights of the CA Group (SICAM) relative to the respective financial flows expire; (ii) the CA Group (SICAM) has substantially transferred all the risks and benefits associated to the credit; or (iii) even if the CA Group (SICAM) retains part of the risks and benefits associated to the credit, the control over the credit has been transferred.

<u>Guarantees provided and irrevocable commitments</u>

Liabilities for guarantees provided and irrevocable commitments are recorded as off-balance sheet items at risk value, where any flows of interest, fees, commissions or other profits are stated through profit or loss over the life of the operations.

<u>Loan impairment</u>

IFRS 9 – Financial instruments establishes a series of relevant aspects concerning the impairment model, with particular emphasis on the following:

i. Concept of expected economic loss in the risk management of the portfolio of financial assets, determined based on macroeconomic scenarios;
ii. Definition of 'default' pursuant to Article 178 of the Capital Requirements Regulation (CRR);
iii. Quantification of impairment for loans to credit institutions;
iv. Revision and introduction of new risk parameters (e.g., probability of default, loss given default, credit conversion factor, performance maturity, prepayment); and
v. Adjustment of the main segments of the credit portfolio aimed at classifying assets from a risk perspective, based on homogeneous standards, according to their type (e.g. purpose, performance), in addition to being integrated in scoring and rating analytical models.

The determination of impairment losses of financial assets, in conformity with the provisions in IFRS 9, is based on specific methods which comply with the regulatory requirements, adapted to the historical data, and features of the portfolio of the Crédito Agrícola Group.

A financial asset is in a situation of impairment (and incurs impairment losses) when the present value of the expected cash flows is less than the respective exposure value. This situation is observed when:

- There is objective evidence of impairment resulting because of one or more events that occur after the initial recognition of the asset (loss event); and
- These events have impact on the expected future cash flows and can be estimated in a reliable form.

As provided for in the financial reporting standard IFRS 9, the assessment of impairment can be based on two types of analysis:

i. Individual analysis

Analysis of customers with significant exposure, through the assessment files (questionnaires) resident in the Module of Individual Analysis of Impairment (MOAI) application, where the data of the individual analyses are validated and used to calculate impairment on an individual basis.

The selection criteria of customers subject to individual analysis are as follows:

a. All customers/economic and risk groups (GER) with liabilities of more than 1,000,000 euros and/or overdue loans of more than 50,000 euros;
b. Customer/GER classified equal to or above stage 2 and liabilities of more than 500,000 euros.
c. Customer/GER with current account exposure or overdraft of more than 500,000 euros and equal to or above 90% of the limit contracted in the last 18 months.
d. Customer/GER with liabilities of more than 500,000 euros without associated asset backing or with a loan-to value (LTV) above 80%; and
e. Customer/GER with forborne loans and forborne loans exposure of more than 500,000 euros.

ii. Collective analysis

Analysis of customers/GER that do not meet the criteria for submission to the process of individual analysis, being analysed in homogeneous risk groups through statistical methods. The model adopted for calculation of impairment is based on an expected loss model, determined based on macroeconomic scenarios, necessarily classifying the assets at 3 stages, according to the evolution of their credit risk in relation to initial recognition.

Determination of significant increase of credit

A significant increase of credit risk is assessed in each reference period, comparing the current risk of occurrence of default throughout the remaining life of a given contract with the same risk rating on the initial date of the operation.

A significant increase of credit risk is determined when there is a deterioration of the risk rating, in particular the associated probability of default, including situations of loans overdue by 30 to 90 days and forborne loans not classified as being in default, operations of customers that have financial difficulties and operations whose internal risk rating is high.

Furthermore, an exposure with low credit risk is considered to exist whenever the credit risk of a particular financial instrument presents a low probability of default at the reporting date. Nevertheless, the credit risk of these financial instruments should be monitored to ensure that the assumptions underlying the low credit risk remain appropriate in each reporting period.

Definition of default

The European Banking Authority (EBA) issued the ‘Guidelines on the application of the definition of default under Article 178 of Regulation (EU) 575/2013’ aimed at harmonising the definition of default across all prudential approaches of the European Union. Accordingly, it contains detailed clarification of the definition of default and its application, in particular the method for counting days in arrears, indications of default and conditions for leaving default. The guidelines became entirely applicable from 1 January 2021, implying that institutions incorporated these requirements in their internal procedures and systems by this date in a phased manner and ensure their coherence with the internal models on equity and risk management.

The definition of default includes loans overdue by more than 90 days, forborne loans with more than one restructuring and exposure in which there is predictability of default (improbability of payment) of the debtor, entailing quantitative and qualitative criteria, especially with respect to the reference values considered in their activation, being in concordance with the regulatory guidelines for identification and marking of a customer's financial difficulties. Moreover, there is also a contagion of default (cross default) effect for the exposure of business customers.

The criteria for leaving default respect quarantine periods. The exposures are no longer considered to be in default when the following conditions are fulfilled:

- The debtor does not have any amount overdue for more than 90 days;
- A minimum period of one year has elapsed since the application of the restructuring measures;
- In the case of operations with a non-regular payment plan, the customer pays at least one instalment during the quarantine period in default;
- All the operations should comply with a quarantine of at least 3 months, including operations that are in default via the criterion of contagion of corporate; and
- By analysis of the credit risk of the customer/contract(s), in particular in the case of exposures subject to restructuring, situations that have established the payment of a material fixed sum or significantly larger payments at the end of the repayment plan should imply a specialised and prudent analysis.

Incorporation of forward-looking information

Pursuant to IFRS 9, various macroeconomic scenarios should be defined to obtain an expected loss value that reflects an unbiased and weighted vision of reality. To this end, 3 macroeconomic scenarios were defined (baseline, pessimistic and optimistic) whose projections and respective probabilities are established by one of the main External Credit Assessment Institutions (ECAI).

For each contract, the impairment values were calculated for each one of the three configured macroeconomic scenarios. Losses are calculated based on the corresponding risk factors for each scenario. Additionally, and to obtain an estimate of final loss, each one of the scenarios was duly weighted according to its probability of occurrence.

Expected lifetime

At the time of the initial recognition of a financial asset, the expected loan losses are calculated for 12 months (stage 1). If the credit risk of a financial asset ‘increases significantly’ in relation to the initial moment and the credit quality derived from this increase is not considered a low credit risk (stage 2) or the credit risk of a financial asset increases to the extent of being considered ‘impaired’ (stage 3), the expected losses are recognised for the respective maturity.

Purchased or originated credit impaired (POCI) assets are financial assets are impaired at initial recognition (reduction to their recoverable value). POCI financial assets are recorded at fair value at initial recognition and the interest is subsequently recognised based on the effective interest rate adjusted for credit losses. The expected credit loss (“ECL”) is recognised/reversed to the extent that there is a subsequent change in the ECL.

d) Financial assets

Financial assets are classified into three categories according to the business model associated with their holding, the type of financial instrument (debt, equity, or derivatives) and their features, namely:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVTOCI); or
- Amortised cost.

The classification and subsequent measurement of debt instruments depends on:

(i) the features of the cash flow of the asset; and

(ii) the business model.

If the contractual features of the cash flows of a financial asset do not correspond exclusively to principal and interest (Solely Payments of Principal and Interest (SPPI) criterion), this asset shall mandatorily be recognised and measured at fair value through profit or loss.

Based on these factors, the CA Group classifies its debt instruments into one of three measurement categories, namely:

i) Financial assets at fair value through profit or loss

Debt financial instruments at fair value through profit or loss are traded on active markets, acquired for the purpose of sale, or repurchase in the short-term.

These instruments are initially recognised at fair value with the gains and losses derived from subsequent measurement at fair value being recognised through profit or loss.

The interest inherent to financial assets and the differences between acquisition cost and nominal value (premium or discount) are calculated in accordance with the effective interest rate method and recognised in the income statement under the heading of “Interest income”.

The measurement of financial assets at fair value is based on the most representative values of the bid-ask range, in relation to the circumstances of the measurement, regardless of the IFRS 13 hierarchy level in which the instruments are classified. If a market price is not available, the fair value of the instrument is estimated based on valuation techniques, which include price assessment models or discounted cash flow techniques. When discounted cash flow techniques are used, the future financial flows are estimated in accordance with the management's expectations and the discount rate used corresponds to the market rate for financial instruments with similar features. In the price assessment models, the data used correspond to information about market prices.

These debt financial instruments at fair value through profit or loss are derecognised upon their sale or when the associated cash flows expire.

ii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include financial instruments whose features exclusively refer to the SPPI criteria (principal and interest), and their objective is the receipt of contractual cash flows and/or their sale.

Financial assets at fair value through other comprehensive income are recorded at fair value. Gains and losses relative to subsequent fair value variation are reflected under a specific equity heading, named “Accumulated other comprehensive income”, until their sale, at which time they are transferred to profit or loss. Currency conversion gains or losses of debt instruments are recognised directly through profit or loss for the period.

The interest inherent to financial assets and the differences between acquisition cost and nominal value (premium or discount) are calculated in accordance with the effective interest rate method and recognised in the income statement under the heading of “Interest income”.

The impairment of the securities portfolio (debt instruments) is calculated using Moody's “ImpairmentStudio” tool for calculating expected credit losses (ECL), based on the calculation of risk parameters, PD and LGD, which take into account, in particular, the rating, country, business sector and probability of default implicit in credit default swaps (CDS). The calculation of conditional risk parameters, PD and LGD, is carried out using the MA Correlation Model (GCorr) and uses the distance-to-default (DD) measure correlations, determined from the spreads, to calculate sovereign correlations. The impairment calculated is stated under a specific heading in equity against profit or loss.

During 2023 and 2022, sales were residual, not exceeding the limits defined in the investment policy.

iii) Debt instruments at amortised cost

Debt instruments at amortised cost are financial instruments whose features refer exclusively to the SPPI criterion (principal and interest), with their objective being the receipt of contractual cash flows up to their redemption, namely debt securities, investments in credit institutions, purchase operations with resale agreement and loans and advances to customers (see Note 2.4 c)).

These instruments measured at amortised cost are recorded at acquisition cost. The interest inherent to financial assets, and the recognition of differences between acquisition cost and nominal value (premium or discount), are calculated in accordance with the effective interest rate method and recognised in the income statement under the heading “Interest income”.

The quantification of impairment for the securities portfolio (debt instrument) recorded at amortised cost is based on the risk rating and risk factors established by the main credit risk rating agencies.

The impairment of the securities portfolio (debt instruments) is calculated using the "ImpairmentStudio" tool for calculating expected credit losses (ECL), based on the calculation of risk parameters, PD and LGD, which take into account, in particular, the rating notation, the country, the business sector and the probability of default implicit in credit default swaps (CDS). The calculation of conditional risk parameters, PD and LGD, is carried out using the MA Correlation Model (GCorr) and uses the distance-to-default (DD) measure correlations, determined from the spreads, to calculate sovereign correlations.

Securities sold with a repurchase agreement are kept in the portfolio in which they were originally recorded. The funds received are recorded, on the settlement date, in a specific liability account, with the respective interest being divided into periods through the effective interest rate method.

For debt financial instruments measured at amortised cost, maximum sale limits have been defined based on the frequency, amount, and proximity to maturity.

During 2023 and 2022, sales were residual, not exceeding the limits defined in the investment policy.

Debt instruments also include securitised loans (e.g., commercial paper) (see Note 2.4 c)).

Capital instruments

The CA Group considers equity instruments to include all those which, from the point of view of the issuer, are classified as equity, i.e., instruments that do not contain a contractual obligation to pay and which show a residual interest in the net assets of the issuer. Examples of equity instruments include basic ordinary shares.

The CA Group subsequently measures all equity instruments at fair value through profit or loss, except when the CA Group has decided, upon initial recognition, to place it under the irrevocable designation of an equity investment at fair value through other comprehensive income. It is the CA Group’s policy to designate equity instruments at fair value through other comprehensive income (FVTOCI) when they are held for objectives that differ from generating returns via their sale.

When this option is taken, the fair value of gains and losses are recognised in “Accumulated other comprehensive income”, and are not subsequently reclassified to profit or loss, inclusively upon their disposal. Dividends, when representing return on the equity invested, are recognised through profit or loss at the time when the right to receive them is established.

Derivative financial instruments

Items that qualify as derivative financial instruments are financial instruments, or other contracts, which have the following characteristics:

a) Their value varies as a result of changes in specific variables, such as interest rates, commodity prices, exchange rates, etc. (if a given variable is non-financial, it must not be specific to one of the parties to the contract);

b) They do not require initial net investment, or the initial net investment is less than would be required for other types of contracts for which similar behaviour would be expected in the face of changes in market factors; and

c) The instrument/contract will be settled at a future date.

Derivative financial instruments are recorded at fair value on the date of their contracting, being subsequently measured at fair value through profit or loss (gains and losses at fair value for the year being stated in the headings of “Gains or losses on hedge accounting, net”. Furthermore, they are reflected under off-balance sheet items at their notional value. Fair value is calculated as follows:

- Based on prices in active markets (for example, with respect to futures traded on organised markets);
- Based on models which incorporate valuation techniques accepted in the market, including discounted cash flow and options valuation models;

Trading derivatives with net value receivable (positive fair value) are included under the heading "Financial assets held for trading". Trading derivatives with net value payable (negative fair value) are included under the heading “Financial liabilities held for trading”.

Hedge accounting

For financial instruments to qualify for hedge accounting, the following criteria must be fully met:

- The management must formally designate and document the hedge relationship at the beginning of the hedge. This includes identifying the hedge instrument, the hedged instrument (or transaction), the type of the risk being hedged, and how the institution will assess the effectiveness of the hedge, identification of sources of ineffectiveness, how the hedge ratio will be determined, and the Group's risk management objectives and strategies that justify contracting the hedge;
- There must be an economic relationship between the hedging instrument and the hedged instrument. With the expectation that the value of the hedging instrument and the value of the hedged instrument will move in opposite directions, as a result of the common underlying assumptions, or the risk being hedged;
- Credit risk does not dominate changes in value. Even if an economic relationship exists, a change in the credit risk of the hedge instrument or the hedged instrument should not be of such magnitude as to dominate the changes in value that result from the economic relationship;
- The designated hedging ratios are consistent with the risk management strategy. The coverage ratio is defined as the ratio between the quantity of the coverage instrument and the quantity of the coverage instrument, in terms of its relative proportions.

Management documents, on the initial date of the hedge relationship, the economic relationship between the hedge instruments and the hedged instruments, including the condition as to whether the hedge instruments will offset changes in the cash flows of the hedged instruments, in accordance with the risk management objectives and strategy defined for contracting hedge transactions.

Fair value hedge:

In a fair value hedge of an asset or liability, the book value of that asset or liability, determined in accordance with the respective accounting policy, is adjusted to reflect the change in its fair value attributable to the risk being hedged. Changes in the fair value of hedge derivatives are recognised in the profit or loss, together with changes in the fair value of the hedged asset or liability attributable to the hedged risk. When a hedge instrument expires or is sold, or when the hedge no longer meets the criteria for hedge accounting or the institution revokes the designation, the derivative financial instrument is transferred to the trading portfolio and the hedged assets and liabilities are no longer adjusted for changes in their fair value. If the hedged asset or liability corresponds to an instrument measured at amortised cost, the revaluation adjustment is amortised to maturity using the effective interest rate method and reflected in the net trading income.

Restrictions of reclassification between financial asset categories, pursuant to IFRS 9

The principle of IFRS 9 is that there are no reclassifications between categories, unless the business model used by management is changed. In this case, the reclassification is carried out prospectively from the date of reclassification and does not result in the restatement of gains and losses previously recognised in profit or loss.

In the event that the CA Group reclassifies financial assets, this reclassification follows the following set of principles:

1. If the CA Group reclassifies a financial asset, removing it from the category of measurement at amortised cost and placing it in the category of measurement at fair value through profit or loss, its fair value is measured as at the reclassification date. Any gain or loss derived from a difference between the previous amortised cost of the financial asset and the fair value should be recognised through profit or loss.

2. If the CA Group reclassifies a financial asset, removing it from the category of measurement at fair value through profit or loss and placing it in the category of measurement at amortised cost, its fair value on the reclassification date will become its new book value.

3. If the CA Group reclassifies a financial asset, removing it from the category of measurement at amortised cost and placing it in the category of measurement at fair value through other comprehensive income, its fair value is measured as at the reclassification date. Any gain or loss derived from a difference between the previous amortised cost of the financial asset and the fair value should be recognised through other comprehensive income. The effective interest rate and the measurement of expected loan losses are not adjusted as a result of the reclassification.

4. If the CA Group reclassifies a financial asset, removing it from the category of measurement at fair value through other comprehensive income and placing it in the category of measurement at amortised cost, the financial asset is reclassified at its fair value on the reclassification date. However, any accumulated gain or loss previously recognised in other comprehensive income is removed from the equity and adjusted according to the fair value of the financial asset on the reclassification date. As a result, the financial asset is measured on the reclassification date as if it had always been measured at amortised cost. This adjustment affects other comprehensive income but does not affect profit or loss and, consequently, does not consist of a reclassification adjustment. The effective interest rate and the measurement of expected loan losses are not adjusted as a result of the reclassification.

5. If the CA Group reclassifies a financial asset, removing it from the category of measurement at fair value through profit or loss and placing it in the category of measurement at fair value through other comprehensive income, the financial asset continues to be measured at its fair value.

6. If the CA Group reclassifies a financial asset, removing it from the category of measurement at fair value through other comprehensive income and placing it in the category of measurement at fair value through profit or loss, the asset continues to be measured at its fair value. However, any accumulated gain or loss previously recognised in other comprehensive income is reclassified from the equity to profit or loss as reclassification adjustment on the reclassification date.

Both the category of measurement at amortised cost and the category of measurement at fair value through other comprehensive income require that the effective interest rate should be determined upon initial recognition. Both measurement categories also imply the impairment requirements should be applied in the same way. Consequently, when an institution reclassifies a financial asset between the category of measurement at amortised cost and the category of measurement at fair value through other comprehensive income:

a) The recognition of income from interest remains unchanged and, consequently, the institution continues to apply the same effective interest rate;

b) The measurement of expected loan losses will remain unchanged, as both measurement categories apply to the same approach with respect to impairment. However, if a financial asset is reclassified from the category of measurement at fair value through other comprehensive income to the category of measurement at amortised cost, a provision for losses should be recognised in the form of an adjustment to the gross book value of the financial asset from the reclassification date. If a financial asset is reclassified from the category of measurement at amortised cost to the category of measurement at fair value through other comprehensive income, the provision for losses should be derecognised (thus no longer being recognised as an adjustment to the gross book value), being, instead recognised as an amount due to accumulated impairment (of the same value) in other comprehensive income and disclosed from the reclassification date.

Nonetheless, the CA Group is not obliged to separately recognise the income from interest or the gains or losses due to impairment of a financial asset measured at fair value through profit or loss. Consequently, when an institution reclassifies a financial asset, removing it from the category of measurement at fair value through profit or loss, the effective interest rate is determined based on the fair value of the asset on the reclassification date.

e) Annulments/Write-offs of principal and interest

Pursuant to IFRS 9, the gross carrying amount of a financial asset is reduced when there are no longer any reasonable expectations of recovery. A credit annulment constitutes a derecognition event. The annulment can involve the financial asset as a whole or merely part of it. Consequently, the gross carrying amount of a financial asset is reduced at the time of annulment. A financial asset should be annulled (written off from the assets), as a whole or partially, in the period when the loan, or fraction of this loan, is considered irrecoverable. In assessing the recoverability of Non-Performing Loans and determining the internal annulment methods, attention should be given to the following particular situations: positions with extended arrears in repayment and positions under insolvency procedures.

The Crédito Agrícola Group believes that detailed records should be kept of all processes of annulment of uncollectible loans. The databases collating information about processes of annulment of loans considered uncollectible should fulfil requirements of depth, amplitude, reliability, up-to-dateness and traceability. The information collected in the databases should be included in management reports, to ensure that the reports and other pertinent documentation (recurring or occasional) for the decision-making process at various managerial levels, including at the level of the board of directors, are based on up-to-date, complete and coherent information.

Specific measures have been adopted under the Strategic Non-Performing Loan Management Plan to annul uncollectible loans at the level of each Caixa Agrícola. In this context, Non-Performing Loa*n* (NPL) positions considered irrecoverable have been selected for annulment, taking into account contracts ('secured' or 'unsecured') with an impairment rate of more than 50%, regardless of their status (regular or overdue).

Credit operations with the following non-cumulative features are mandatorily eligible for annulment:

- Impairment coverage level above 80% for loans backed by real estate collateral (mortgage).
- Impairment coverage level above 70% for all other loans.

Nevertheless, cases in which customer record good compliance in the context of judicial agreements, special revitalisation processes (PER) or insolvency plans that have been homologated and turned into final judgements should be safeguarded, as their annulment is thus not feasible.

The procedures for annulment of uncollectible loans comply with the following requirements:

- **i)** The loan should be entirely covered by impairments (100% provisioned). In cases where the degree of coverage of the exposure by impairments is less than 100%, the necessary impairments should be constituted up to this threshold; and
- **ii)** Once the entirety of the loan has been called in and the main efforts of collection considered adequate have been developed, the expectations of loan recovery are reduced to a time horizon in which they can be reasonably estimated, thus leading to a high rate of coverage by impairment and/or the existence of default for an extended period of time.

In accounting terms, the annulment of loans considered uncollectible gives rise to the corresponding recognition in off-balance sheet accounts (see Circular Letter CC/2017/00000020), which should remain there until the effective limitation period of the debt has ended (ordinary period of 20 years, pursuant to Article 309 of the Civil Code) or, for any reason, the right to receive these loans extinguishes (e.g. debt recovery, debt remission, among others).

f) Financial liabilities

An instrument is classified as a financial instrument when there is a contractual obligation of its settlement being made against the submission of money or another financial asset, independently of its legal form.

Financial liabilities, essentially funds of credit institutions, customer deposits, issued debt and financial assets acquired with repurchase agreement, are initially stated at fair value, which corresponds to the consideration received net of transaction costs, and are subsequently stated at amortised cost.

Except for derivatives, financial liabilities held for trading (for example, short positions) are classified at fair value through profit or loss upon initial recognition. Gains and losses arising from subsequent valuation at fair value are recognised in "Gains or losses on financial assets and liabilities held for trading, net".

Financial liabilities acquired with a resale agreement at a fixed price, or at a price equal to the purchase price plus the interest inherent to the period of the operation, are not recognised on the balance sheet, with the acquisition cost being recorded as loans to other credit institutions. The difference between the purchase value and the resale value is treated as interest and is deferred over the life of the agreement, through the effective interest rate method.

A modification is defined as when the contractual terms of a financial liability are substantially altered, forcing the extinction of the original financial liability and the recognition of a new financial liability. The new financial liability resulting from the modification is recognised at its fair value and any difference in relation to the book value of the extinct financial liability, including all the associated costs and rates, is recognised through profit or loss. If the modification of a financial liability is not considered substantial, the amortised cost of the financial liability should be recalculated based on the present value of the estimated future contractual cash flows discounted at the associated original interest rate. All gains or losses arising from this recalculation will be recognised through profit or loss, and all costs and rates associated with the modification will be amortised over the remaining term of the modification. In order to determine whether the modification of a financial liability is significant, the CA Group considers quantitative and qualitative assessments. With respect to the quantitative assessment, any difference between the present values of the cash flows of the original debt and those of the modified debt above 10% is considered substantial, where the CA Group also conducts a qualitative analysis to identify other facts and circumstances not captured by the quantitative analysis. Furthermore, the financial liabilities cannot be reclassified between categories.

Derecognition of financial liabilities:

An entity should derecognise a financial liability (or a part of a financial liability) from its balance sheet when, and only when, it is extinguished - that is, when the obligation specified in the contract is satisfied or cancelled or expires.

g) Tangible assets

The tangible asset items used by the CA Group for the development of its activity are measured at acquisition cost (including directly attributable costs) minus accumulated depreciation, and impairment losses.

The acquisition cost includes the purchase/production price of the asset, the expenses directly attributable to its acquisition and costs incurred to prepare the asset to place it in condition for use. The financial costs incurred in relation to loans obtained for construction of tangible assets may also eventually be recognised as part of the cost of constructing the asset.

The depreciation of the tangible asset is recorded on a systematic basis over the estimated period of useful life of the asset, based on the following useful life periods:

Tangible assets	Years of useful life
Real estate properties for own use	50
Expenses on rented buildings	10
IT and office equipment	4 to 10
Interior furnishings and installations	6 to 10
Vehicles	4

The useful lives of tangible assets are reviewed in each financial reporting period so that the depreciation carried out is in accordance with the consumption patterns of the assets. Land is not depreciated. Alterations to useful lives are treated as an alteration of accounting estimate and are applied prospectively under the terms of IAS 8.

Expenditure related to investment in works carried out in buildings that are not owned by the CA Group are amortised over a period compatible with their expected utilisation or the rental agreement, whichever is lowest.

Whenever there are indications of loss of value in tangible assets, impairment tests are performed to estimate the recoverable amount of the asset, and when required, to record an impairment loss. The recoverable amount is determined as the highest between the fair value less costs to sell and the value in use of the asset, with the latter calculated based on the present value of estimated future cash flows, arising from the continued use and disposal of the asset at the end of its defined useful life.

Gains or losses in the disposal of assets are determined by the difference between the realisation value and the book value of the asset, being recognised in the consolidated income statement, under the heading “Gains or losses on derecognition of non-financial assets, net”.

h) Intangible assets

The CA Group records under this heading the expenses during the development phase of projects relative to information systems that are already installed or under implementation, as well as the cost of acquired software, in both cases, only when the impact is expected to be reflected beyond the year when the costs are incurred.

Internally generated assets, namely expenses related to internal development, are recorded as costs when incurred, whenever it is not possible to distinguish between the research phase and the development phase, or when it is not possible to reliably determine the costs incurred at each phase or the probability of economic benefits flowing to the CA Group.

Intangible assets are recorded at acquisition cost, minus accumulated depreciation and impairment losses.

Depreciation is recorded as costs for the year on a systematic basis over the useful life of the assets, which corresponds to a period of 3 to 10 years.

i) Non-current assets held for sale and Other assets (Assets received through loan recovery)

The CA Group records under "Non-current assets held for sale and disposal groups classified as held for sale" the real estate, equipment and other assets received as a result of credit recoveries (e.g., in lieu of payment, judicial auction sale, other). These assets are recorded at the lowest between the value agreed in the contract, which usually corresponds to the value of the existing debt which is thus extinguished, and the asset's valuation on the date of the operation. Real estate is recorded under this heading as soon as the deed of lieu of repayment, auction sale or any other applicable deed is signed.

Real estate properties can also be stated as "Non-current assets held for sale and disposal groups classified as held for sale" previously stated in tangible assets, if the expected realisation of the asset is through sale and if the criteria of IFRS 5 are met.

For these assets, there is the expectation of sale within the period of 12 months when actively on sale and the price is regularly analysed and if necessary adjusted.

As an exception to the above-mentioned framework, the real estate that have encumbrances that prevent their sale are accounted for in "Other Assets" and not as "Non-current assets held for sale and disposal groups classified as held for sale", in accordance with IFRS 5(7) "Non-current Assets Held for Sale and Discontinued Operations":

"For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable."

The valuation of these assets, and consequently the impairment losses, is supported by valuations performed by entities registered as "expert appraisers" with the Portuguese Securities Market Commission, which incorporate several assumptions. Three methods are used in the valuations of these assets:

• Market method

This method determines an estimate of the amount at which a property is believed to be tradable, after an appropriate marketing period, between an interested seller and buyer, where both parties act in an informed, prudent and unconditioned or uncoerced manner.

The value of the property is determined after analysing the transaction and offer values of comparable properties, obtained through local market knowledge and exhaustive real estate market data collection, which enables us to know the supply and demand situation for similar properties and which is a decisive factor in determining the market value of the property being assessed.

• Yield method

In this method, the market value of a property corresponds to the present value of all rights to future benefits arising from its ownership. This method assumes that the management and operation of the property is based on principles of legality, rationality and competence. The objective of the analysis is to determine the respective capacity to generate revenue streams, as well as the periodicity of their occurrence, also inferring all inherent expenses.

• Cost method

In this method, the estimated value of a property corresponds to the construction cost of a property that fulfils the same functions and has the same characteristics, materials and technology, at current market prices. The value includes the land value, the costs inherent to the construction and the profit margin of the investment promotion, as well as a deduction that corresponds to the depreciation, or loss in value of the property that results from physical, functional, economic or environmental obsolescence or a combination of these.

Although the Group aims to sell all properties and other assets received in kind immediately, during 2023, the Group changed the classification of these assets from the "Non-current assets held for sale" heading to the "Other assets" heading, due to the fact that they have been in the portfolio for more than 12 months. However, the accounting method has not changed in relation to the above, being recorded on initial recognition at the lower of its fair value less expected selling costs and the balance sheet value of the loan subject to recovery.

The reclassification to "Other assets" does not constitute a change in accounting policy, since the application of the IFRS 5 rules is always in question. In 2023, the Executive Board of Directors reassessed the condition laid down in IFRS 5 that the sale must be highly probable (within 12 months) and concluded that the condition had not been met and that this reclassification was necessary.

The CA Group does not recognise potential capital gains for these assets. Changes in impairment losses on a non-current asset held for sale, such as realised gains or losses (at the date of sale) are recorded in profit or loss under the "Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" heading. Changes in impairment losses on properties recognised in other assets are recorded under "(Impairment or reversal of impairment (-) on non-financial assets)" and the gains or losses realised under "Gains or losses (-) on derecognition of non-financial assets, net value".

j) Provisions and Contingent Liabilities

A provision is set up when there is a present obligation (legal or constructive) resulting from past events for which the future expenditure of resources is probable and can be reliably determined.

The amount of the provision corresponds to the best estimate of the amount to be disbursed to settle the liability on the reporting date. If the future expenditure of resources is not probable, this is a contingent liability.

Contingent liabilities are only disclosed, unless the possibility of their realisation is remote.

Provisions for other risks are intended to cover:

- Liabilities for guarantees provided and other off-balance sheet commitments, which are determined on the basis of an analysis of the risk of the operations and the respective customers; and,

- Legal, tax and other contingencies arising from the Group's activity.

k) Financial Guarantees:

Financial guarantees are contracts whereby the issuer has the obligation to make specific payments to reimburse the creditor for the debt incurred when a specific debtor defaults on its contractual payment obligations, regardless of the form in which the obligation is instrumented (guarantees, sureties, financial guarantees, insurance contracts or other types of contracts).

All these operations are recorded under off-balance sheet headings.

Financial guarantees are analysed periodically 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, similar criteria are applied to those established for quantifying impairment losses on debt instruments valued at amortised cost, which are described in Note 18.

Impairments on these contracts are recorded under the balance sheet heading "Provisions".

Appropriations and reversals of impairments are recorded under “Provisions or (-) reversal of provisions” in the income statement.

l) Deposits

After initial recognition, the customers deposits and credit institutions are valued at amortised cost, based on the effective interest rate method.

m) Securitised debt issued

Subordinated loans issued by the CA Group are recorded under the heading of “Other financial liabilities” (Note 17). Subordinate loans are stated at their fair value.

At the end of October 2021, GCA, through Caixa Central, made its first debt issue in the international market, GCA, specifically senior preferred debt securities linked to Social Sustainability, for a total amount of 300 million euros.

In June and August 2023, GCA, through Caixa Central, issued new debt on the international market, of senior preferred debt securities linked to Social Sustainability, GCA, for a total amount of 250 million euros.

n) Other subordinated debt

Subordinated loans are recorded under the heading “Other financial liabilities” (Nota 17). Subordinate loans are stated at their amortised cost.

o) Employee benefits

The CA Group has signed the Collective Labour Agreement (ACT) for Crédito Agrícola (called the Collective Labour Agreement of the Institutions of Crédito Agrícola Mútuo), therefore its employees and their families are entitled to pensions due to retirement, disability and survival. However, since the employees are enrolled in Social Security, the liabilities of the ACT Signatory Institutions related to employee pensions consist of the payment of supplementary pensions in accordance with the levels established in the ACT.

The defined benefit pension plan thus provides for the possibility of paying pensions set by the ACT in force, in the event of early retirement, old-age retirement, disability retirement and survivors' benefits, in addition to those granted by Social Security schemes.

The employees' post-employment benefits also include medical care (SAMS), whose liabilities are calculated based on the same assumptions as the liabilities related to supplementary pensions. In accordance with clause 116 of the ACT, the sum corresponding to 6.5% of the total retirement and survivor's pensions, provided for in the ACT, regardless of the pensions received from social security schemes, constitutes compulsory contributions by the Crédito Agrícola institutions to the SAMS. The benefits cover the relatives of the employees, under the terms of the internal regulations endorsed by the SAMS.

In December 2018, the constitutive agreement of the Pension Fund was amended to include the coverage of liabilities related to pre-retirement, relative to agreements that are concluded from 1 January 2019.

In 2019, that constitutive agreement was rectified to clarify that the early retirement liabilities thereafter covered by the Pension Fund include the respective mandatory social charges and medical care at a post-employment stage.

The managing institution of the CA Group Pension Fund is Crédito Agrícola Vida - Companhia de Seguros, S.A.

An actuarial evaluation is carried out annually with a reference date of 31 December of each year for the calculation of liabilities to be financed by the respective shares of the pension fund of Caixa Central, Caixas de Crédito Agrícola and other Associated Crédito Agrícola Institutions of the Pension Fund.

Pursuant to the Constitutive Agreement of the Crédito Agrícola Pension Fund, the members of their governing bodies of Caixas Agrícolas are not covered by the benefits described above.

The ACT pension calculations are based on the following lengths of time of service:

- For future seniority bonuses and automatic promotions, the length of service time was considered for purposes of level and seniority; and
- For the calculations in Annex V of the Collective Labour Agreement (ACT), the starting point was the recruitment date recognised for the pension fund.

The present value of past service liabilities, as well as the corresponding current service costs, were calculated using the Projected Unit Credit method.

Only those legally married are accepted for survivor pensions. For surviving men, the age is taken as three years younger than the pensioner, and for women as three years older. The calculation of this benefit is based on the remuneration level of the participant, in line with Annex VI of the collective labour agreement (ACT).

Banco de Portugal Notice 4/2005 determines that it is compulsory for pension funds to assure the full financing of pension liabilities under current payment and a minimum level of 95% of liabilities related to past service of current staff.

Due to the application of IAS 19 Reviewed, the remeasurement (actuarial gains and losses; return on plan assets, excluding amounts included in net interest on liabilities (assets) net of defined benefits; and any change in the effect of the maximum limit on assets, excluding amounts included in net interest on liabilities (assets) net of defined benefits) resulting from (i) differences between the actuarial and financial assumptions used and the amounts actually recorded and (ii) changes in actuarial assumptions, are recognised in their entirety as comprehensive income in the respective year in which they occur, being recorded under the heading of “Accumulated other comprehensive income”.

The amounts recorded in the year in profit or loss refer to:

- Cost of the service: The cost of the service includes the cost of current services, cost of past services and gains or losses upon settlement, which is recorded under the "Administrative expenses - staff expenses" heading; and
- Net interest: Net interest is determined by multiplying the discount rate by the net liability (asset) of defined benefits (both determined at the beginning of the annual reporting period, considering any variation of the net liability (asset) of defined benefits during the period as a consequence of the payment of contributions and benefits), which is recorded under the "Administrative expenses – Staff expenses" heading.

Defined contribution plan

Pursuant to clause 52(1) of the Collective Labour Agreement of 2020 (hereinafter also referred to as collective labour agreement or ACT), which CA Vida and CA Seguros endorsed, published in Labour and Employment Bulletin (BTE) number 21 of 8 June 2020, "all active workers in full exercise of their duties, with an employment contract for an indefinite period, shall benefit from an individual retirement plan, and in the case of retirement due to old age or disability granted by Social Security, which shall integrate and replace any other retirement pension attribution systems established in previous collective labour regulation instruments applicable to the company".

The pension plan is funded through collective adherence to the open pension fund "CA Reforma Garantida".

In view of the provisions in Annex V of the previously mentioned collective labour agreement, in 2018, the Company made contributions to the Individual Retirement Pension Plan (PIR) of the value corresponding to the rate of 3.25% applied to the annual wage of the worker.

The first annual contribution of the employer to the Individual Retirement Pension Plan shall occur, for workers in full exercise of their duties, in the year following that in which they complete 2 years of effective employment at the Company.

If the employment contract is subject to a fixed term, the first annual contribution of the employer shall take place in the calendar year subsequent to that of the conversion of the fixed term contract into an indefinite employment contract and after completion of period of grace of 2 years stipulated above.

The individual retirement pension plan foresees the guarantee of the capital invested, with the management institution being responsible for such. This is a defined contribution plan, with the post-employment benefits received by the employees being determined by the contributions paid by the Company, together with the return on the investments derived from these same contributions. Consequently, the actuarial and investment risks shall fall on the employees, notwithstanding the guaranteed capital invested, referred to above.

As the obligation of the Company is determined by the amounts to be contributed, the respective accounting consists of recognising an annual expense, as these contributions are made.

Permanence premium (other long-term benefits)

Under clause 44 of the Collective Labour Agreement (CCT), GCA will grant employees, subject to compliance with certain requirements defined therein, cash bonuses (employees under the age of 50) or paid days of leave (employees aged 50 or over).

When the employees complete one or more multiples of five years with the insurer, they will be entitled to a cash premium equivalent to 50% of their effective monthly salary. After the employees reaches the age of 50 and once the following minimum periods of permanence in the company have been met, the cash bonus will be replaced by the granting of paid days of leave each year, in accordance with the following scheme:

a) Three days, when the employee reaches 50 years of age and has been with the insurer for 15 years;

b) Four days, when the employee reaches 52 years of age and has been with the insurer for 18 years; and

c) Five days, when the employee 54 years of age and has been with the insurer for 20 years.

Health benefits

Employees of the insurance companies who are in active service benefit from medical insurance, and the costs resulting from this benefit are recorded as expenses for the year.

Termination benefits

Termination benefits are recognised when employment ceases before the normal retirement date, or when the employee accepts termination of employment in exchange for these benefits. The termination benefit liability is recognised on the earliest of the following dates: when the entity can no longer withdraw the offer of benefits, or when the entity recognises the expenses of a restructuring under the recording provisions. Benefits due more than 12 months after the end of the reporting period are discounted to their present value.

p) Seniority bonuses

Under the terms of the collective labour agreement (ACT), the Crédito Agrícola Group accepted the commitment to attribute a seniority bonus to active employees upon completing 15, 25 and 30 years of good and effective service of the value of 1, 2 and 3 months of their effective monthly retribution (in the year of attribution), respectively.

The Crédito Agrícola Group determines the present value of benefits related to seniority bonus through actuarial calculations using the Projected Unit Credit method. The actuarial assumptions (financial and demographic) are based on expected wage growth and mortality tables used to calculate pension liabilities. The discount rate is determined based on market rates of bonds of companies with high rating and similar maturity period to that of the settlement of the liabilities.

The impact of the estimated actuarial deviations in each year is recorded in the "Consolidated income statement" under "Administrative expenses – Staff expenses", or "Other operating income", depending on the nature of the movement in the year.

q) Fee and commission income

The fee and commission income received from a particular activity is recognised through profit or loss when the activity has been completed.

As the services are provided, fee and commission income is recognised through profit or loss in the year to which it refers.

Fee and commission income that is an integral part of the effective interest rate of a financial instrument is recognised through profit or loss by the effective interest rate method.

The recognition of fees and commissions associated with financial instruments will depend on the objective underlying their charging.

Distinction between:

- Fees and commissions that are part of the effective interest rate of the financial instrument ("Effective interest rate method");
- Fees and commissions that are received in accordance with the provision of the service ("Method of linear recognition over the period of the operation"); and,
- Fees and commissions charged at the time of execution of a significant act ("Recognition at the time").

Fees and commissions associated with credit contracts paid at the initial time of the loan are deferred and recorded under the "Deferred income" heading, being subsequently recorded under income for the year throughout the useful life of the loan contracts and in accordance with the financial plan of the loans.

Fees and commissions relative to operations of loans and other financial instruments, namely fees charged or paid at the very beginning of the operations, are recognised throughout the period of the operations by the effective interest rate method under "Fee and commission income" or "Fee and commission expenses".

Fees and commissions for services rendered are normally recognised as income throughout the period that the service is rendered or once only if they correspond to compensation for the execution of single acts.

r) Income tax

The institutions belonging to SICAM are taxed individually, being subject to the tax system established in the Corporate Income Tax Code. There is also a group of institutions within the CA Group that are taxed under the Special Tax System for Groups of Companies (RETGS) foreseen in the Corporate Income Tax Code.

Total income tax recorded through profit or loss incorporates current and deferred taxes.

Current tax is calculated based on the taxable profit for the year, which is different from the book value profit due to adjustments to taxable profit foreseen in the Corporate Income Tax Code, arising from costs or income not relevant for tax purposes, or which will only be considered in other periods.

Deferred tax assets and liabilities correspond to the value of the tax recoverable and payable in future periods arising from temporary differences between the book value of an asset or liability and its tax base. Tax credits are also recorded as deferred tax assets.

Deferred tax liabilities are usually recorded for all temporary taxable differences, while deferred tax assets are only recorded up to the amount for which future taxable profits are likely so as to enable the use of the corresponding deductible taxable differences or tax losses. However, it should be noted that IAS 12 excludes the possibility of recording deferred taxes, among other situations, in the following cases:

- Temporary differences arising on the initial recognition of assets and liabilities in transactions that do not affect the accounting profit or loss or taxable profit; and

- Deductible temporary differences arising from profit not distributed to subsidiaries and associates, to the extent that parent company is able to control their reversal and when it is probable that this will not occur in the predictable future.

Deferred taxes are calculated using tax rates that are expected to be in force on the date of the reversal of the temporary differences, which correspond to the rates approved, or largely approved, on the reporting date.

When there are distinct tax rates applicable to different levels of taxable profit (e.g. the case of the state surcharge), the deferred tax assets and liabilities are measured using the average rates that are presume applicable to the taxable profit (tax loss) of the years in which the reversal of the temporary differences is expected to occur.

Income taxes (current or deferred) are reflected in the profit or loss for the year, except in cases when their underlying transactions have been reflected in other equity headings (for example, in the case of the revaluation of financial assets stated through other comprehensive income). In these cases, the corresponding tax is also recognised against equity, and does not affect the net income for the year.

The CA Group takes into account the guidelines of IFRIC 23 – Uncertainty over Income Tax Treatments and, accordingly, periodically assesses whether there are situations in which the application of the personal income tax legislation is subject to uncertain tax treatment and if it likely that that the Tax Authority or a Court accept the tax treatment adopted in the tax returns of the institutions comprising the Group.

s) Leases

Lease agreements - identification of assets

At the start of the contract, the Group evaluates whether a contract is or contains a lease. For a contract to be considered as a lease, the following three cumulative conditions must be met:

- the contract identifies one or more leased assets;
- the institution derives most of the economic benefits from using the leased asset; and
- the institution has the right to control the underlying asset, for the duration of the contract, in return for payment.

As the Lessee

In accordance with IFRS 16, a lease liability is measured at the present value of the sum of future payments to be incurred under the lease contract. To discount the payments the Group should use the implicit interest rate of the contract, considering that all the information is known to determine it. If the implicit rate is not determinable, an incremental interest rate should be used, requiring the institution to develop a methodology duly supported by internal and external information for its calculation.

I. Implicit interest rate is the discount rate that equals the fair value of the rents foreseen in the contract (including the residual value) to the fair value of the asset plus all the initial direct costs of the lessor. The main difficulty in ascertaining this rate is, in most cases, the scarce information available to the lessee relating to the residual value of the underlying asset and/or the amount of direct costs incurred by the lessor.

II. Incremental interest rate is the rate that a third party would charge the CA Group in a loan for the acquisition of an asset like that underlying the lease, under similar conditions, namely in terms of duration and guarantees. The calculation of incremental interest rates was segmented by type of underlying asset, based on internal and external information.

The spreads of Commercial Mortgage-Backed Securities (CMBS) and Residential Mortgage-Backed Securities (RMBS) in Portugal and Europe were used as a reference in real estate leasing operations, given the similarity between the operations that make up this type of issue and the assets underlying these leasing contracts.

Lease payments are discounted using the discount rate implicit in the contract if this is determinable.

In relation to the maturity of the lease to be considered in the calculation of the lease liability, its determination should consider the non-cancellable period of the lease, as well as the period covered by any options for extension of the term and/or early cancellation, if there is reasonable certainty as to its exercise. In situations where there are options for extension and/or cancellation of the term, it is up to the management to assess the reasonableness of their occurrence - the concept of "reasonably certain", in relation to its future decision.

To support its analysis, the CA Group used internal and market data that may require professional judgement, such as:

I. importance of the asset to the Group's business, lack of adequate alternatives;

II. significant economic benefits to the Group in the event of exercising the option to extend/cancel the contract or purchase the underlying asset;

III. any costs associated with the early cancellation of the contract, costs of changing and/or returning the asset;and

IV. comparison of the terms and conditions of the contract with current market conditions; among other data considered relevant.

As a lessee, the CA Group records an asset under right-of-use and a lease liability at the date on which control over the use of the leased asset is transferred to the Group.

The lease liability is measured at the present value of future rents to be incurred under the contract, discounting payments at the discount rate implicit in the contract, if this is determinable. When the implicit rate is not available or cannot be measured, an incremental Group borrowing rate should be used, corresponding to the rate that the lessee would use to pay the funds necessary to obtain an asset of similar value in an economic environment with comparable terms and conditions.

The payments taken into account in the calculation of the lease liability are: (i) fixed payments (including payments that are in substance fixed), less any amounts receivable for lease incentives; (ii) index or rate-dependent variable payments (if the payments considered variable are not dependent on an index or rate, they shall be recognised in the income statement at the time they are incurred); (iii) the amount relating to the exercise of the call option, if it is reasonably certain that the institution will exercise it ;and (iv) payments for non-lease components.

Lease liabilities are subsequently adjusted upwards to reflect the interest on the lease liability (using the effective interest rate method) and reduced to reflect the payments made.

The liability is remeasured whenever there is a change in one of the following variables: (i) change in the value of index or rate-dependent variable payments (for the period in question only); (ii) change in assessment as to whether or not to exercise the call option on the underlying asset; (iii) change in the residual value of the asset; or (iv) change in the term of the contract. If there is a change in the term of the contract or a change in the assessment of the exercise of the call option (points (ii) and (iv)), a new discount rate shall be calculated for the remeasurement of the liability. If the modification qualifies as a separate lease, this shall give rise to the quantification and recognition of a new right-of-use asset together with the related lease liability.When the lease liability is revalued, the difference arising from the revaluation is offset against the right-of-use asset or is recorded through profit or loss if the book value of the right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured at cost, corresponding to the initial value of the lease liability, adjusted for any payments incurred up to the inception date, plus any initial direct costs incurred and an estimate of the costs of dismantling and removing the underlying asset or restoring the underlying asset or the location in which it is located, less any lease incentives received.

Subsequently, the right-of-use asset is depreciated using the straight-line method, from the start date to the end of the useful life of the right-of-use asset or the end of the lease term. Additionally, the right-of-use asset is periodically adjusted if re-measures are made to the lease liability.

When there are indicators of loss in value, impairment tests are carried out on right-of-use assets, reducing their value in situations of impairment losses.

Whenever the CA Group incurs an obligation to dismantle and remove a leased asset, restore the site on which it is located, or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised in accordance with IAS 37. The expenses are included in the right-of-use asset.

Lease incentives (e.g. non-rental lease periods) are recognised as items of measuring right-of-use assets and lease liabilities, as received or receivable, respectively.

Variable rents that do not depend on an index or rate are not included in the measurement of lease liabilities or right-of-use assets. Such payments are recognised as expenses in the period in which the event or condition giving rise to the payments occurs.

Practical expedients - Short-term leases, low value leases and separation of components

As provided for in the standard, the Group has adopted the following practical expedients, in particular:

- Non-recognition of lease liabilities and respective right-of-use for lease contracts (i) with a duration not exceeding 12 months (short term) or (ii) where the underlying asset has a value, in its new state, of less than 5,000 euros (low value);
- Non-segregation of the non-leasing component in the estimate of the lease liability and corresponding right of use, therefore measuring the financial liability and the respective right of use considering the total amount to be incurred with the operation; and
- These contracts are accounted for under 'Other administrative expenses'.

The right-of-use assets are included in the balance sheet under "Tangible assets" (Note 12) and the lease liabilities under "Other liabilities" (Note 20).

As the Lessor

When the CA Group is a sublessor, the accounting for the main lease and the sublease is done as 2 separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset of the main lease.

The lessor of the sublease, simultaneously lessee with respect to the original lease, should recognise an asset, right-of-use, in the balance sheet relative to the primary lease (if classified as an operating lease) or a financial lease relative to the sublease (if classified as a finance lease). If the primary lease is of short duration, then the sublease should be classified as an operating lease.

When a given contract includes payments of lease components and other components, the Crédito Agrícola Group applies IFRS 15 - Revenue from Contracts with Customers, to allocate the consideration of the contract to each component, and only the lease components are considered for registration under IFRS 16.

If the CA Group (the seller-lessee) transfers an asset to another institution (the buyer-lessor) and re-leases that asset the from the buyer-lessor, both the seller-lessee and the buyer-lessor should state the transfer contract and the lease for accounting purposes.

Finance leasing

As a lessor, the assets divested under finance leasing arrangements are derecognised from the balance sheet, with the recording of a loan granted "Loans to customers" (sum equivalent to the value of the net investment made in the leased assets, plus any unsecured residual in favour of the CA Group), which is repaid through constant principal payments stipulated in the financial plan of the contracts. The interest included in the lease payments are recorded as financial income under "Interest Income", based on a constant periodic rate of return, calculated on the net investment value referred to above.

Upon the date of entry into force, the lessor should recognise the assets held under finance lease arrangements in its statement of financial position and present them as an account receivable for a value equal to that of the net investment in the lease.

Operating leasing

The CA Group, as lessor, recognises the operating leases as income, whether on a straight-line basis or another systematic basis. Another systematic basis should be applied if that basis is more representative of the model in which the benefit of the use of the underlying asset is reduced. Payments are recorded in the consolidated income statement under the heading of "Other operating income".

t) Insurance and investment contracts

Insurance contracts are contracts under which GCA assumes a significant insurance risk from another party, by accepting an amount (premium), agreeing to compensate it in the event of an uncertain future event that adversely affects it. This type of contract is established under IFRS 17.

Investment contracts are contracts which exclusively involve financial risk. These contracts may also be differentiated between purely financial contracts in which the risk can be taken by the CA Group or by the policyholder and those with a discretionary participation feature (profit-sharing).

If the investment contracts are pure or the investment risk is borne by the policyholder, they fall within the scope of IFRS 9; if they have discretionary participation features, they fall within the scope of IFRS 17 (Capitalisation products with guaranteed rates and profit sharing).

Reinsurance contracts are insurance contracts issued by one entity (the reinsurer) to compensate another entity for claims arising from one or more insurance contracts issued by that other entity. The requirements applicable to reinsurance contracts apply in the same way, except for slight adaptations.

Insurance contracts, reinsurance contracts and investment contracts with discretionary participation features are recognised and measured as follows:

Revenue from insurance contracts

Revenue from insurance contracts is recorded as income in the year as GCA provides services.

For contracts measured using the premium allocation approach or simplified model (PAA), income for the period corresponds to the amount of expected premium income allocated to the period, based on the passage of time.

For insurance contracts measured using the General Measurement Model (GMM) or the Variable Fee Approach (VFA), insurance contract revenues are made up of the following elements:

- Release of the contractual service margin

The contractual service margin ("CSM") is a new concept introduced by IFRS 17, which seeks, as an alternative to recognising an immediate gain at the beginning of a given group of contracts, that there is a phased recognition of the profitability of contracts over time in an explicit way, based on the standard of services provided.

As the services are rendered, at each reporting time, part of the contractual service margin is released, so that the profit from a given group of contracts is recognised in gains and losses under "Revenue from insurance contracts - Release of the contractual service margin for the services transferred".

- Release of outgoing cash flows relating to claims and attributable non-acquisition expenses estimated for the period

This item recognises as income the outflows relating to claims and expenses other than attributable acquisitions estimated by GCA for the year.

- Release of the risk adjustment for the period

Under this heading, the risk adjustment estimated by the Company for the year is recognised as income.

Insurance contract costs

Insurance contract costs are made up of the following elements:

- Incurred claims and other costs attributable to insurance contracts

This item includes the value of amounts paid out and the change in the provision for claims during the year, as well as the costs attributable to insurance contracts which are not related to acquisition costs (namely administrative, claims management and investment costs, if applicable).

- Directly attributable acquisition costs

In the case of the application of the premium allocation approach, directly attributable acquisition costs are recognised as a cost in the year to which they refer.

For groups of contracts measured using the general measurement model or variable fee approach, experience adjustments relating to attributable acquisition cash flows are deferred over the hedging period of the group of contracts and incorporated through the release of the contractual service margin.

- Changes to past services

This item includes the value of amounts paid and the change in the provision for claims in previous years, if applicable.

- Changes to future services

This heading recognises the value of the loss component and the reversal of the loss component of insurance contracts, if applicable.

Revenues from reinsurance contracts

Revenues from reinsurance contracts correspond to amounts receivable from reinsurers relating to incurred claims.

Expenses from reinsurance contracts

Reinsurance contract costs correspond to reinsurance premiums ceded net of fees and commissions received.

u) Assets and/or liabilities of insurance contracts

Life Insurance Business

Insurance contract assets or liabilities correspond to the sum of the headings "Life insurance contract liabilities - Future services" and "Life insurance contract liabilities - Past services". When the sum of these two items corresponds to a negative liability at the level of IFRS 17 portfolios, then an insurance contract asset is recognised, otherwise an insurance contract liability is recognised.

Life reinsurance liabilities are also measured using the general measurement model.

- Liabilities for future services

Life insurance contract liabilities relating to future services correspond to the best estimate of the estimated liabilities for the remaining coverage of the insurance contracts.

The General Measurement Model (GMM) is the default model used to measure insurance company contracts. At the time of initial recognition, the measurement of groups of contracts according to this model is based on the following elements:

- estimates of expected future cash flows over the contract coverage period;

The expected future cash flows of each insurance contract are estimated based on the following measurement principles:

- Includes all the cash flows covered by the border of each contract;
- Incorporates in an unbiased and impartial manner all reasonable and available information, so that the insurance company does not have to incur excessive costs to assess the amount, timing and uncertainty of these future cash flows;
- Reflects GCA's perspective (as long as the estimates of market variables are consistent with the observable prices of those same variables);
- Reflects the information existing at the measurement date;
- They are measured explicitly, i.e. separately from the effect of discounting and risk adjustment;

• An adjustment that reflects the time value of money and the financial risks related to future cash flows (discount curve)

The discount curve must (i) reflect the time value of money, the features of the cash flows and the liquidity features of the insurance contracts; (ii) be consistent with the observable market prices of instruments with cash flows whose features are consistent with those of the insurance contract (in terms of timing, currency and liquidity); and (iii) exclude the effect of factors that influence the observable market prices but do not affect the future cash flows of the insurance contracts.

In deriving the discount curve, GCA applies the bottom-up approach, which corresponds to the risk-free interest rate structure published monthly by EIOPA plus an illiquidity premium calculated on the basis of CA Vida's financial instruments (government and corporate bonds).

With the aim of reducing the possible accounting mismatch between the accounting options taken for the measurement of liabilities (under IFRS 17) and the accounting options taken for assets to cover liabilities (under IFRS 9), GCA in the Life business exercised the option to disaggregate the income and costs of the financial component between gains and losses and other comprehensive income for all insurance contract portfolios.

• a risk adjustment for non-financial risk

The risk adjustment corresponds to the compensation necessary to support the uncertainty about the amount and timing of cash flows resulting from "non-financial" risk.

The estimation technique used by GCA to calculate the risk adjustment for the Life business is Value at Risk, with a confidence level of 80%.

With regard to the effect of financial risk on the risk adjustment component, GCA opted to break down the financial component between gains and losses and other comprehensive income.

• a contractual services margin (CSM), which represents the unrealised profit of the group of contracts;

At the time of initial recognition, the contractual service margin corresponds to the net difference between the present value of the incoming cash flows and the outgoing cash flows and the risk adjustment, and cannot be negative. If the contractual service margin of a given group of contracts is negative at the time of initial recognition, that same group is onerous and the losses are recognised immediately in the income statement.

The contractual service margin is constituted at the level of the IFRS 17 contract group (being the unit of account to be considered), i.e. the portfolio combination, profitability group (profitable, with no significant possibility of becoming onerous or onerous) and cohort.

In the subsequent measurement, i.e. at each reporting moment, the contractual service margin is calculated in such a way as to capture the following effects:

• New contracts added to the contract groups (new business);

• Accrued interest: the interest applied to the contractual service margin is calculated on the basis of the discount curve determined at the time of initial recognition of the group of contracts, known as the locked-in rate;

• Change in cash flows linked to the fulfilment of contracts for future services, which essentially includes (i) experience adjustments arising from premiums and acquisition cash flows; (ii) changes in estimates arising from changes in non-financial assumptions (mortality, redemptions, annulments, among others) and (iii) changes in the risk adjustment related to future services; and

• Revenue to be released to the income statement due to the transfer of services during the year. The release of the contractual service margin is determined on the basis of coverage units (insured capital in the case of risk products and mathematical reserve for financial products with participation), which reflect the quantity of benefits and the expected duration of coverage of the contracts in the group.

When measuring the contractual service margin, there are differences between the application of the general measurement model and variable fee approach, which are summarised in the following table:

	General model	VFA model
Effect of new contracts added to the group	✓	✓
Effect of interest accrual	✓	✗
Effect of changes in the fair value of underlying items	✗	✓
Changes in cash flows linked to future services	✓	✓
Revenue due to the transfer of services in the period	✓	✓

GCA recognises profits and expenses for the following changes in the book value of the liability for remaining coverage:

- Revenues from insurance contracts - for the reduction of the liability for remaining coverage according to the services rendered during the period;

- Insurance contract expenses - for losses on groups of onerous contracts and reversals of possible losses; and

- Result of the financial component - for the effect of the time value of money and the effect of financial risk (e.g. inflation)

CA Vida has defined the following accounting policies for the Simplified Model (premium allocation approach or PAA):

- Acquisition costs directly attributable to contracts are recognised as an expense as these costs are incurred. The value of the liability for remaining coverage thus corresponds to the value of the premiums received, without deduction of any attributable costs;

- It does not adjust to reflect the time value of money, since GCA does not expect the time between the provision of each part of the services and the due date of the related premium to be more than one year, and since there are no financing components associated with GCA's contracts.

- Liabilities for past services

The liabilities for life insurance contracts relating to past services correspond to the best estimate of the liability for claims made by combining two methods. The first is based on a case-by-case analysis, determining the claims that have occurred and those that have yet to be settled. The second consists of applying statistical methods that calculate the provision for incurred claims but not reported on the reporting date and any associated costs ("IBNR").

- Investment contract liabilities

Liabilities associated with investment contracts in which the risk is borne by the borrower are valued at fair value, determined on the basis of the fair value of the assets that make up the investment portfolio allocated to each product, less the corresponding management fees, and recorded under "Financial liabilities from insurance contracts and operations considered for accounting purposes to be investment contracts".

Investment contract liabilities are recorded (i) initially at fair value less transaction costs incurred and (ii) subsequently at amortised cost, based on the effective interest rate method.

Non-Life insurance business

Insurance contract assets or liabilities correspond to the sum of the headings "Non-Life insurance contract liabilities - Future services" and "Non-Life insurance contract liabilities - Past services". When the sum of these two items corresponds to a negative liability at the level of IFRS 17 portfolios, then an insurance contract asset is recognised, otherwise an insurance contract liability is recognised.

The main accounting policies and measurement bases for insurance contract liabilities are as follows:

• Liabilities from insurance contracts relating to future services

Non-Life insurance contract liabilities relating to future services correspond to the best estimate of the estimated liabilities for the remaining coverage of the insurance contracts.

GCA recognises acquisition costs directly attributable to contracts as an expense as these costs are incurred. The value of the Liability for Remaining Coverage (LRC) thus corresponds to the value of the premiums received, without deduction of any attributable costs. The value of the liability for remaining coverage is not adjusted to reflect the time value of money, since GCA does not expect the time between the provision of each part of the services and the maturity date of the related premium to be more than one year, and since there are no financing components associated with GCA's contracts.

• Liabilities from insurance contracts relating to past services

In order to calculate liabilities for insurance contracts relating to past services or provisions for incurred claims, the general model requires that this type of liability corresponds to the sum of the following elements:

• Estimates of expected future cash flows relating to the provision of the service in the past

The expected future cash flows relating to past services correspond to the costs of incurred claims but not yet settled, the estimated liability for claims that have been incurred but not yet reported ("IBNR") and the direct and indirect costs associated with their settlement. The provision for IBNR claims is estimated by the Company based on past experience, available information and the application of statistical methods.

To determine this provision, an analysis is made of the claims in progress at the end of each year and the consequent estimate of the liability existing on that date. Deterministic and stochastic methods are used to calculate this provision in the accidents at work business, in the part not relating to pensions, and in the motor business.

In order to calculate the provision for IBNR claims in business lines related to vehicles, accidents at work, personal accidents, housing, trade and services, and civil liability (operations and in general), actuarial estimates were made based on triangulation of amounts paid, considering the specific features of each business. For all other business lines, a general rate of 4% was applied to the value of costs related to claims for the year of declared claims, to provision the liability related to claims declared after the closing of the year. The provision for claim management costs is calculated using the average cost method.

Under the terms required by the standard, the estimate of cash flows includes incorporates in an unbiased and impartial manner all reasonable and available information, and the insurance company does not have to bear excessive costs to assess the amount, timing and uncertainty of these future cash flows; reflects the perspective of GCA (provided that the estimates of market variables are consistent with the observable prices of these same variables); reflects the information existing at the measurement date; are measured explicitly, i.e. separately from the effect of discounting and risk adjustment;

In the particular case of the Accidents at Work modality, the cash flows correspond to liabilities for compulsorily redeemable and non-compulsorily redeemable pensions, as well as liabilities for lifetime assistance. These liabilities include IBNR.

• An adjustment that reflects the time value of money and the financial risks related to future cash flows (discount curve)

The discount curve must (i) reflect the time value of money, the features of the cash flows and the liquidity features of the insurance contracts; (ii) be consistent with the observable market prices of instruments with cash flows whose features are consistent with those of the insurance contract (in terms of timing, currency and liquidity); and (iii) exclude the effect of factors that influence the observable market prices but do not affect the future cash flows of the insurance contracts.

In deriving the discount curve, GCA applies the bottom-up approach, which corresponds to the risk-free interest rate structure published monthly by EIOPA plus an illiquidity premium calculated on the basis of CA Seguros' financial instruments (essentially government and corporate bonds).

With the aim of reducing the possible accounting mismatch between the accounting options taken to measure liabilities (under IFRS 17) and the accounting options taken to hedge liabilities (under IFRS 9), GCA exercised the option to disaggregate the income and costs of the financial component between gains and losses and other comprehensive income for all insurance contract portfolios.

Based on the illiquidity features of the liabilities of the insurance contracts operated by GCA, and given the duration of the liabilities of these same contracts, GCA applies a different discount curve for the Accidents at Work modality to the one it applies for the other branches.

• A risk adjustment for non-financial risk

The risk adjustment corresponds to the compensation necessary to support the uncertainty about the amount and timing of cash flows resulting from "non-financial" risk.

GCA applied the Value at Risk (VaR) methodology to calculate the risk adjustment of the remaining hedge provision. The VaR methodology made it possible to select, *a priori*, the confidence level desired by GCA for the level of prudence to be considered when calculating the best estimate of the liabilities of the groups of contracts, thus obtaining a risk adjustment that will implicitly correspond to the defined confidence level. The confidence level of the defined risk adjustment was 80% considering an ultimate view. With regard to the level of confidence in the Motor - Third Party Liability branch, this reflects a percentile of 90% at the date of this report. GCA intends to align it with all the other branches/products.

With regard to the effect of financial risk on the risk adjustment component, GCA chose to break down the financial component between other comprehensive income and gains and losses.

• Assets from reinsurance contracts relating to future and past services

Are determined by applying the criteria described above for direct insurance, considering the percentage assignment to reinsurance as well as other clauses in the reinsurance treaties in force.

v) Assets and/or liabilities of reinsurance contracts

Assets or liabilities from reinsurance contracts correspond to the sum of the headings "Assets from life reinsurance contracts - Future services" and "Assets from life reinsurance contracts - Past services". When the sum of these two items corresponds to a positive liability at the level of IFRS 17 portfolios (reinsurance treaty) then an asset from reinsurance contracts is recognised, otherwise a liability from reinsurance contracts is recognised.

w) Contingent assets

Contingent assets arise due to unexpected or unplanned events, from which the possibility of an inflow of an economic benefit arises. Contingent assets are not recognised in the financial statements unless the receipt of the economic benefit is considered practically certain. If the economic benefit is probable, it will be mentioned in the explanatory notes for the corresponding contingent asset.

Contingent assets are subject to continuous assessment to ensure that their evolution is adequately reflected in the financial statements.

x) Offsetting financial instruments

The financial assets and liabilities are presented in the balance sheet at their net value when there is a legally enforceable right to set off the amounts already recognised and there is an intention to settle them at their net value or realise the asset and settle the liability simultaneously. The exercisable legal right cannot be contingent on future events, and should be exercisable during normal business activity, and likewise in the case of default, bankruptcy or insolvency of the Group or counterpart.

y) Classification of cash flows

The cash flow statement reports cash flows during the period classified by operating, investment, and financing activities:

<u>Operating activities</u> – are the main activities producing revenue and other activities that are neither investment nor financing;

<u>Investment activities</u> – are the acquisition and disposal of assets in the long-term and of other investments not included in cash equivalents; and

<u>Financing activities</u> – are activities that lead to changes in the size and composition of the equity and in the loans obtained by the institution.

Cash flows related to leases are presented as follows:

a) Payments of the principal components of lease liabilities are classified as cash flows from financing activities;

b) Interest component payments are also classified as cash flows from financing activities; and

c) Short-term leases, lease payments for immaterial assets and variable lease payments that are not included in the measurement of lease liabilities are classified as cash flows from operating activities.

The Group, in its insurance business, classifies cash flows for purchase and disposal of investment assets in its operating cash flows, as the purchases originate in cash flows associated to the beginning of insurance and investment contracts, net of the cash flows for payment of insurance benefits and claims, as well as benefits of investment contracts.

z) Capital

Share capital certificates are recorded in the share capital. The Articles of Association of the Caixas de Crédito Agrícola stipulate the conditions of exoneration of the associates and the entry of new partners (see Note 22). As for the other Group companies, their capital is annulled by way of consolidation adjustments (see Note 4).

aa) Fair value of financial instruments

As established in IFRS 13, the financial instruments recorded in the balance sheet at fair value are classified according to the following hierarchy:

Level 1 – Prices in active markets

This level includes financial instruments valued based on active market prices (executable bids), disclosed through trading platforms;

Level 2 – Valuation techniques based on market data

This level considers financial instruments valued by inhouse models which use observable market data, namely interest rate or exchange rate curves.

Level 3 - Valuation techniques using inputs not based on observable market data.

This level includes financial instruments valued based on in-house valuation methods essentially considering inputs not observable in markets with significant impact on the valuation of the instrument or valued based on indicative bids calculated by third parties through valuation models.

For items classified at this level, the assumptions used to obtain the fair value was the price/sales quotation of the last transaction made between unrelated parties.

bb) Subsequent events

Subsequent events refer to the accounting treatment to be given to events occurring after the reporting date and before the issue date of the consolidated financial statements.

Events that occurred after the reporting date and before the issue of the consolidated financial statements, which provide additional information, or confirm situations pending at the reporting date are adjusted in this set of consolidated financial statements.

Events that occurred after the reporting date and before the issue of these consolidated financial statements, which are not related to situations that existed at the reporting date, do not give rise to adjustments in the consolidated financial statements and are disclosed, if considered material.

cc) Segmental reporting

Pursuant to IFRS 8 – Operating Segments, the financial information is disclosed by operating segments.

An operating segment is a component:

(a) that pursues business activities in which revenue can be gained or expenses may be incurred;
(b) whose operating results are regularly reviewed by the Institution's chief operating decision maker for purposes of allocating resources to the segment and assessment of its performance; and
(c) relative to which distinct financial information is available.

The CA Group opted to report information by the following segments: commercial/retail banking, investment fund and asset management, insurance activity and others (Note 50).

2.5. Adoption of IFRS 17 and IFRS 9

2.5.1. Adoption of IFRS 17 - Insurance Contracts

IFRS 17 introduces major changes to the recognition, measurement, presentation and disclosure of insurance contracts, with the main regulatory requirements being (i) Scope and separation of components; (ii) Level of aggregation; (iii) Measurement models; (iv) Cash flows and treatment of expenses; (v) Risk adjustment; (vi) Discount rate; (vii) Contractual service margin; (viii) Income or Loss from the financial component; (ix) Transition; (x) Reinsurance.

(i) Scope and separation of components

Under the terms of the standard, insurance contracts are within the scope of IFRS 17, including accepted reinsurance contracts; ceded reinsurance contracts; and investment contracts with discretionary participation features, if the entity also issues insurance contracts.

With regard to the separation of components, IFRS 17 requires insurance companies to identify and separate service components, investment components or embedded derivatives from an insurance contract, accounting for them in accordance with the relevant IFRS standards.

The insurance business carried out by CA Vida and CA Seguros continually assesses the characteristics and components of new contracts marketed in line with the requirements defined by IFRS 17, in order to (i) determine whether they constitute insurance contracts and thus fall within the scope of the standard; (ii) identify, where applicable, the need to separate components of these same contracts; and (iii) if different components are identified, ensure that they are treated in accordance with the applicable accounting standards (other than IFRS 17).

With regard to the classification of contracts, and given that the terminology used to define what constitutes an insurance contract and an investment contract with discretionary participation features has remained relatively stable between the accounting principles laid down in IFRS 4 and now in IFRS 17, it was considered appropriate to take as a starting point the accounting principles under which the classification of contracts was carried out when IFRS 4 was adopted.

With regard to the separation of components, CA Vida does not hold any contracts where investment components or embedded derivatives (subject to IFRS 9) or services (subject to IFRS 15) have not been identified, other than the insurance component of the contracts, and has therefore applied IFRS 17 to all contracts. For contracts with discretionary participation features, life insurance has non-distinct investment components, while non-life insurance (CA Seguros) does not also have investment components (distinct or non-distinct) that should be separated and evaluated under other IFRS.

(ii) Level of aggregation

According to the provisions of the standard, insurance companies must aggregate insurance contracts based on three criteria: portfolios - groups of contracts exposed to similar risks and managed jointly, level of onerousness - portfolios must be segmented based on the level of profitability of the contracts (Onerous; Profitable; Other) and cohorts (contracts issued more than 12 months apart cannot belong to the same group of contracts, so insurance companies must establish an additional segmentation of groups of contracts based on their issue date).

CA Vida and CA Seguros analysed each of the aggregation levels provided for in the standard in order to define the groups of contracts that best characterise their portfolio.

When identifying portfolios of contracts exposed to similar risks and managed jointly, CA Vida and CA Seguros considered the main drivers to be the type of product marketed, the characteristics of the products that justify their joint or separate management, the characteristics of the contracts that imply the adoption of different IFRS 17 measurement models, the boundary of the contracts and existing segmentations (namely under Solvency II).

At CA Vida, for products measured using the general measurement model or the variable fee approach, the classification of contracts as profitable or onerous at the time of their initial recognition is based on all the respective expected cash inflows and outflows, including a risk adjustment and the effect of discounting, under the terms of the standard. The IFRS 17 requirement concerning cohorts is subject to an optional exemption, the result of the European Union's endorsement in which the Commission grants the right to choose whether or not to apply this requirement to certain contracts. CA Vida has chosen not to make use of this exemption.

Based on the analysis of these drivers, CA Seguros has defined the following IFRS 17 accounting portfolios, based on the two criteria established by the standard, and taking the insurance contract in its legal form as the minimum unit of account, the non-life business:

IFRS 17 accounting portfolios			
1	Accidents at Work	7	Marine and Transportation
2	Personal accidents	8	Other damage
3	Financial Protection	9	Harvests
4	Civil Liability	10	Mortgage loans
5	Health	11	Corporate
6	Motor	12	Construction risks - works and assembly

For the purposes of assessing the profitability of insurance contracts, the costliness test is calculated based on the historical combined ratio, measured between the sum of claims expenses (including the risk adjustment component) and expenses attributable to insurance contracts and insurance contract revenues. This ratio is adjusted based on expected claims and future costs in order to capture analyses and reviews of portfolio reorganisation, tariff reviews, among others.

Based on the characteristics of CA Vida's contracts, in terms of joint management and similarity of the risks inherent in the contracts, the following accounting portfolios were defined for life insurance:

Scope IFRS 17	
Accounting classification	**IFRS 17 Portfolios**
Insurance contract	TAR_repricing TAR_no_repricing TAR_PCH_Old Temporary CA Protecção Fundo de Pensões
Investment contracts with discretionary participation features	PPR with PR Capitalisation with PR

TAR_repricing: this portfolio covers Temporary Annual Renewable ("TAR") insurance contracts with a coverage period of 1 year and for which GCA has the right to change the value of the contract rate when it is renewed;

TAR_no_repricing: temporary annual renewable insurance with extended contractual term, as GCA waived its right to change the tariff value of the contracts when they were renewed;

TAR_PCH Old: temporary annual renewable insurance with an extension of the contractual term associated with the "Mortgage Protection" product, which is charged at a fixed rate, having been the subject of a provision for portfolio stabilisation in the light of the old PCES;

Temporary: this portfolio covers traditional temporary insurance in the event of death;

CA Proteção Fundo de Pensões: portfolio covering contracts associated with the "CA Proteção Fundo de Pensões" product. The Company has chosen to separate this product in a single portfolio as it is the only product measured by the simplified model;

PPR with PR: retirement savings plan insurance with the possibility of profit sharing;

Capitalisation with PR: capitalisation insurance with the possibility of profit sharing.

(iii) Measurement models

The standard presents three new measurement models that reflect a different extent of the policyholder's discretionary participation and the insurer's overall performance.

The standard establishes that the General Measurement Model (GMM) is the default model for measuring insurance company contracts. At the time of initial recognition, the measurement of groups of contracts according to this model is based on the following elements: the cash flows linked to the fulfilment of the contracts, which comprise the estimates of future cash flows expected over the period of coverage of the contract; an adjustment that reflects the time value of money and the financial risks related to future cash flows; and a risk adjustment for non-financial risk. The other element is the contractual services margin (CSM), which represents the unrealised profit of the group of contracts. Subsequent measurement should correspond to the sum of liabilities for future services (liability for remaining coverage) and liabilities for past services (liabilities for incurred claims).

The Variable Fee Approach (VFA) is an adaptation of the mandatory general model for insurance contracts with direct participation features. The standard explicitly states that the variable fee approach does not apply to the measurement of reinsurance contracts. The variable fee approach represents a more appropriate methodology for measuring contracts with direct participation features, compared to the methodology underlying the general model, since contracts with direct participation in results include a significant investment component. These are contracts under which insurance companies provide the policyholder with an investment-related service, taking into account a set of underlying assets and charging a variable fee (which varies with the fair value of the underlying assets).

The Premium Allocation Approach (PAA) is a simplification provided for in the standard for measuring groups of insurance contracts. Among the main advantages of the simplified method, in accounting terms, is the fact that this approach does not require the separate identification of the components of the general model until a claim occurs. This approach translates into an accounting result similar to that resulting from the unearned premium approach, which was traditionally considered for short-duration contracts under IFRS 4. The adoption of the premium allocation approach is optional for each group of insurance contracts that meets the eligibility criteria considered in the standard. Taking into account that non-life insurance meets the eligibility criteria, the premium allocation approach was applied to its entire liability portfolio.

The non-life business (CA Seguros) applies the premium allocation approach to its entire portfolio of insurance and reinsurance contract liabilities, since the vast majority of these contracts have a coverage period of one year or less.

The life business applies the general measurement model to the majority of its liability portfolio, the premium allocation approach to the CA Proteção Fundo de Pensões product and the variable fee approach to investment contracts with discretionary participation features that are eligible as insurance contracts with direct participation features under the criteria defined in the standard.

With regard to the accounting options set out in the standard for the application of the simplified model, the Group has defined the following accounting policies for life insurance:

- Recognise insurance acquisition cash flows directly attributable to contracts as an expense as these costs are incurred;
- Not adjust the liabilities for remaining coverage (LRC) - Liabilities from future service insurance contracts - to reflect the time value of money, since the time between the provision of each part of the services and the due date of the related premium is not expected to exceed one year, and since there are no financing components associated with CA Vida's contracts;
- Not adjust the liability for incurred claims (LIC) - Liabilities from past service insurance contracts - to reflect the time value of money and the effect of financial risk, since no cash flows are anticipated from claims payable over a time horizon exceeding one year in relation to the date on which the claims occur.

(iv) Cash flows and treatment of expenses

Under the terms of the standard and applicable to insurance contracts with a coverage period of more than one year, when determining the boundary of a contract, all the policyholder's substantive rights are taken into account, whether they exist for contractual, legal or regulatory reasons; restrictions without commercial substance are not considered.

The substantive obligation to provide a service ends when the insurance undertaking has the ability to reassess the risks of a specific policyholder and, consequently, can establish a price or adjust the benefits reflecting those risks, or when the following two criteria are met: the insurer has the right or ability to reassess the risks of the portfolio of insurance contracts containing the contract and, consequently, can establish a price or adjust the benefits reflecting those risks, and the pricing of premiums up to the date of the reassessment of risks does not take into account risks related to future periods.

In these terms, the cash flows within the limits of an insurance contract are those directly related to the fulfilment of the contract.

In accordance with the provisions of the standard, insurance companies must include in the calculation of estimated future cash flows the cash flows from the acquisition of insurance, as well as the cash flows from fixed and variable expenses that are directly attributable to insurance contracts, groups of insurance contracts or the portfolio in which the groups of insurance contracts are included.

Taking into account the provisions of the standard, the costs were analysed in order to determine which costs could be classified as directly attributable to the contracts and which costs could be classified as not directly attributable to the contracts.

The cost allocation matrix for CA Vida's various functions was also revised.

(v) Risk adjustment

The standard states that an entity should adjust the calculation of the present value of future cash flows to reflect the compensation that the entity requires to bear the uncertainty about the amount and timing of cash flows resulting from non-financial risks. There is no specific methodology for each insurance company to derive its risk adjustment, with the standard stating instead that judgement should be used by each entity to determine the most appropriate technique for estimating this metric.

Without prejudice, the standard establishes some principles to which the derivation of the risk adjustment should take into account, namely that the risk adjustment should be explicit, capture only non-financial risks, reflect the expected diversification benefit and each entity's perception of the degree of risk aversion.

The standard also states that in selecting the most appropriate technique for estimating risk adjustment, an insurance company should consider whether the technique provides concise and informative disclosure so that *stakeholders* can compare the entity's performance with that of other entities.

As the standard is based on high-level principles regarding the measurement of risk adjustment, the quantification of this indicator requires each company to analyse and select a set of methodological options.

CA Vida and CA Seguros applied the Value at Risk (VaR) methodology to calculate the risk adjustment of the remaining provision for coverage. The VaR methodology allows the selection, *a priori*, of the confidence level desired by the life and non-life business for the level of prudence to be considered when calculating the best estimate of the liabilities of the groups of contracts, thus obtaining a risk adjustment that will implicitly correspond to the confidence level defined. For non-life insurance, the confidence level of the risk adjustment is 80% considering an ultimate view. The Motor - Civil Liability business reflects a 90% percentile at the date of this report. GCA intends to align it with all other non-life business lines/products.

For the risk adjustment of the provision for the remaining coverage (LRC), taking into account the fact that non-life business mostly has contracts with a coverage period of less than or equal to 1 year, calculated using the simplified model, only in the case of onerous contracts will a risk adjustment be calculated. Considering that non-life insurance does not have onerous contracts, there was no need to calculate any risk adjustment for this provision.

(vi) Discount rate

The standard states that an entity should adjust estimates of future cash flows to reflect the time value of money, as well as the financial risks associated with those cash flows, if they are not reflected in the estimates of cash flows.

The standard thus defines three main requirements for applying discounting to future cash flows. The discount rate should reflect the time value of money, cash flow features and liquidity features of insurance contracts, be consistent with observable current market prices (if any) for financial instruments with cash flows whose features are consistent with those of insurance contracts, for example in terms of timing, currency and liquidity, and exclude the effect of factors that influence those observable market prices but do not affect the future cash flows of insurance contracts.

The standard is not prescriptive in relation to the method for estimating discount rates in IFRS 17, but establishes a set of general principles for the rates that should be considered when discounting insurance companies' liabilities. In particular, the standard requires discount rate estimates to be consistent with other estimates used to measure insurance contracts, in order to avoid double accounting or omissions.

IFRS 17 does not require any particular or preferred default estimation technique to determine discount rates. In any case, the standard stipulates that when applying an estimation technique, insurance companies should maximise the use of observable inputs and reflect all supportable and reasonable information in available non-market variables, avoiding the excessive and deliberate use of resources and effort (internal or external), reflect current market conditions from a participant perspective and apply judgement to the degree of similarity between the features of insurance contracts and the features of financial instruments for which market prices are observable and if differences are identified, the observed prices should be adjusted accordingly. The standard proposes two methods for determining IFRS 17 discount rates for insurance contract cash flows that do not vary based on the return on the underlying items: the bottom-up approach or the top-down approach.

CA Vida and CA Seguros applied the bottom-up approach to deriving the IFRS 17 discount rates, which consists of determining the discount rates by adjusting a net risk-free yield curve to reflect the differences between the liquidity features of the financial instruments on which the market rates are based and the liquidity features of the insurance contracts.

With regard to the systematic allocation approach to be adopted in the recognition of these income and costs and considering the fact that the cash flows payable to policyholders do not change significantly due to changes in financial risks, CA Vida recognised in the accounts the variations arising from changes in the effect of time value and financial risk based on the locked-in allocation approach, i.e.:

- The effect of the discount included in the calculation of the present value of the cash flows based on the locked-in discount rate corresponds to the rate on the date of initial recognition of the contract, the increase in interest on which is recognised in the financial component of the income statement

- The difference relating to the effect of the discount calculated on the basis of the current rate and the locked-in rate will be recognised in the financial component reserve

Based on the illiquidity features and duration of insurance contract liabilities, GCA applied the following discount curves to discount the cash flows of insurance and reinsurance contract liabilities relating to future services:

Life insurance business

	Discount Curve (weighted average)		
Maturities	31-Dec-23	31-Dec-22	01-Jan-2022
1	3.62%	3.35%	-0.50%
2	3.57%	3.36%	-0.49%
3	2.93%	3.45%	-0.30%
4	2.70%	3.36%	-0.16%
5	2.61%	3.32%	-0.06%
6	2.59%	3.29%	0.00%
7	2.59%	3.27%	0.06%
8	2.60%	3.26%	0.12%
9	2.62%	3.25%	0.17%
10	2.64%	3.25%	0.24%
15	2.73%	3.22%	0.46%
20	2.68%	2.97%	0.51%
30	2.74%	2.86%	1.08%

Non-Life insurance business

Maturities	31-Dec-23		31-Dec-22		01-Jan-2022	
	AT	OLoBs	AT	OLoBs	AT	OLoBs
1	3.357	3.357	3.176	3.176	-0.430	-0.482
2	3.357	3.357	3.176	3.176	-0.430	-0.482
3	2.690	2.690	3.295	3.295	-0.240	-0.292
4	2.439	2.439	3.203	3.203	-0.091	-0.143
5	2.350	2.350	3.152	3.152	0.010	-0.042
6	2.323	2.323	3.131	3.131	0.071	0.019
7	2.321	2.321	3.110	3.110	0.129	0.077
8	2.331	2.331	3.091	3.091	0.185	0.133
9	2.349	2.349	3.086	3.086	0.243	0.191
10	2.370	2.370	3.088	3.088	0.302	0.250
15	2.467	2.467	3.053	3.053	0.534	0.482
20	2.414	2.414	2.807	2.807	0.583	0.531
30	2.517	2.517	2.721	2.721	1.141	1.097

Note: AT: Accidents at work business; OLoBs: Other line of businesses

(vii) Contractual service margin (CSM)

The contractual service margin is a component of the asset (in the case of reinsurance contracts) or liability (in the case of insurance contracts) of a group of contracts that represents the expected profit or profitability of a group of contracts that an insurance company will recognise as it provides services. The contractual service margin is a very relevant indicator for monitoring value creation at CA Vida, but it is not applicable to CA Seguros as this company only uses the premium allocation approach.

The contractual service margin is a new concept introduced by IFRS 17 which seeks, as an alternative to recognising an immediate gain at the beginning of a given group of contracts, to have a phased recognition of the profitability of contracts over time in an explicit way, based on the standard of services provided. Under the terms of the standard, it is not permitted to recognise the profit of a given contract when it is issued, but it is now required that the profit be recognised over the duration of the contract.

The standard establishes that a portion of the value of the contractual service margin for a group of insurance contracts will be recognised in profit or loss in each period, in order to reflect the insurance contract services from the group of insurance contracts in that period. The contractual service margin is one of the building blocks of the general measurement model (GMM), as well as the measurement of contracts using the variable fee approach (VFA), with the adaptations provided for in the standard.

As the services are rendered, at each reporting moment, part of the contractual service margin is released, so as to recognise the profit from a given group of contracts in gains and losses - more specifically under the heading "Revenue from insurance contracts - Release of the contractual service margin for the services transferred".

For the purposes of this contractual service margin release, insurance companies must quantify the coverage units to be considered in each reporting period, which reflect the quantity of benefits and the expected duration of coverage of the contracts in the group, for example, the amount of the contractual service margin that should be recognised in profit or loss in a given period for services rendered in that period.

With regard to contracts measured by the variable fee approach, CA Vida did not exercise the option of not adjusting the contractual service margin to take into account some changes in cash flows linked to the fulfilment of the contracts.

In the case of groups of insurance contracts measured by premium allocation approach, the income for the period corresponds to the amount of expected premium income allocated to the period, based on the passage of time.

(viii) Income or loss from the financial component

The income and losses of the financial component comprise the change in the book values of groups of insurance contracts arising from the effect of the time value of money and changes in the time value of money (referred to in the standard as interest accretion) and the effect of financial risk and changes in financial risk (effect arising from changes in the assumption of discount rates and/or inflation), but excluding any such changes in the case of groups of insurance contracts with direct participation features, where there is an adjustment of the contractual services margin.

Under the terms of the standard, the book values referred to in the previous point correspond to the book values of the liabilities for remaining coverage (LRC) and the liabilities for incurred claims (LIC), whose changes described above should be recognised as income and losses in the financial component.

Insurance companies have the accounting option of disclosing income and losses from the financial component of past and present services as gains and losses or disaggregating them into profit or loss for the year and Other comprehensive income through systematic allocation. The accounting option is made at portfolio level and must respect the requirement for consistency between accounting policies defined in IAS 8(13), so that all groups of contracts belonging to the same portfolio will have to apply the same accounting option. Insurance companies should also take into account the option selected in the measurement of assets in IFRS 9, for each group of contracts, in order to avoid accounting mismatches at present and/or in the future.

With regard to the effect of financial risk on the risk adjustment component, insurance companies are not required to disaggregate the change in financial risk in this variable between the result of insurance contracts and the result of the financial component of insurance contracts. If it does not discriminate, the insurance undertaking must include the entire change in the risk adjustment for non-financial risk in the result of insurance contracts.

Based on the objective of reducing as much as possible the possible accounting mismatch between the accounting options taken for the purpose of measuring liabilities (under IFRS 17) and the accounting options taken for the assets covering those liabilities (under IFRS 9), CA Vida and CA Seguros have exercised the option of disaggregating the income and losses of the financial component between profit and loss for the year and Other comprehensive income for all insurance contract portfolios.

In the component relating to risk adjustment, life insurance opted to disaggregate the change in financial risk in this variable between the result of insurance contracts and the result of the financial component of insurance contracts.

Considering the fact that non-life contracts are insurance contracts without any direct participation features, the approach adopted in the systematic allocation depended on assessing whether or not there were significant changes in the cash flows payable to the policyholder resulting from changes in the financial risk. Based on the fact that the cash flows payable to policyholders do not change significantly due to changes in financial risks, CA Seguros recognised in the accounts the variations arising from changes in the effect of time value and financial risk based on the locked-in allocation approach, that is, by applying the simplified model and opting for unbundled accounting in gains and losses and Other comprehensive income of variations arising from changes in financial assumptions, variations in liabilities for incurred claims were accounted for in gains and losses based on the locked-in discount rate, which corresponds to the rate on the date the claim occurred.

As the non-life business has opted for the simplified model for measuring all insurance contracts in its portfolio, the liabilities for remaining coverage are not measured with the discount component and are therefore not considered a financial component for this type of liability.

For new business, the locked-in rate used by the non-life business corresponds to the rate of the previous quarter.

(ix) Transition

Unless impracticable, the entity shall apply the full retrospective approach from the transition date. If the full retrospective approach is impracticable, the entity shall apply one of the following two approaches the modified retrospective approach, conditional on the use of reasonable and supportable information without undue cost or effort, or the fair value approach.

In view of the above, GCA applied the fair value approach to the transition for all insurance contract portfolios.

Considering the fact that the life business opted to split the income and costs of the financial component between profit and loss and the financial component reserve, the accumulated value of the other comprehensive income in the balance sheet on the transition date was considered to be zero.

With regard to the calculation of the income and/or costs of the financial component for non-life insurance, and based on the fact that the simplified model is applied in the measurement of liabilities and the decision has been made to disaggregate the income and costs of the financial component between profit or loss for the year and other comprehensive income, the accumulated value of the income and costs of the financial component recognised in other comprehensive income for the profits or expenses in the subsequent transfer or derecognition in future periods was determined as follows:

• For claims occurring after 2016, the modified retrospective approach was applied, with the locked-in rate corresponding to the discount curve for each year in which the claim occurred;

• For incurred claims up to 2016, the fair value approach was applied, as it was considered that there was no reasonable and supportable information to derive discount curves for years prior to 2016, and therefore opted to consider a null value for other comprehensive income.

The differences resulting from the adoption of this standard were recognised under retained earnings on 1 January 2022.

(x) Reinsurance

The requirements of IFRS 17 concern both reinsurance contracts accepted and reinsurance contracts ceded, whereby: the requirements for reinsurance contracts accepted are similar to the requirements applicable to direct insurance contracts issued; reinsurance contracts ceded present requirements that are modified in relation to the requirements for direct insurance contracts.

The life business has adopted the same requirements applicable to insurance contracts measured using the general measurement model, with the necessary adaptations for ceded reinsurance contracts.

Non-Life reinsurance contracts are measured using the premium allocation approach.

Impacts of adoption

The adoption of IFRS 17 as of 1 January 2023 had a significant impact on the disclosures of financial information, forcing the adaptation of the face of the balance sheet and income statement to a new reporting reality, as well as on the assets, liabilities and equity of the Insurance Companies (CA Vida and CA Seguros).

As anticipated, there is a significant impact (increase) on the value of liabilities, due to the measurement of provisions in a logic of best estimation, of the impact of discount curves and the recognition of a risk adjustment.

Another substantial change in the balance sheet is the recognition of profit, the contractual service margin, a component of liabilities (direct insurance) that represents the profit or expected return, which CA Vida now recognises as it provides services. For ceded reinsurance, the contractual service margin represents the cost (or gain) on ceded reinsurance contracts, and is a component of the asset (or liability) that CA Vida recognises as it receives services from the reinsurer.

The summary of the impacts of adopting IFRS 17 on 1 January 2022 (transition date) and 31 December 2022 are presented in Note 2.5.3.

2.5.2. Adoption of IFRS 9 - Financial Instruments (at insurance company level)

GCA applied the impact of IFRS 9 to the insurance business retrospectively on 1 January 2022, consistent with the option to adopt IFRS 17. It should be noted that the non-insurance business was already under IFRS 9, since the exemption only applied, as already mentioned, to the insurance business.

IFRS 9 establishes major changes in the classification and measurement of financial instruments, based on the features of the assets' cash flows and the business model for which they are held. The Group's accounting policy on the classification and measurement of financial assets and liabilities is described in Note 2.4. d).

As a result of the entry into force of IFRS 9 in the insurance business as of 1 January 2023, CA Vida and CA Seguros evaluated their business models based on a wide range of indicators, including their business plan, but also their current risk management policies.

IFRS 9 also introduces the concept of expected credit losses ("ECL"), which differs significantly from the concept of incurred losses in IAS 39, thus bringing forward the recognition of credit losses in institutions' financial statements. IFRS 9 determines that the concept of impairment based on expected losses is applied to all financial assets except financial assets measured at fair value through profit or loss and equity instruments measured at fair value through other comprehensive income. The Group's accounting policy for determining loan impairment in accordance with IFRS 9 is described in Note 2.4. c).

Impacts of adoption

The main impacts of the application of IFRS 9 are the new rules for classifying financial assets, which led to an increase in financial instruments measured at fair value through profit or loss, as well as the new forward-looking model for recognising expected credit losses. Debt instruments that do not meet the Single Payment of Principal and Interest (SPPI) test, as well as equity instruments that were previously classified as available-for-sale under IAS 39, have been reclassified to financial assets mandatorily at fair value through profit or loss.

With regard to ECL, the insurance business will now recognise impairment for expected credit losses for all debt instruments measured at amortised cost and at fair value through other comprehensive income, which will be recognised in profit or loss, against equity. A stage 1 ECL is recognised for the majority of the debt instrument portfolio, as it is made up mostly of investment grade assets with no significant downgrading of the rating since initial recognition.

The standard was applied to all financial assets and financial liabilities associated with unit-linked contracts.

GCA, in the insurance business, applied IFRS 9 retrospectively on 1 January 2022 for financial instruments within the scope of IFRS 9. The summary of the impacts of adopting IFRS 9 on 1 January 2022 (transition date) and 31 December 2022 are presented in Note 2.5.3 below.

2.5.3. Impacts of adopting IFRS 17 and IFRS 9

The impacts of adopting IFRS 17 and IFRS 9 on the financial statements on the transition date (1 January 2022) are summarised as follows:

Consolidated balance sheet as at 01 January 2022

ASSETS	31.12.2021 (IFRS 4 / IAS 39)	IFRS 17 Impacts	IFRS 9 Impacts	01.01.2022 (IFRS 17 / IFRS 9)
Cash, cash balances at central banks and other demand deposits	3,971,092,106	-	-	3,971,092,106
Financial assets held for trading	18,965,307	-	-	18,965,307
Non-trading financial assets mandatorily at fair value through profit or loss	49,713,812	-	111,421,124	161,134,936
Financial assets designated at fair value through profit or loss	10,111,344	-	-10,111,344	0
Financial assets at fair value through other comprehensive income	1,805,121,207	-	-301,628,523	1,503,492,684
Financial assets at amortised cost	18,946,839,231	-	209,617,796	19,156,457,027
Derivatives - Hedge accounting	73,485,867	-	-	73,485,867
Investments in subsidiaries, joint ventures and associates	2,494,021	-	-	2,494,021
Tangible assets	271,492,639	-	-	271,492,639
Intangible assets	105,460,376	-	-	105,460,376
Tax assets	67,178,572	- 36,447	-	67,142,125
Other assets	368,736,024	70,557,783	-	439,293,807
Non-current assets and disposal groups classified as held for sale	310,829,682	-	-	310,829,682
TOTAL ASSETS	**26,001,520,190**	**70,521,336**	**9,299,052**	**26,081,340,578**

LIABILITIES	31.12.2021 (IFRS 4 / IAS 39)	IFRS 17 Impacts	IFRS 9 Impacts	01.01.2022 (IFRS 17 / IFRS 9)
Financial liabilities held for trading	387,206	-	-	387,206
Financial liabilities measured at amortised cost	22,760,335,050	-	-	22,760,335,050
Derivatives - Hedge accounting	126,448,063	-	-	126,448,063
Provisions	745,721,444	-712,693,233	-	33,028,211
Tax liabilities	16,721,948	14,649,427	-	31,371,375
Share capital repayable on demand	485,985	-	-	485,985
Other liabilities	332,868,204	725,976,232	-	1,058,844,436
TOTAL LIABILITIES	**23,982,967,901**	**27,932,426**	**0**	**24,010,900,327**

EQUITY	31.12.2021 (IFRS 4 / IAS 39)	IFRS 17 Impacts	IFRS 9 Impacts	01.01.2022 (IFRS 17 / IFRS 9)
Capital	1,401,032,187	-	-	1,401,032,187
Other accumulated comprehensive income	-31,796,279	-	5,951,617	-25,844,662
Retained earnings	-62,773,437	45,108,528	3,347,435	-14,317,474
Revaluation reserves	1,712,294	-	-	1,712,294
Other reserves	549,730,658	- 2,519,618	-	547,211,040
Profit or loss attributable to owners of the parent company	158,776,306	-	-	158,776,306
Non-controlling interests	1,870,560	-	-	1,870,560
TOTAL EQUITY	**2,018,552,289**	**42,588,910**	**9,299,052**	**2,070,440,251**
TOTAL EQUITY AND TOTAL LIABILITIES	**26,001,520,190**	**70,521,336**	**9,299,052**	**26,081,340,578**

The impacts of the adoption of IFRS 17 and IFRS 9 by the insurance business on the consolidated balance sheet and the consolidated income statement as at 31 December 2022 are detailed below:

Consolidated balance sheet as at 31 December 2022

ASSETS	31.12.2022 (IFRS 4 / IAS 39)	IFRS 17 Impacts	IFRS 9 Impacts	31.12.2022 (IFRS 17 / IFRS 9)
Cash, cash balances at central banks and other demand deposits	1,356,382,565	-	-	1,356,382,565
Financial assets held for trading	179,444,567	-	-	179,444,567
Non-trading financial assets mandatorily at fair value through profit or loss	49,231,427	-	94,564,190	143,795,617
Financial assets designated at fair value through profit or loss	3,754,905	-	- 3,754,905	-
Financial assets at fair value through other comprehensive income	781,719,881	-	- 90,809,286	690,910,595
Financial assets at amortised cost	20,631,057,636	-	32,377,731	20,663,435,367
Derivatives - Hedge accounting	885,429,290	-	-	885,429,290
Investments in subsidiaries, joint ventures and associates	2,829,626	-	-	2,829,626
Tangible assets	247,439,143	-	-	247,439,143
Intangible assets	109,229,383	-	-	109,229,383
Tax assets	83,847,598	3,743,453	-	87,591,051
Other assets	304,309,174	49,724,566	-	354,033,740
Non-current assets and disposal groups classified as held for sale	260,079,062	-	-	260,079,062
TOTAL ASSETS	**24,894,754,257**	**53,468,019**	**32,377,731**	**24,980,600,006**
LIABILITIES	**31.12.2022 (IFRS 4 / IAS 39)**	**IFRS 17 Impacts**	**IFRS 9 Impacts**	**31.12.2022 (IFRS 17 / IFRS 9)**
Financial liabilities held for trading	5,215,793	-	-	5,215,793
Financial liabilities measured at amortised cost	20,804,719,787	-	-	20,804,719,787
Derivatives - Hedge accounting	27,415,374	-	-	27,415,374
Provisions	823,463,033	- 782,320,364	-	41,142,669
Tax liabilities	14,811,910	37,148,624	-	51,960,534
Share capital repayable on demand	430,305	-	-	430,305
Other liabilities	1,177,033,648	765,464,989	-	1,942,498,638
TOTAL LIABILITIES	**22,853,089,851**	**20,293,249**	**-**	**22,873,383,100**
EQUITY	**31.12.2022 (IFRS 4 / IAS 39)**	**IFRS 17 Impacts**	**IFRS 9 Impacts**	**31.12.2022 (IFRS 17 / IFRS 9)**
Capital	1,443,426,537	-	-	1,443,426,537
Other accumulated comprehensive income	- 145,558,384	36,846,641	31,345,832	- 77,365,911
Retained earnings	- 27,294,053	37,710,969	1,031,899	11,448,815
Revaluation reserves	- 162,032	-	-	- 162,032
Other reserves	625,455,534	14,661,406	-	640,116,940
Profit or loss attributable to owners of the parent company	144,295,502	- 56,523,426	-	87,772,077
Non-controlling interests	1,501,302	479,179	-	1,980,481
TOTAL EQUITY	**2,041,664,407**	**33,174,770**	**32,377,731**	**2,107,216,907**
TOTAL EQUITY AND TOTAL LIABILITIES	**24,894,754,257**	**53,468,019**	**32,377,731**	**24,980,600,006**

Consolidated Income Statement as at 31 December 2022

Income Statement	31.12.2022 (IFRS 4 / IAS 39)	IFRS 17 Impacts	IFRS 9 Impacts	31.12.2022 (IFRS 17 / IFRS 9)
Interest income	562,459,056	-	- 623,667	561,835,389
(Interest expense)	194,035,148	-	-	194,035,148
NET INTEREST INCOME	**368,423,908**	**-**	**- 623,667**	**367,800,241**
Dividend income	725,734	-	-	725,734
Fee and commission income	174,739,835	- 7,959,123	-	166,780,712
(Fee and commission expenses)	28,515,669	-	-	28,515,669
Gains or (-) losses on financial assets and liabilities not measured at fair value through profit or loss, net	- 3,904,082	-	- 871,999	- 4,776,082
Gains or (-) losses on financial assets and liabilities held for trading, net	- 399,976	-	-	- 399,976
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net	- 3,080,458	-	- 10,612,208	- 13,692,666
Gains or (-) losses on financial assets and liabilities stated at fair value through profit or loss, net	- 20,529	-	20,529	-
Gains or (-) losses from hedge accounting, net	- 697,347	-	-	- 697,347
Foreign Exchange differences [gains or losses (-)], net	2,296,958	-	-	2,296,958
Gains or (-) losses on derecognition of non-financial assets, net	1,817,999	-	-	1,817,999
Insurance contracts results	144,533,969	- 56,204,708	-	88,329,261
Other operating income	44,023,157	- 2,971,704	-	41,051,453
(Other operating expenses)	38,243,724	-	-	38,243,724
TOTAL OPERATING INCOME, NET	**661,699,775**	**- 67,135,535**	**- 12,087,345**	**582,476,894**
(Administrative expenses)	366,090,954	-	-	366,090,954
(Cash contributions to resolution funds and deposit guarantee schemes)	9,675,111	-	-	9,675,111
(Depreciation/Amortisation)	34,821,459	-	-	34,821,459
Modification gains or (-) losses, net	5,855,318	-	-	5,855,318
(Provisions or (-) reversal of provisions)	10,095,079	-	-	10,095,079
(Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss)	47,321,374	-	9,189	47,330,563
(Impairment or (-) reversal of impairment on non-financial assets)	- 40,409	-	-	- 40,409
Share of the profit or (-) loss of investments in joint ventures and associates accounted for using the equity method	569,318	-	-	569,318
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	3,195,663	-	-	3,195,663
PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS	**203,356,506**	**- 67,135,535**	**- 12,096,534**	**124,124,436**
(Tax (-) expenses or income related to profit or loss from continuing operations)	58,756,637	- 20,356,190	- 2,291,758	36,108,689
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	**144,599,869**	**- 46,779,346**	**- 9,804,776**	**88,015,748**
Profit or loss (-) after tax from discontinued operations	**-**	**-**	**-**	**-**
Profit or loss (-) before tax from discontinued operations	-	-	-	-
(Tax expenses (-) or income related to discontinued operations)	-	-	-	-
PROFIT OR (-) LOSS FOR THE YEAR	**144,599,869**	**- 46,779,346**	**- 9,804,776**	**88,015,748**
Attributable to non-controlling interests	304,367	50,179	10,517	243,671
Attributable to owners of the parent company	**144,295,502**	**- 46,829,524**	**- 9,815,293**	**87,772,077**

The impacts of the adoption of IFRS 17 and IFRS 9 by the insurance business on the consolidated cash flow statement as at 31 December 2022 are detailed below:

ASSETS	31.12.2022 (IFRS 4 / IAS 39)	IFRS 9 Impacts	31.12.2022 (IFRS 17 / IFRS 9)
Non-trading financial assets mandatorily at fair value through profit or loss	2,590,700	6,244,725	8,835,425
Financial assets at amortised cost	1,743,368,029	177,240,065	1,920,608,094
Financial assets designated at fair value through profit or loss and derivatives	838,622,490	(6,356,440)	832,266,050
Financial assets at fair value through other comprehensive income	(860,710,188)	(177,128,350)	(1,037,838,539)

3. Main estimates and uncertainties associated with the application of accounting policies

The estimates and judgements with impact on the CA Group's financial statements are continually evaluated, representing the best estimate of the Executive Board of Directors at each reporting date, considering the historical performance, accumulated experience, the methodologies and models developed and approved by the Group, as well as the expectations regarding future events, which under the circumstances in question are believed to be reasonable.

The intrinsic type of the estimates may lead to the real reflection of the situations that have been estimated, for financial reporting purposes, being different from the estimated amounts.

The preparation of the financial statements requires the preparation of estimates and the adoption of assumptions by the management, which might affect the value of the assets and liabilities, income, and costs, as well as the contingent liabilities that are disclosed.

The most significant estimates and assumptions used by the management are the following:

3.1. Impairment in portfolio of loans and advances to customers and with off-balance sheet liabilities

The CA Group (SICAM) conducts a periodic assessment of its portfolio of loans and advances to customers, as well as its liabilities due to guarantees provided and irrevocable commitments, in order to assess the existence of evidence of impairment, based on the Crédito Agrícola Group's impairment model (see Notes 9 and 18).

The estimates depend on the Executive Board of Directors' professional judgement regarding the assessment of the economic and financial situation of the customers and their capacity to fulfil the financial plans, on the estimated future cash flows that the institution will generate, and on the determination of the amount of the collateral associated with the granted credit operations.

In this context, the customers identified as having loans in default and whose total liabilities are deemed to be of a significant amount, are analysed individually to assess the need to record impairment losses.

Furthermore, a collective impairment analysis is also made to all other credit operations which were not subject to individual analysis, by allocating these operations to credit segments, with similar features and risks, with collective impairment losses being estimated, whose calculation is based on the historical behaviour of losses for similar assets. Where no objective existence of impairment has been observed in credit analysed on an individual basis, this credit is grouped together based on similar risk features and assessed collectively for purposes of impairment.

The impairment quantification model is harmonised with the analytical models (e.g. rating and scoring) used in the internal management of credit risk, as well as, whenever applicable, with the respective segmentation (e.g. customer, product, type of collateral, relationship between the loan and the value of the collateral (LTV)), promoting the mores consistent estimation of the risk parameters, applied in the collective perspective. There is also a specialised procedure for exposures with financial collateral.

The expected loss model enables recognising the expected loan losses throughout the life for all financial instruments for which there has been a significant increase of credit risk, from initial derecognition, considering the entire range of information, provided that it is reasonable and substantiated, including based on future economic estimates (prospective/ forward-looking approach).

The process of evaluation of the portfolio of loans and advances to customers and off-balance sheet liabilities, used to determine whether an impairment loss should be recognised, is subject to various estimates and judgements. This process includes factors such as the frequency of default, risk ratings, loss recovery rates and the estimation of both the amount and timing of future cash flows. The models are regularly reviewed and validated, as well as the inputs included in the models, in order to reduce any differences between estimated credit losses and actual experience with credit losses.

Note 47 presents sensitivity analyses for variations in the assumptions of the impairment models (forward-looking scenarios) according to the management analytical models.

The use of different methodologies and/or assumptions could result in different levels of impairment losses recognised and presented in Notes 9 and 18, with a consequent impact in the Group's results.

3.2. Fair value of financial instruments

Fair value of financial instruments is based on market prices, whenever available. However, in the absence of a market price, the financial instruments are valued based on indicative bids calculated by third parties using valuation models or pursuant to valuation methodologies essentially using inputs that can be observed in markets with a significant impact on the valuation of the instrument (see Notes 6, 7, 8, 10 and 47).

The equity instruments valued at fair value through profit or loss, this being determined, necessarily, in the following order: quoted price in a market in which there is no identical asset held by another party, price of the last market transaction that occurred between unrelated institutions or price according to the net situation of the institution (see Note 7).

The use of different methodologies and/or assumptions could result in different levels of fair value of the financial instruments recognised and presented in Notes 6, 7, 8 and 10, with the consequent impact on the Group's results.

3.3. Employee benefits

Liabilities related to supplementary retirement and survivor pensions are estimated based on actuarial and financial assumptions, in particular with respect to mortality, wage and pension growth and long-term interest rates. In this sense, the actual results may differ from these estimates. The sensitivity analysis carried out by CA Group on changes in assumptions is in Note 46.

The change in the stated assumptions could have an impact on the values determined and presented in Note 46, with the consequent impact on the results of the Group.

3.4. Income tax

The determination of the overall amount of income tax requires certain interpretations and estimates. Other interpretations and estimates could result in a different level of income tax, current and deferred, recognised in the year and shown in Note 14.

This aspect is even more important in relation to the recognition of deferred tax assets, which presuppose the existence of future taxable profits from which the temporary differences can be deducted. To this end, the future taxable profit or loss of the CA Group were estimated based on economic and financial projections, despite the existing uncertainty of some of the variables incorporated in these projections. Should these estimates prove incorrect, there is a risk of adjustment to the value of deferred tax assets in future years (see Note 14).

3.5 Valuation of real estate (Non-current assets held for sale and Other assets)

The valuation of these assets, and consequently the impairment losses, is based on assessments made by independent expert valuators, which incorporate various assumptions, in particular about the evolution of the real estate market, the best use of the property, and when applicable, expectations regarding the development of real estate projects, and also considering the management's intentions about the marketing of these assets. The assumptions used in the valuation of these properties have impact on their valuation and consequently on the determination of impairment (see Notes 15, 16 and 18). Also considered for the fair value of the real estate properties are the selling costs estimated by Caixa Central considering the history supported. All these assets are in condition for immediate sale.

The book value of these real estate properties corresponds to the lowest between the valuation amount minus selling costs and the purchase price.

Following the provisions of Circular Letter no. 21/2023, published on 5 June 2023, the Crédito Agrícola Group defined in 2023 a table of additional haircuts to be applied to properties received in credit recovery, through which impairment may be aggravated depending on the age of the property in the Group's portfolio.

The expected period for sale of these real estate properties varies according to local market conditions, as well as their type or segment that influence the expected demand. As such, the expected period of sale of these real estate properties, assuming favourable market circumstances, is one year. The residential segment typically shows higher sale turnover levels than assets of the commercial segment which, in turn, have greater liquidity than the “plots of land” segment, defined herein in a broad perspective as the portfolio of non-current assets held for sale includes rural, urban and plots of land. The Group directs its activity based on a Real Estate Property Divestment Plan, approved by the Executive Board of Directors, which is progressing soundly. The management is endeavouring to sell the real estate properties classified as non-current assets held for sale with the time limit of 12 months. All real estate properties that are able to be sold immediately in their present condition are widely publicised with a view to their sale within that time limit. Also, see point 2.3 j).

The use of different methodologies and/or assumptions in the valuation procedures could result in different levels of fair value of the real estate assets recognised and presented in Notes 15 and 16, with the consequent impact on the Group's results.

3.6 Impairment of real estate properties for own use

Real estate properties for own use are stated at acquisition cost minus accumulated depreciation and any impairment losses. The valuations of properties for own use, used in the impairment tests, were carried out on a going concern basis and using the depreciated replacement cost approach (see Note 12).

The use of different methodologies and/or assumptions in the valuation procedures could result in different levels of impairment of the real estate assets recognised and presented in Note 12, with the consequent impact on the Group's results.

3.7 Liabilities relating to insurance and investment contracts with discretionary participation features

Future liabilities arising from insurance and investment contracts with discretionary participation features are recorded under "Life insurance contract liabilities - Future services".

Liabilities for future services relating to traditional life products are determined on the basis of various assumptions, including mortality, longevity and interest rates, applicable to each of the hedges. The assumptions used are based on the past experience of GCA and the market. These assumptions may be revised if it is determined that future experience confirms that they are not appropriate.

When there are claims, any amount paid or estimated to be paid is recognised as a loss in profit or loss. GCA establishes provisions for the payment of claims arising from insurance and investment contracts with discretionary profit-sharing.

In determining the technical provisions arising from insurance and profit-sharing investment contracts, GCA periodically assesses its liabilities using actuarial methodologies and taking into account the respective reinsurance coverage. Provisions are reviewed periodically by the actuarial function.

The use of different methodologies and/or assumptions in the measurement procedures of technical provisions could result in different levels of liability being recognised and presented in Note 18, with the consequent impact on the Group's results.

3.8 Measurement of Lease Liabilities

The extension and rescission options contained in the lease contracts were considered in the calculation of the lease liability of various items of equipment and real estate properties of the CA Group. These options are used to maximise operational flexibility in terms of contract management. The majority of these options may only be exercised by the CA Group, and not by the respective lessor.

For new contracts entered into during 2023, the implicit interest rates were considered (property leasing 2.7% and vehicle leasing between 2.80% and 7.29%) (see Note 20).

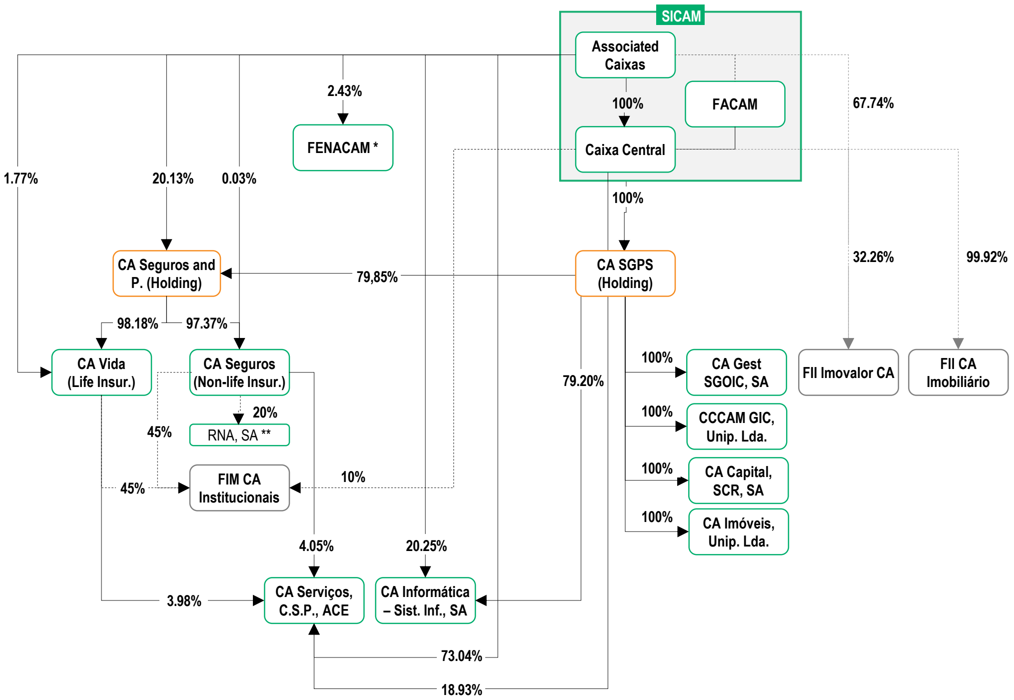
In physical terms, the CA Group does not expect any relevant impact of the application of IFRS 16, considering that it submitted an application requesting the Tax Authority for authorisation to use, during the tax period of 2019 and in future tax periods, depreciation shares higher than the maximum depreciation shares stipulated in Regulatory Decree 25/2009 (namely, in the case of the real estate properties in which it is the tenant).

3.9 Provisions

The measurement of provisions takes into account the principles defined in IAS 37 with regard to the best estimate of the expected cost, the most probable outcome of the actions in progress and taking into account the risks and uncertainties inherent in each process. Different assumptions and judgements would have an impact on determining the amount of the provisions, which are presented in Note 18.

4. Group Companies

As at 31 December 2023, the Crédito Agrícola Group is composed of the following institutions:



	2023					
	Equity	Net Assets	Profit/(Loss) for the year	Direct stake	Effective stake	Consolidation method
Banks						
Caixa de Crédito Agrícola Mútuo(1)	2,061,368,162	21,964,031,140	241,825,742	100.00%	100.00%	Full
Caixa Central de Crédito Agrícola Mútuo	588,160,016	12,882,332,709	66,271,409	100.00%	100.00%	Full
Asset management and brokerage						
Crédito Agrícola Gest– SGOIC , S.A.	2,051,591	3,535,405	480,615	100.00%	100.00%	Full
Crédito Agrícola Imóveis, Unipessoal, Lda.	1,915,649	10,165,005	(2,151,062)	100.00%	100.00%	Full
Services Rendered						
FENACAM - Federação Nacional das Caixa de Crédito Agrícola Mútuo FCRL	7,457,119	10,629,870	186,441	99.98%	99.98%	Full
Crédito Agrícola Informática-Serviços de Informática S.A.	9,214,309	14,469,985	511,875	99.45%	99.45%	Full
Venture Capital						
CA Capital - Sociedade de Capital de Risco, S.A.	472,963	2,378,770	(219,695)	100.00%	100.00%	Full
Investment funds						
FEIIA CA Imobiliário	97,974,261	100,967,073	(14,838,672)	99.92%	99.92%	Full
FEIIF ImoValorCA	10,896,266	11,066,108	(23,225)	100.00%	100.00%	Full
FIM Alternativo de Obrigações Fechado CA Institucionais	19,348,122	19,363,020	1,183,244	100.00%	98.79%	Full
Insurance						
Crédito Agrícola Seguros	67,682,129	278,715,812	7,869,114	97.40%	97.38%	Full
Crédito Agrícola Vida	156,259,407	878,277,553	6,575,506	99.95%	99.93%	Full
Other						
Associação – Fundo de Assistência do Crédito Agrícola Mútuo	136,402,371	136,622,149	823,920	100.00%	100.00%	Full
CA Serviços - Serviços Informáticos e de Gestão - ACE	-	108,758,200	-	100.00%	99.82%	Full
Crédito Agrícola SGPS S.A.	61,651,795	156,326,847	3,504,361	100.00%	100.00%	Full
Crédito Agrícola Seguros & Pensões SGPS S.A.	137,540,036	154,558,837	6,683,214	99.98%	99.98%	Full
CCCAM Gestão de Investimentos e Consultoria, Unipessoal Lda	389,141	4,434,082	(874,263)	100.00%	100.00%	Full
RNA - Rede Nacional de Assistência, S.A.	15,615,329	21,941,945	2,840,521	20.00%	19.48%	Eq. Method

Note: The amounts are as at 31 December 2023 (accounting balances before consolidation adjustments)

(1) These amounts correspond to the algebraic sum of the balance sheets of the Associated Caixas Agrícolas

	2022					
	Equity	Net Assets	Profit/(Loss) for the year	Direct stake	Effective stake	Consolidation method
Banks						
Caixa de Crédito Agrícola Mútuo(1)	1,814,988,591	21,902,736,757	86,511,175	100.00%	100.00%	Full
Caixa Central de Crédito Agrícola Mútuo	523,735,006	12,707,070,144	22,342,698	100.00%	100.00%	Full
Asset management and brokerage						
Crédito Agrícola Gest– SGOIC , S.A.	1,640,536	2,906,449	78,731	100.00%	100.00%	Full
Crédito Agrícola Imóveis, Unipessoal, Lda.	2,566,711	12,433,253	(1,818,045)	100.00%	100.00%	Full
Services Rendered						
FENACAM - Federação Nacional das Caixa de Crédito Agrícola Mútuo FCRL	7,070,727	9,887,506	211,774	99.98%	99.98%	Full
Crédito Agrícola Informática-Serviços de Informática S.A.	8,626,279	14,167,687	597,099	99.45%	99.45%	Full
Venture Capital						
CA Capital - Sociedade de Capital de Risco, S.A.	692,657	2,727,921	(144,799)	100.00%	100.00%	Full
Investment funds						
FEIIA CA Imobiliário	112,818,082	116,965,085	(5,037,878)	99.92%	99.92%	Full
FEIIF ImoValorCA	16,919,486	17,172,190	(1,680,503)	100.00%	100.00%	Full
FIM Alternativo de Obrigações Fechado CA Institucionais	18,164,878	18,528,620	(1,701,817)	100.00%	98.79%	Full
Insurance						
Crédito Agrícola Seguros	43,804,781	266,411,097	10,965,721	97.40%	97.38%	Full
Crédito Agrícola Vida	83,165,014	788,261,581	47,733,337	99.95%	99.93%	Full
Other						
Associação – Fundo de Assistência do Crédito Agrícola Mútuo	135,190,956	135,351,746	443,045	100.00%	100.00%	Full
CA Serviços - Serviços Informáticos e de Gestão - ACE	-	111,159,314	-	93.65%	99.92%	Full
Crédito Agrícola SGPS S.A.	58,147,434	157,288,338	(958,968)	100.00%	100.00%	Full
Crédito Agrícola Seguros & Pensões SGPS S.A.	136,219,729	153,250,157	5,659,430	99.98%	99.98%	Full
CCCAM Gestão de Investimentos e Consultoria, Unipessoal Lda	1,263,404	6,234,490	(348,633)	100.00%	100.00%	Full
RNA - Rede Nacional de Assistência, S.A.	14,528,706	20,112,912	2,923,163	20.00%	19.48%	Eq. Method

Note: The amounts are as at 31 December 2022 (accounting balances before consolidation adjustments)

(1) These amounts correspond to the algebraic sum of the balance sheets of the Associated Caixas Agrícolas

The head offices and business activities of the Group's institutions are as follows:

Caixa Central - Caixa Central de Crédito Agrícola Mútuo, CRL, Crédito Agrícola SGPS S.A., Crédito Agrícola Imóveis, Sociedade Imobiliária Unipessoal, Lda., CCCAM Gestão de Investimentos e Consultoria, Unipessoal Lda. and CA Capital - Sociedade de Capital de Risco S.A. have their head offices at Rua Castilho, no. 233 - 1099-004 Lisboa.

The purpose of Caixa Central is to grant credit and carry out all other acts inherent to the banking business.

Crédito Agrícola Seguros, S.A., with head office in Rua de Campolide 372, 1070-040 Lisboa, is engaged in the insurance business of all non-life business (except for aviation, credit, and sureties) and life business, respectively.

Crédito Agrícola Vida, S.A., with its head office at Rua Castilho, no. 233, 1099-004 Lisboa, is dedicated to the life insurance business, with its main place of business at Rua de Campolide no. 372, Lisboa.

CA Serviços – Centro de Serviços Partilhados – ACE, with head office in Rua Teófilo Braga, Lote 63 Damaia – 2720-526 Amadora, was constituted as the unit of auxiliary services for the CA Group, for the purpose of providing information technology, operational, technical and management services in a manner complementing the individual and group activities of its Group members.

CA Informática – Serviços de Informática, S.A., whose head office is at Rua Teófilo Braga, Lote 63 Damaia – 2720-526 Amadora, is essentially dedicated to the provision of information technology services, including consulting on matters of selection of software and hardware, the development and support to the development of applications, data processing, staff training and provision of consulting services in organisation and management, as well as the marketing and management of information technology equipment and products;

The purpose of Crédito Agrícola Imóveis Unipessoal, Lda is the holding, management and administration of real estate properties and the purchase of real estate properties for resale.

The corporate purpose of FENACAM - Federação Nacional das Caixas de Crédito Agrícola Mútuo, FCRL, whose head office is at Rua Professor Henrique Barros, Edifício Sagres, 7.º Piso - 2685-338 Prior Velho, consists of the representation and development of Crédito Agrícola Mútuo, strengthening the spirit of solidarity and cooperation between the associates, as well as the promotion, coordination and conduct of activities of common interest to them, and especially: i) representation of the Caixas Agrícolas and regional unions of their associates before any national, foreign or international institutions in the realisation and defence of the rights and interests of the associates; and ii) promotion of cooperativism within the Group.

FEIIA CA Imobiliário is a real estate investment fund, managed by Crédito Agrícola Gest - SGOIC, S.A., with its head office at Rua Tierno Galvan, Torre 3, Piso 7, Sala 706, 1070-274 Lisboa.

FEIIF Imovalor CA is a real estate investment fund whose management company is Crédito Agrícola Gest - SGOIC, S.A., with its head office at Rua de Campolide 372, 1070-040 Lisboa.

FIM CA Institucionais is a securities investment fund whose management company is Crédito Agrícola Gest - SGOIC, S.A., with its head office at Rua de Campolide 372, 1070-040 Lisboa.

The core business of CCCAM Gestão de Investimentos e Consultoria, Unipessoal, Lda. consists of providing, exclusively to the institutions with stakes in its share capital, to those in a control or group relationship with them and, in general, to the institutions belonging to the Crédito Agrícola Group, services ancillary to their main purposes, namely the holding and/or management of securities of any nature, including units in collective investment undertakings and funds of any nature and shareholdings, as well as the provision, in general, of specialised economic-financial or strategic advisory services, the provision of services of an accounting nature or consultancy on the direction and management of companies and the preparation of economic-financial studies.

The core business of CA Capital – Sociedade de Capital de Risco, SA is carrying out investments in venture capital reflected in the acquisition of equity instruments, both within and outside the Group in companies showing high potential development.

The purpose of Crédito Agrícola SGPS, S.A. and Crédito Agrícola Seguros e Pensões SGPS, with head office in Rua de Campolide 372, 1070-040 Lisboa, is the management of equity stakes in other CA Group companies.

The main activity of Crédito Agrícola Gest - SGOIC, S.A., with head office in Rua de Campolide 372, 1070-040 Lisboa, is the management of collective investment undertakings. It also carries out the activity of discretionary and individualised management of portfolios on behalf of others and consultancy for investments in securities.

The Associação – Fundo de Assistência do Crédito Agrícola Mútuo (FACAM) has its head office at Rua Castilho, No. 233/233-A 1099-004 Lisboa, with its purpose being to adopt and implement recovery and assistance measures for its Associates experiencing financial difficulties in terms of liquidity or solvency, as well as the other procedures set out in its Internal Regulations.

The head office of Rústicodivinal, Lda, liquidated at the end of 2022, was at Rua Castilho, no. 233/233-A 1099-004 Lisboa and its corporate purpose was the production of common and liqueur wines, wholesale of liqueur drinks and viticulture.

RNA Seguros de Assistência S.A. has its head office at Alameda Fernão Lopes, 16, 6º, Miraflores, 1495-190 Algés, with its core business being the provision of services, management, assistance and consulting to persons and assets in the insurance business of any claim.

5. Cash, cash balances at central banks and other demand deposits

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Cash on hand	153,921,633	129,441,976
Cash balances at central banks (without interest)	1,394,436,647	1,162,192,733
Other demand deposits (without interest)	66,544,460	64,636,745
Interest	400,000	111,111
	1,615,302,740	**1,356,382,565**

The credit institutions established in the Member States of the European Union are subject to the constitution of minimum reserves in accounts at Domestic Central Banks.

The minimum reserve requirements of the European Central Bank are applicable to credit institutions in the eurozone, being primarily aimed at stabilising monetary market interest rates and creating (or expanding) structural liquidity scarcity.

The value of the minimum reserves to be met by each institution is determined based on the application of the reserve coefficients to the base of incidence, which arises from the sum of a sub-group of its balance sheet liability headings. Currently, the coefficient is 1% for liabilities falling due in two years or less.

The periods of maintenance of minimum reserves are defined in accordance with the timeframe prepared by the European Central Bank (ECB). In order to pursue the objective of stabilising interest rates, the ECB's minimum reserve system allows compliance with minimum reserves to be verified by comparing the average value of the daily balances of demand deposits held by the institution at Banco de Portugal over a reserve maintenance period with the value of reserves to be complied with mentioned above.

The minimum reserves effectively constituted are remunerated, during their maintenance period, at their average marginal placement rate (weighted according to the number of calendar days) of the main refinancing operations of the Eurosystem. Pursuant to the Decision of the Board of the European Central Bank ECB/2014/23 of 5 June 2014, until September 2022, deposits in excess of the average minimum reserve requirement were remunerated at a rate of zero per cent or the interest rate of the permanent deposit facility, whichever was lower. As such, a negative interest rate could be applied on surplus reserves.

The year of 2022 was characterised by the start of the process of monetary policy normalisation. In July 2022, with the aim of countering the high inflation that began to emerge in the last quarter of 2021, the ECB began a cycle of rises that took the Deposit Facility Rate (DFR) from an initial value of -0.50% to a rate of 2.00% at the end of the year. During 2023, the ECB continued with its strategy of increasing the Deposit Facility Rate, taking it from 2.00% at the start of the year to 4.00% at the end of the year. At its January 2024 meeting, the ECB decided to keep interest rates unchanged.

The change in the course of monetary policy ended up being reflected in the remuneration conditions of deposited balances, due to the need to apply effective mechanisms to transmit its effects. As from the reserve maintenance period starting on 14/09/2022, the Board of the ECB decided to discontinue the two-tier system of remuneration of excess reserves, setting the multiplier at zero. In addition, the reference rate for remuneration of the minimum cash reserves (MCR) was also changed. With effect from the reserve maintenance period starting on 21/12/2022, the remuneration rate of the MCR is no longer the main refinancing operations rate (MRO) but the Deposit Facility Rate (DFR).

The change in the value of demand deposits with the Banco de Portugal between 31 December 2022 and 31 December 2023 is essentially due to very short-term investments (overnight), the natural management of minimum cash reserves over the reserve maintenance period and temporary liquidity holdings associated with movements to recompose the portfolio of financial assets.

The average rate of return on other demand deposits is close to 0%.

The credit analysis (counterparty ratings) is described in Note 47.

6. Financial assets and liabilities held for trading

As at 31 December 2023 and 2022, the breakdown of Financial assets and liabilities held for trading was as follows:

	31-Dec-23	31-Dec-22
Financial assets held for trading		
Debt instruments		
Issued by residents	14,673,434	2,130,793
Issued by non-residents	112,967,103	171,606,781
Derivative financial instruments with positive fair		
Currency futures	4,006	1,841
Interest rate swaps	14,983,596	5,705,153
	142,628,139	**179,444,567**
Financial liabilities held for trading		
Derivative financial instruments with positive fair		
Currency futures	12,163	183
Interest rate swaps	9,859,589	5,215,610
	9,871,752	**5,215,793**

The impact arising from changes in the fair value of financial assets and liabilities held for trading is shown under the heading of “Gains or losses on financial assets and liabilities held for trading, net” (see Note 32).

The financial assets held for trading are measured at fair value, which reflects any credit risk and the corresponding losses, and represents CA Group's maximum exposure to credit risk (see Note 47).

The change in this heading arises from the investment proposals that the Financial Department of Caixa Central or CA Gest, in the case of the portfolios of Associated Caixas and Caixa Central under discretionary management, consider appropriate in view of the market situation and within the limits approved and in force. These proposals are short-term and arise from the volatility of the market itself.

The exposure by country of the balances of debt instruments is as shown below:

	31-Dec-23	31-Dec-22
Public debt securities		
Portugal	13,351,077	146,928
Spain	1,559,687	-
Italy	80,159,885	703,756
Others (Germany, France, Greece, Ireland, etc.)	19,965,711	159,168,198
Book Value - Public Debt	**115,036,360**	**160,018,883**
Other issuers		
Debt securities	12,604,177	13,718,691
Total Other issuers	**12,604,177**	**13,718,691**
Total Debt instruments held for trading	**127,640,537**	**173,737,574**

Foreign exchange operations, interest rate swaps and debt instruments are detailed as follows:

	31-Dec-23			
	Notional Value	**Assets**	**Liabilities**	**Net**
Foreign exchange forward transactions				
Currency futures				
Purchases	4,928,210	4,006	(12,163)	(8,157)
Sales	4,944,647	-	-	-
	9,872,857	4,006	(12,163)	(8,157)
Swaps				
Interest rate swaps	1,348,623,029	14,983,596	(9,859,589)	5,124,007
Bonds				
Debt securities	128,091,000	127,640,537	-	127,640,537
Total	**1,486,586,886**	**142,628,138**	**(9,871,752)**	**132,756,387**

	31-Dec-22			
	Notional Value	Assets	Liabilities	Net
Foreign exchange forward transactions				
Currency futures				
Purchases	75,735	1,841	(183)	1,657
Sales	75,374	-	-	-
	151,109	1,841	(183)	1,657
Swaps				
Interest rate swaps	195,451,096	5,705,153	(5,215,610)	489,543
Bonds				
Debt securities	175,438,000	173,737,574	-	173,737,574
Total	**371,040,205**	**179,444,567**	**(5,215,793)**	**174,228,774**

The distribution, by residual periods, of the notional value of the debt instruments and the derivative financial instruments contracted as at 31 December 2023 and 2022 is detailed as follows:

	31-Dec-23						
	≤ 3 months	> 3 months and ≤ 6 months	> 6 months and ≤ 1 year	> 1 year and <= 5 years	> 5 years	Undetermined	Total
Foreign exchange forward transactions							
Currency futures							
Purchases	4,928,210	-	-	-	-	-	4,928,210
Sales	4,944,647	-	-	-	-	-	4,944,647
	9,872,857	-	-	-	-	-	9,872,857
Swaps							
Interest rate swaps	-	-	950,000,000	225,587,837	173,035,192	-	1,348,623,029
Bonds							
Debt securities	109,941,000	500,000	-	17,650,000	-	-	128,091,000
Total	**119,813,857**	**500,000**	**950,000,000**	**243,237,837**	**173,035,192**	**-**	**1,486,586,886**

	31-Dec-22						
	≤ 3 months	> 3 months and ≤ 6 months	> 6 months and ≤ 1 year	> 1 year and <= 5 years	> 5 years	Undetermined	Total
Foreign exchange forward transactions							
Currency futures							
Purchases	75,735	-	-	-	-	-	75,735
Sales	75,374	-	-	-	-	-	75,374
	151,109	-	-	-	-	-	151,109
Swaps							
Interest rate swaps	-	-	-	133,557,227	61,893,869	-	195,451,096
Bonds							
Debt securities	159,545,000	600,000	2,200,000	9,293,000	3,700,000	100,000	175,438,000
Total	**159,696,109**	**600,000**	**2,200,000**	**142,850,227**	**65,593,869**	**100,000**	**371,040,204**

The intervals of the indexes associated with derivatives correspond to the 3-month and 6-month Euribor.

The movement of the debt securities held for trading occurred as at 31 December 2023 and 2022 is as follows:

Nature	31-Dec-22		2023							31-Dec-23	
	Opening Balance		Additions		Disposals		Maturities		Changes in	Closing Balance	
	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	fair value	Quantity	Fair value
Debt instruments	175,438,000	173,737,574	3,522,844,000	3,456,079,278	(3,565,241,000)	(3,498,840,515)	(4,950,000)	(4,950,000)	1,614,200	128,091,000	127,640,537
Total - Financial assets held for trading	**175,438,000**	**173,737,574**	**3,522,844,000**	**3,456,079,278**	**(3,565,241,000)**	**(3,498,840,515)**	**(4,950,000)**	**(4,950,000)**	**1,614,200**	**128,091,000**	**127,640,537**

* Does not include foreign exchange transactions

Nature	31-Dec-21		2022							31-Dec-22	
	Opening Balance		Additions		Disposals		Maturities		Changes in	Closing Balance	
	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	fair value	Quantity	Fair value
Debt instruments	18,261,000	18,251,970	10,671,174,355	10,277,442,704	(10,511,177,355)	(10,119,075,577)	(2,820,000)	(2,820,000)	(61,524)	175,438,000	173,737,574
Total - Financial assets held for trading	**18,261,000**	**18,251,970**	**10,671,174,355**	**10,277,442,704**	**(10,511,177,355)**	**(10,119,075,577)**	**(2,820,000)**	**(2,820,000)**	**(61,524)**	**175,438,000**	**173,737,574**

* Does not include foreign exchange transactions

The impact arising from changes in the fair value of financial assets and liabilities held for trading is shown under the "Gains or losses on financial assets and liabilities held for trading, net" heading (see Note 32) and the "Interest income" of these assets in Note 26.

In terms of the fair value hierarchy set out in IFRS 13, financial assets and liabilities held for trading are classified according to the following levels (see Note 47):

	31-Dec-23			
	Prices in active market	Valuation Techniques		Total
	(1)	Market data (2)	Models (3)	
Financial assets held for trading	127,640,538	14,987,602	-	142,628,139
Financial liabilities held for trading	-	9,871,752	-	9,871,752

	31-Dec-22			
	Prices in active market	Valuation Techniques		Total
	(1)	Market data (2)	Models (3)	
Financial assets held for trading	173,737,574	5,706,993	-	179,444,567
Financial liabilities held for trading	-	5,215,793	-	5,215,793

7. Non-trading financial assets mandatorily at fair value through profit or loss

	31-Dec-23	31-Dec-22
Securities		
Debt instruments		
Issued by residents	11,595,353	12,841,016
Issued by non-residents	50,191,570	52,738,018
Equity instruments	88,067,586	78,216,583
	149,854,509	**143,795,617**

The impact of changes in the fair value of financial assets and liabilities is presented under the "Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net" heading (see Note 33).

There are no collaterals received or mortgages constituted on the equity instruments.

The exposure by country of the balances of debt instruments is as shown below:

	31-Dec-23	31-Dec-22
Public debt securities		
Portugal	1,485,465	1,611,014
Spain	736,180	424,930
Italy	911,104	614,371
Others (Germany, France, Greece, Ireland, etc.)	1,025,693	947,744
Book Value - Public Debt	**4,158,442**	**3,598,059**
Other issuers		
Debt securities	57,628,481	61,980,975
Book Value - Other issuers	**57,628,481**	**61,980,975**
Total Debt securities mandatorily at FVTPL	**61,786,923**	**65,579,034**

The debt portfolio is broken down by maturity periods as follows:

	31-Dec-23	31-Dec-22
Up to three months	1,379,230	83,153
One year to three years	4,824,916	6,102,043
Three to five years	14,113,173	1,199,003
Over five years	19,123,613	31,219,214
Undetermined	22,345,991	26,975,622
	61,786,923	**65,579,035**

The movement in non-tradable financial assets mandatorily accounted for at fair value through profit or loss in 2023 and 2022 is as follows:

	31-Dec-22		2023									31-Dec-23	
Nature	Opening Balance		Implementation of IFRS 9		Additions		Disposals		Repayments / Maturities		Changes in fair value	Closing Balance	
	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value		Quantity	Fair value
Debt instruments	69,591,500	65,579,034	-	-	9,900,000	9,888,977	(9,911,000)	(10,744,338)	(5,700,000)	(5,700,000)	2,763,250	63,880,500	61,786,922
Capital instruments	15,764,558	78,216,583	-	-	2,538,037	15,113,502	(693,658)	(9,403,586)	(236,249)	(86,249)	4,227,336	17,372,688	88,067,587
Total - Non-trading financial assets mandatorily at FVTPL	**85,356,058**	**143,795,617**	-	-	**12,438,037**	**25,002,479**	**(10,604,658)**	**(20,147,924)**	**(5,936,249)**	**(5,786,249)**	**6,990,586**	**81,253,188**	**149,854,509**

Nature	31-Dec-21		2022									31-Dec-22	
	Opening Balance		Implementation of IFRS 9		Additions		Disposals		Repayments / Maturities		Changes in fair value	Closing Balance	
	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value		Quantity	Fair value
Debt instruments	-	-	69,591,500	65,579,034	-	-	-	-	-	-	-	69,591,500	65,579,034
Capital instruments	11,122,230	49,713,812	5,340,273	28,985,155	225,868	3,273,564	(923,813)	(916,134)	-	-	(2,839,814)	15,764,558	78,216,583
Total - Non-trading financial assets mandatorily at FVTPL	**11,122,230**	**49,713,812**	**74,931,773**	**94,564,189**	**225,868**	**3,273,564**	**(923,813)**	**(916,134)**	-	-	**(2,839,814)**	**85,356,058**	**143,795,617**

The impact on results of interest income from debt instruments, amounting to 2.8 million euros (2022: 3.2 million euros) can be found in Note 26. Dividends from equity instruments, amounting to 0.8 million euros (2022: 0.7 million euros), can be found in Note 28. Gains and losses on debt and equity instruments, amounting to 6.4 million euros (2022: -13.7 million euros), in Note 33.

The fair value hierarchy, provided for in IFRS 13, of non-trading financial assets mandatorily carried at fair value through profit or loss is as follows (see Note 47):

	31-Dec-23			
	Prices in active market (1)	Valuation Techniques		Total
		Market data (2)	Models (3)	
Non-trading financial assets mandatorily stated at FVTPL	61,786,923	-	88,067,586	149,854,509

	31-Dec-22			
	Prices in active market (1)	Valuation Techniques		Total
		Market data (2)	Models (3)	
Non-trading financial assets mandatorily stated at FVTPL	65,579,034	-	78,216,583	143,795,617

8. Financial assets at fair value through other comprehensive income

The composition of this heading is as follows:

	31-Dec-23	**31-Dec-22**
Debt instruments		
Issued by residents	135,954,779	118,381,798
Issued by non-residents	769,845,371	572,528,797
	905,800,150	**690,910,595**

The movement in debt instruments at fair value through other comprehensive income as at 31 December 2023 and 2022 is as follows:

Nature	31-Dec-22 Opening Balance		2023 Additions		Disposals		Repayments / Maturities		Changes in fair value	31-Dec-23 Closing Balance	
	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value		Quantity	Fair value
Debt instruments	825,360,500	690,910,595	5,426,880,000	5,288,139,436	(5,132,801,500)	(5,006,104,559)	(111,300,000)	(111,300,000)	44,154,678	1,008,139,000	905,800,150
Total - Financial assets at fair value through other comprehensive income	**825,360,500**	**690,910,595**	**5,426,880,000**	**5,288,139,436**	**(5,132,801,500)**	**(5,006,104,559)**	**(111,300,000)**	**(111,300,000)**	**44,154,678**	**1,008,139,000**	**905,800,150**

Nature	31-Dec-21 Opening Balance		2022 Additions		Disposals / transfers		Repayments / Maturities		Changes in fair value	Implementation of IFRS 9		31-Dec-22 Closing Balance	
	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value		Quantity	Fair value	Quantity	Fair value
Debt instruments	1,764,110,000	1,784,335,214	3,345,411,000	3,161,549,316	(3,296,157,000)	(3,134,898,593)	(922,603,500)	(922,603,500)	(135,530,070)	(65,400,000)	(61,941,774)	825,360,500	690,910,595
Capital instruments	7,179,854	20,785,993	806,989	12,021,418	-	-	(2,666,550)	(3,322,866)	(617,034)	(5,320,293)	(28,867,511)	-	-
Total - Financial assets at fair value through other comprehensive income	**1,771,289,854**	**1,805,121,207**	**3,346,217,989**	**3,173,570,734**	**(3,296,157,000)**	**(3,134,898,593)**	**(925,270,050)**	**(925,926,366)**	**(136,147,104)**	**(70,720,293)**	**(90,809,285)**	**825,360,500**	**690,910,595**

The impairment of securities at fair value through other comprehensive income is 537 thousand euros, in accordance with Note 23. The movement of impairment occurred in the year can be seen in Note 18.

The exposure by country of the debt instruments is as shown below (values in thousands of euros):

	31-Dec-23	31-Dec-22
Public debt securities		
Portugal	100,718	86,351
Spain	313,332	155,679
Italy	145,964	144,782
Others (Germany, France, Greece, Ireland, etc.)	217,226	169,362
Book Value - Public Debt	**777,240**	**556,174**
Other issuers		
Debt securities	128,560	134,737
Book Value - Other issuers	**128,560**	**134,737**
Total Financial assets at FVTOCI	**905,800**	**690,911**

Impairment Reserves	31-Dec-23	31-Dec-22
Public debt	(321)	(354)
Other issuers	(216)	(207)
Total	(537)	(561)

The portfolio is broken down by residual periods as follows (in thousand euros):

Amounts in thousands of euros	31-Dec-23	31-Dec-22
Up to three months	50,501	24,205
Three months to one year	238,264	67,131
One year to three years	99,383	112,585
Three to five years	108,126	74,227
Over five years	409,526	412,763
Total	**905,800**	**690,911**

In terms of the fair value hierarchy set out in IFRS 13, financial assets at fair value through other comprehensive income are classified according to the following levels (see Note 47):

	31-Dec-23			
	Prices in active market (1)	Valuation Techniques		Total
		Market data (2)	Models (3)	
Financial assets at fair value through other comprehensive income	905,800,150	-	-	905,800,150

	31-Dec-22			
	Prices in active market (1)	Valuation Techniques		Total
		Market data (2)	Models (3)	
Financial assets at fair value through other comprehensive income	690,910,595	-	-	690,910,595

The impairment of financial assets at fair value through other comprehensive income is reflected in equity. See movement in Note 18.

As at 31 December 2022, all debt instruments are classified in stage 1 of the ECL model. As at 31 December 2023, there are two securities classified in stage 2 of the value of 2.2 million euros, with the rest remaining in stage 1. See movement of impairment in Note 18.

The potential capital gains and capital losses of financial assets at fair value through other comprehensive income are recorded in the assets against “revaluation reserves” in equity. The impacts on equity are shown in Note 23.

There are no debt instruments at fair value through other comprehensive income given as collateral.

Realised capital gains are detailed in Note 31.

9. Financial assets at amortised cost

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Debt securities	9,553,815,991	9,422,130,827
Investments	32,779,894	29,089,985
Loans and advances to customers	11,281,290,766	11,212,214,555
Total Financial Assets at Amortised Cost	**20,867,886,651**	**20,663,435,367**

9.1 Debt Securities

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Debt instruments		
Issued by residents	2,056,777,198	2,084,892,455
Issued by non-residents	7,048,797,928	6,860,624,764
	9,105,575,126	8,945,517,220
Interest receivable	65,098,894	62,768,596
Accumulated impairment	(4,899,234)	(6,282,905)
	9,165,774,786	9,002,002,911
Securitised		
Commercial Paper	391,165,324	423,685,498
Commercial Paper interest	205,129	132,953
Deferred fees received	(3,171,461)	(3,384,801)
	388,198,992	420,433,650
Accumulated impairment	(157,787)	(305,734)
	9,553,815,991	**9,422,130,827**

The movement in debt instruments at amortised cost during 2023 and 2022 are as follows (excluding interest receivable and impairment):

	31-Dec-22		2023						31-Dec-23	
Nature	Opening Balance		Additions		Maturities		Amortisation premium/Interest	Variation hedge adjustment	Closing Balance	
	Quantity	Value	Quantity	Value	Quantity	Value			Quantity	Value
Debt instruments	9,574,350,000	8,945,517,220	317,640,000	311,887,805	(411,900,000)	(411,900,000)	(36,868,464)	296,938,565	9,480,090,000	9,105,575,126
Total - Financial assets at AC	**9,574,350,000**	**8,945,517,220**	**317,640,000**	**311,887,805**	**(411,900,000)**	**(411,900,000)**	**(36,868,464)**	**296,938,565**	**9,480,090,000**	**9,105,575,126**

Nature	31-Dec-21 Opening Balance		2022 Additions		Maturities		Amortisation premium/Interest	Variation hedge adjustment	Implementation of IFRS 9		31-Dec-22 Closing Balance	
	Quantity	Value	Quantity	Value	Quantity	Value			Quantity	Value	Quantity	Value
Debt instruments	7,096,387,000	7,483,565,888	2,667,295,000	2,570,225,694	(189,332,000)	(189,332,000)	(94,492,825)	(856,962,065)	-	32,512,528	9,574,350,000	8,945,517,220
Total - Financial assets at AC	**7,096,387,000**	**7,483,565,888**	**2,667,295,000**	**2,570,225,694**	**(189,332,000)**	**(189,332,000)**	**(94,492,825)**	**(856,962,065)**	**-**	**32,512,528**	**9,574,350,000**	**8,945,517,220**

The nominal value of securities at amortised cost is 9,480 million euros as at 31 December 2023, and 9,574 million euros as at 31 December 2022.

The average interest rates obtained on these instruments in 2023 were 2.04% (2022: 1.62%).

The accumulated adjustment relative to the hedge relations at fair value stands at 560 million euros as at 31 December 2023 (857 million euros as at 31 December 2022) as presented in Note 10.

In terms of the fair value hierarchy set out in IFRS 13, debt securities held at amortised cost are classified according to the following levels (see Note 47):

	31-Dec-23 Prices in active market (1)	Valuation Techniques Market data (2)	Models (3)	Total
Financial assets at amortised cost (excludes commercial paper)	9,170,674,020	-	-	9,170,674,020

	31-Dec-22 Prices in active market (1)	Valuation Techniques Market data (2)	Models (3)	Total
Financial assets at amortised cost (excludes commercial paper)	9,008,285,816	-	-	9,008,285,816

The CA Group's investment policy determines that maximum limits of 10% should be observed in the annual sales ratios in terms of amount and quantity of securities in the portfolio. During 2023 2022, the disposal of portfolio securities at amortised cost did not exceed the defined limits.

As at 31 December 2023, there are debt instruments at amortised cost given as collateral, of the value of 696,549 thousand euros (2022: 561,150 thousand euros). These instruments have not undergone any change in their credit risk stage and remain at stage 1.

Debt instruments at amortised cost, without interest receivable, without impairment and without hedge adjustment, show the following contractual residual maturities as at 31 December 2023 and 2022:

	31-Dec-23	**31-Dec-22**
Up to three months	307,777,059	41,524,490
Three months to one year	370,832,250	357,856,417
One year to three years	1,144,470,647	1,036,388,090
Three to five years	1,534,099,164	1,217,803,618
Over five years	6,308,419,506	7,148,906,670
Total	**9,665,598,626**	**9,802,479,285**

The exposure by country of the main balances of debt instruments is as shown below (values in thousands of euros):

	31-Dec-23	31-Dec-22
Public debt securities		
Portugal	1,982,107	2,038,513
Spain	4,051,165	3,995,166
Italy	1,039,720	997,070
Other	234,988	216,544
Book value (gross) without accrued interest	**7,307,980**	**7,247,294**
Interest receivable	52,639	53,572
Impairment	(3,706)	(5,428)
Total public debt	**7,356,912**	**7,295,437**
Other issuers	1,797,596	1,698,224
Interest receivable	12,460	9,197
Impairment	(1,193)	(855)
Total Other issuers	**1,808,863**	**1,706,566**
Total Debt instruments at amortised cost	**9,165,775**	**9,002,003**

Debt instruments issued by residents essentially refer to Portuguese public debt, of the value of 1,982,107 thousand euros.

Debt instruments issued by non-residents refer to Spanish and Italian public debt, of the value of 4,051,165 thousand euros and 1,039,720 thousand euros, respectively.

All the debt instruments at amortised cost are classified at stage 1 of the expected credit loss (ECL) model.

See disclosure of the credit quality of financial assets in Note 47.

See also the movement of impairment in Note 18.

9.2 Investments

	31-Dec-23	31-Dec-22
Investments:		
Loans	32,500,000	29,000,000
Other investments	21,116	19,239
Interest receivable from loans	297,633	127,515
	32,818,749	29,146,754
Investment impairments	(38,855)	(56,769)
Total Investment	**32,779,894**	**29,089,985**

As at 31 December 2023 and 2022, the residual periods of the investments in credit institutions, without impairment, presented the following structure (values in euros):

	31-Dec-23	31-Dec-22
Up to three months	21,116	19,239
Three months to one year	2,500,000	4,000,000
One year to three years	30,000,000	25,000,000
	32,521,116	29,019,239
Interest receivable	297,632	127,515
	32,818,748	29,146,754

9.3 Loans and advances to customers

	31-Dec-23	31-Dec-22
Credit Portfolio		
Mortgage Loans	3,464,218,642	3,584,117,640
Loans with and without collateral	6,593,320,433	6,486,725,927
Financial leasing contracts		
Customers	314,235,874	297,230,441
Current account loans and advances		
Customers	487,780,294	407,043,783
Demand deposits overdrafts		
Other residents	5,518,373	5,270,663
Consumer credit	565,518,340	570,086,629
Other loans		
Credit cards	52,322,252	48,313,347
Other loans and advances to customers	7,692,118	8,412,073
Modifications	(8,575,273)	(6,432,630)
	11,482,031,054	11,400,767,873
Interest receivable	59,035,849	32,086,723
Associated fees at amortised cost		
Deferred expenses	1,895,218	1,853,606
Deferred expenses	(31,215,501)	(30,414,033)
Total loans not immediately due	11,511,746,620	11,404,294,169
Overdue loans and interest		
Overdue loans	148,188,568	149,728,077
Overdue interest	10,493,180	7,727,544
Total overdue loans and interest	158,681,748	157,455,621
Accumulated impairment	(389,137,601)	(349,535,235)
Total Credit Portfolio	**11,281,290,766**	**11,212,214,555**

The variation is essentially due to the use of current accounts pledged by customers.

The breakdown of loans and advances to customers (due and overdue) without the certified loans (commercial paper) shown in Note 9.1, excluding interest, fees and commissions, according to the type of guarantee, is as follows (in thousand euros):

	31-Dec-23	31-Dec-22
Loans receivable:		
Asset-backed loans	8,816,619	8,792,861
Unsecured loans	1,200,059	1,080,393
Loans with personal guarantees	1,465,353	1,527,514
	11,482,031	11,400,768
Overdue loans:		
Asset-backed loans	120,337	120,225
Unsecured loans	12,278	12,392
Loans with personal guarantees	15,574	17,111
	148,189	149,728
	11,630,220	**11,550,495**
Fair value of asset-backed guarantees	13,030,730	14,752,737

As at 31 December 2023 and 2022, there is no loans overdue without impairment, as shown in the table below (values in thousand euros):

	31-Dec-23	31-Dec-22
Overdue loans with impairment	148,189	149,728
Overdue loan with impairment	10,493	7,728
Overdue loans without impairment	-	-
Overdue loans without impairment	-	-
	158,682	**157,456**

As at 31 December 2023 and 2022, the residual periods of loans and advances to costumers (excluding Commercial Paper – Note 9.1, interest, fees and commissions – Note 9.3) presented the following structure (values in thousands of euros):

	31-Dec-23	31-Dec-22
Up to three months	405,582	433,122
Three months to one year	540,997	503,325
One year to three years	923,847	796,663
Three to five years	1,118,071	1,178,547
Over five years	8,583,279	8,576,912
Without term	58,444	61,927
	11,630,220	**11,550,495**

As at 31 December 2023 and 2022, loans and advances to customers (excluding Commercial Paper – Note 9.1) was divided between fixed and variable rates, as follows (in thousand euros):

	31-Dec-23	31-Dec-22
Fixed rate	1,034,867	1,178,058
Variable rate	10,595,354	10,372,437
	11,630,220	**11,550,495**

It should be noted that most variable rate loans are indexed to Euribor.

The duration of loans overdue balances with impairment for the periods presented is as follows (in thousand euros):

	31-Dec-23	31-Dec-22
Up to three months	11,885	14,003
Three months to one year	49,355	27,397
One year to three years	40,355	35,158
Three to five years	18,612	27,638
Over five years	38,475	53,259
	158,682	**157,456**

Up to this date, the Crédito Agrícola Group has not carried out any operation of securitisation of its credit portfolio.

As at 31 December 2023 and 2022, the CA Group has approximately 956,638 thousand euros and 924,098 thousand euros, respectively, of loan contracts written off from the assets, that, due to their recovery being considered remote, are stated under off-balance sheet headings (Note 21).

The change in the heading “Impairment losses” during the periods of 2023 and 2022 is presented in Note 18. The remaining impact on profit or loss is described in Note 26.

Also see Note 47 – Disclosures relative to financial instruments: Credit Risk, which details the risk rating associated with the credit portfolio.

10. Derivatives - Hedge accounting

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Swaps - Interest rate risk	686,290,248	885,429,290
Derivatives - Hedge accounting (Assets)	**686,290,248**	**885,429,290**
Swaps - Interest rate risk	(97,297,073)	(27,415,374)
Derivatives - Hedge accounting (Liabilities)	**(97,297,073)**	**(27,415,374)**
	588,993,175	**858,013,916**

The details of assets recorded in the Balance Sheet are as follows:

31-Dec-23		Hedging instrument			Hedged instrument		
Derivative instrument	Associated financial assets/liabilities	Notional	Fair value (1)	Fair value variation for the year	Fair value component of the hedged instrument	Fair value variation for the year	Book value
Interest rate swap	Debt instruments	5,075,880,000	588,993,175	(269,020,741)	(560,023,501)	296,938,565	5,284,257,217

1) Includes accrued interest

31-Dec-22		Hedging instrument			Hedged instrument		
Derivative instrument	Associated financial assets/liabilities	Notional	Fair value (1)	Fair value variation for the year	Fair value component of the hedged instrument	Fair value variation for the year	Book value
Interest rate swap	Debt instruments	4,389,280,000	858,013,916	910,976,112	(856,962,065)	(894,368,131)	4,637,764,909

1) Includes accrued interest

The details of the estimated notional values of effective derivatives, by their maturity in 2023, are as follows:

	2024	2025	2026	2027	2028	2029	2030	> 2031 to 2040
Fair value hedge of interest rate risk								
Notional value	29,730,000	10,700,000	550,100,000	275,000,000	708,850,000	87,000,000	285,500,000	3,129,000,000
	29,730,000	10,700,000	550,100,000	275,000,000	708,850,000	87,000,000	285,500,000	3,129,000,000

The details of the estimated notional values of effective derivatives, by their maturity in 2022, are as follows:

	2024	2025	2026	2027	2028	2029	2030	> 2031 to 2040
Fair value hedge of interest rate risk								
Notional value	29,730,000	10,700,000	545,700,000	230,500,000	681,650,000	87,000,000	275,000,000	2,529,000,000
	29,730,000	10,700,000	545,700,000	230,500,000	681,650,000	87,000,000	275,000,000	2,529,000,000

Under its interest rate risk management, the CA Group entered into a series of interest rate swap contracts aimed at mitigating the impact on the fair value of debt financial instruments arising from interest rate variations, where it is expected that the fair value of the respective interest rate swap should evolve inversely to the fair value of the hedged risk of the hedged instrument. Accordingly, and as all the requirements of IFRS 9 were met, the CA Group applied hedge accounting, namely of the “fair value hedge” type.

The exchanged interest rates of these swaps are Euribor 6 months and Euribor 1 month. The variation in this heading is essentially justified by the difference in Euribor rates. The maturities of these swaps vary between 1 and 17 years (2022: between 2 and 18 years).

11. Investments in subsidiaries, joint ventures and associates

As at 31 December 2023 and 2022, this heading shows the following composition:

	31-Dec-23	31-Dec-22
Rede Nacional de Assistência, SA	3,041,258	2,829,626
	3,041,258	2,829,626

As at 31 December 2023, the amount recognised in the income statement as "Proportion of profit or loss (-) of investments in joint ventures and associates accounted for using the equity method" was 553 thousand euros.

The most significant data withdrawn from the financial statements of this Company is summarised in Note 4.

12. Tangible assets

12.1 Property, plant and equipment

The movement which occurred in Property, plant and equipment during 2023 and 2022 was as follows:

Description	31-Dec-22 Value Gross	31-Dec-22 Depreciations Accumulated	31-Dec-22 Losses by Impairment	Acquisitions	Depreciations	Impairment (Note 18)	Write-offs disposals and other	31-Dec-23 Value Gross	31-Dec-23 Depreciations Accumulated	31-Dec-23 Losses by Impairment	31-Dec-23 Value Net
Real estate properties:											
For own use	304,775,834	(114,753,378)	(8,146,984)	2,203,189	(5,352,246)	(823,179)	(1,174,321)	305,299,019	(119,599,941)	(8,970,163)	176,728,915
Works in rented real estate properties	21,023,627	(12,758,513)	-	162,174	(798,083)	-	(33,766)	20,890,906	(13,295,467)	-	7,595,439
Other properties	490,512	(338,224)	-	9,573	(9,245)	-	-	480,776	(328,160)	-	152,616
	326,289,973	(127,850,115)	(8,146,984)	2,374,936	(6,159,574)	(823,179)	(1,208,087)	326,670,701	(133,223,568)	(8,970,163)	184,476,970
Equipment	207,555,805	(182,877,653)	-	13,367,163	(9,091,246)	-	(588,472)	208,712,789	(180,347,192)	-	28,365,597
Rights-of-use:											
Real estate properties	34,133,443	(13,280,721)	-	1,313,801	(4,433,157)	-	(182,140)	34,050,585	(16,499,359)	-	17,551,226
Vehicles	3,236,002	(1,346,722)	-	411,374	(753,266)	-	(525,359)	3,321,844	(2,299,815)	-	1,022,029
Equipment	2,265,207	(2,019,476)	-	6,072	(395,416)	-	650,009	1,535,789	(1,029,393)	-	506,396
	39,634,652	(16,646,919)	-	1,731,247	(5,581,839)	-	(57,490)	38,908,218	(19,828,567)	-	19,079,651
Works of art	1,109,639	-	-	1,500	-	-	1	1,111,140	-	-	1,111,140
Equipment in financial leasing:											
Equipment	703,338	(517,709)	-	99,750	(49,717)	-	(2)	688,901	(453,241)	-	235,660
Other assets in finance leases	-	(52,886)	-	-	(18,146)	-	-	-	(71,032)	-	(71,032)
	703,338	(570,595)	-	99,750	(67,863)	-	(2)	688,901	(524,273)	-	164,628
Other tangible assets:											
Tangible assets in progress	8,154,605	-	-	8,298,063	-	-	(1,370,381)	15,082,287	-	-	15,082,287
Other	1,136,114	(1,052,717)	-	-	(19,412)	-	(6)	1,134,361	(1,070,382)	-	63,979
	9,290,719	(1,052,717)	-	8,298,063	(19,412)	-	(1,370,387)	16,216,648	(1,070,382)	-	15,146,266
	584,584,126	(328,997,999)	(8,146,984)	25,872,659	(20,919,934)	(823,179)	(3,224,437)	592,308,397	(334,993,982)	(8,970,163)	248,344,252

Description	31-Dec-21 Value Gross	31-Dec-21 Depreciations Accumulated	31-Dec-21 Losses by Impairment	Acquisitions	Depreciations	Impairment (Note 18)	Write-offs disposals and other	31-Dec-22 Value Gross	31-Dec-22 Depreciations Accumulated	31-Dec-22 Losses by Impairment	31-Dec-22 Value Net
Real estate properties:											
For own use	304,702,429	(110,407,043)	(8,062,917)	1,533,459	(5,347,067)	(84,067)	(459,322)	304,775,834	(114,753,378)	(8,146,984)	181,875,472
Works in rented real estate properties	21,018,963	(12,313,035)	-	543,108	(816,145)	-	(167,777)	21,023,627	(12,758,513)	-	8,265,114
Other properties	503,911	(342,458)	-	-	(9,165)	-	-	490,512	(338,224)	-	152,288
	326,225,303	(123,062,536)	(8,062,917)	2,076,567	(6,172,377)	(84,067)	(627,099)	326,289,973	(127,850,115)	(8,146,984)	190,292,874
Equipment	208,591,545	(184,452,714)	-	9,204,875	(8,016,129)	-	(649,425)	207,555,805	(182,877,653)	-	24,678,152
Rights-of-use:											
Real estate properties	31,564,725	(12,800,696)	-	2,473,651	(4,459,522)	-	4,074,564	34,133,443	(13,280,721)	-	20,852,722
Vehicles	2,704,472	(1,132,117)	-	707,579	(650,457)	-	259,803	3,236,002	(1,346,722)	-	1,889,280
Equipment	2,541,022	(1,721,753)	-	280	(628,632)	-	54,814	2,265,207	(2,019,476)	-	245,731
	36,810,219	(15,654,566)	-	3,181,510	(5,738,611)	-	4,389,181	39,634,652	(16,646,919)	-	22,987,733
Works of art	1,109,087	-	-	552	-	-	-	1,109,639	-	-	1,109,639
Equipment in financial leasing:											
Equipment	731,086	(547,405)	-	52,564	(39,043)	-	(11,573)	703,338	(517,709)	-	185,629
Other assets in finance leases	-	(58,880)	-	-	(18,146)	-	24,140	-	(52,886)	-	(52,886)
	731,086	(606,285)	-	52,564	(57,189)	-	12,567	703,338	(570,595)	-	132,743
Other tangible assets:											
Tangible assets in progress	7,206,604	-	-	3,551,740	-	-	(2,603,739)	8,154,605	-	-	8,154,605
Other	1,132,968	(1,030,355)	-	3,146	(22,362)	-	-	1,136,114	(1,052,717)	-	83,397
	8,339,572	(1,030,355)	-	3,554,886	(22,362)	-	(2,603,739)	9,290,719	(1,052,717)	-	8,238,002
	581,806,812	(324,806,456)	(8,062,917)	18,070,954	(20,006,668)	(84,067)	521,485	584,584,126	(328,997,999)	(8,146,984)	247,439,143

During 2023 and 2022, the capital gains and capital losses calculated in the disposal of tangible assets are recorded under the heading of “Gains or losses on derecognition of non-financial assets, net” (Note 36).

Real estate properties for own use are stated at acquisition cost minus accumulated depreciation and any impairment losses. Impairment tests are conducted annually on real estate properties for own use. These analyses are based on the fair value calculated through valuation done by an expert valuator, based on the current use of the property and the value recorded on that date. If impairment exists, it is immediately recorded.

Furthermore, sensitivity analysis was carried out, based on the assumption of a variation of -0.5% and +0.5% in the value of the assumptions used in the valuations (price per m^2 or profitability of the real estate property), with a minor impact having been ascertained of around -0.8 million euros and +1.5 million euros, respectively.

The CA Group has the option to purchase certain equipment at its nominal value at the end of the lease period. The obligations of Caixa Central are guaranteed by the ownership rights of the lessor in relation to the leased assets, for such leases.

13. Intangible assets

The movement which occurred in Intangible Assets during 2023 and 2022 was as follows:

	31-Dec-22				Regularisations and transfers		Write-offs		31-Dec-23		
Description	Gross Value	Accumulated Amortisations	Acquisitions	Depreciations	Gross Value	Amorti-sation	Gross Value	Amorti-sation	Gross Value	Accumulated Amortisations	Net Value
Automated data treatment system (software)	272,196,417	(188,980,198)	1,349,489	(15,359,701)	22,188,215	(5,180)	(7,905,532)	4,684,073	287,828,589	(199,661,006)	88,167,583
Other intangible assets	36,048,826	(35,961,095)	-	(2,006)	-	-	(287,862)	287,862	35,760,964	(35,675,239)	85,725
Intangible assets in progress	25,925,433	-	14,657,562	-	(22,151,243)	-	(2,812,361)	-	15,619,391	-	15,619,391
	334,170,676	(224,941,293)	16,007,051	(15,361,707)	36,972	(5,180)	(11,005,755)	4,971,935	339,208,944	(235,336,245)	103,872,699

	31-Dec-21				Regularisations and transfers		Write-offs		31-Dec-22		
Description	Gross Value	Accumulated Amortisations	Acquisitions	Depreciations	Gross Value	Amorti-sation	Gross Value	Amorti-sation	Gross Value	Accumulated Amortisations	Net Value
Automated data treatment system (software)	258,657,617	(177,213,412)	1,286,610	(14,812,785)	15,608,441	(1,518)	(3,356,251)	3,047,517	272,196,417	(188,980,198)	83,216,219
Other intangible assets	36,129,006	(36,045,288)	6,019	(2,006)	-	-	(86,199)	86,199	36,048,826	(35,961,095)	87,731
Intangible assets in progress	23,932,453	-	18,066,263	-	(15,702,168)	-	(371,115)	-	25,925,433	-	25,925,433
	318,719,076	(213,258,700)	19,358,892	(14,814,791)	(93,727)	(1,518)	(3,813,565)	3,133,716	334,170,676	(224,941,293)	109,229,383

As at 31 December 2023 and 2022, the heading “Automatic data treatment system (software)” includes the amounts of 75,928,177 euros and 73,263,754 euros, respectively, relative to costs incurred with employees allocated to the development of software internally at CA Serviços. The value incurred during 2023 reached 2,664,423 euros (2022: 2,520,731 euros).

As at 31 December 2023 and 2022, the heading of “Intangible assets in progress” essentially refers to costs incurred allocated to software which is under internal development at CA Serviços.

During 2023 and 2022, the capital gains calculated in the disposal of intangible assets are recorded under the heading of “Gains or losses on derecognition of non-financial assets, net” (Note 36).

14. Income tax

The balances of income tax assets and liabilities as at 31 December 2023 and 2022 are detailed as follows:

	31-Dec-23	31-Dec-22
Deferred tax assets		
Due to temporary differences	77,424,916	75,838,399
Due to tax losses carried forward	2,910,661	8,255,696
	80,335,577	84,094,095
Deferred tax liabilities		
Due to temporary differences	(6,351,211)	(1,395,268)
	(6,351,211)	(1,395,268)
	73,984,366	**82,698,827**
Current tax assets		
Income tax recoverable	874,563	3,496,956
	874,563	3,496,956
Current tax liabilities		
Income tax payable	(118,368,488)	(50,565,266)
	(118,368,488)	(50,565,266)
	(117,493,924)	**(47,068,310)**

At the end of 2023, the net balance of current tax assets and liabilities amounts to 117,493,926 euros and is influenced (i) by the payments on account and additional payments on account made during 2023, of a total of 25,281,423 euros (credit balance); (ii) withholdings at source incurred in 2023, of a total of 2,137,789 euros (credit balance); and (iii) estimated current tax payable, of a total of 119,442,897 euros (debit balance), determined individually by the various institutions of the CA Group; and (iv) the tax impact resulting from the adoption of IFRS 17 and IFRS 9 in the sphere of the Crédito Agrícola Insurance Companies, amounting to 25,470,241 euros.

It should be noted that, in 2023, CA Vida calculated a set of transition adjustments whose impact on the change in equity was 112,391,507 euros. In accordance with Decree-Law 82-A/2023, the positive and negative changes in equity not reflected in the net profit for the period arising from the first-time adoption of the Plan of Accounts for Insurance Companies and considered to be fiscally relevant under the terms of the Corporate Income Tax Code, contribute in equal parts to the formation of the taxable profit for the tax period beginning in 2023 and in each of the nine subsequent tax periods.

Current taxes were calculated based on the rates in force established in the tax legislation, more specifically (i) the general rate of corporate income tax (21%); (ii) the municipal surcharge rates (up to 1.5%); and (iii) the state surcharge rates, which vary according to the calculated taxable profit (between 3% and 9%).

Deferred taxes were calculated using the rates that are expected to be applicable at the time of their realisation, based on the tax rates that have been decreed or substantially decreed on the reporting date. Additionally, an average rate of 25% was calculated in 2023, for the consolidation adjustments to be made in relation to deferred tax assets and liabilities.

The movements occurred in deferred taxes during 2023 and 2022, by nature of temporary difference, are detailed below:

	31-Dec-22	Variation in profit or loss		Variation in reserves	31-Dec-23
Description	**Opening balance**	**Current**	**Consolidation adjustment**	**Current**	**Closing balance**
. Tangible assets and impairment	1,568,786	352,387			1,921,173
. Non-deductible provisions and impairments:					
- Impairment on customer receivables, debtors and other investments and guarantees and commitments given	38,065,997	(1,968,683)			36,097,314
- Impairment on non-current assets held for sale and other assets	485,181	6,265,927	-		6,751,107
- Impairment of securities	134,257	(119,203)			15,053
- Impairment of financial holdings	628,256	(332,338)			295,918
- Funds for general banking risks	-	-			-
- Provisions for other risks and charges	1,778,428	3,857,488			5,635,916
. Pensions					
- Early retirement	1,706,269	210,679			1,916,948
- Pension fund	-	-			-
- Seniority bonus	3,310,499	(103,446)			3,207,054
- Health care charges	(351)	-			(351)
. Valuation of securities at fair value through profit or loss	1,361,088	28,028			1,389,116
. Valuation of securities at fair value through reserves	23,572,962			(11,056,651)	12,516,311
. Revaluation of fixed assets non-tax deductible	(449,838)	23,041		26,347	(400,449)
. Revaluation of real estate properties - DL 66/2016	176,679	44,287			220,966
Right-of-use assets - IFRS 16	455,135	37,154			492,289
. Tax benefits	-	-			-
. Tax losses carried forward	8,255,695	(3,897,185)	92,039	(1,539,889)	2,910,660
. Consolidated tax - elimination of intra-group sales	1,398,180		(1,115,469)		282,711
. Other	251,603	481,028			732,631
Total	**82,698,827**	**4,879,163**	**(1,023,430)**	**(12,570,192)**	**73,984,366**

Description	31-Dec-21 Opening balance	Variation in profit or loss Current	Variation in profit or loss Consolidation adjustment	Variation in reserves Current	31-Dec-22 Closing balance
. Tangible assets and impairment	1,641,677	(72,891)			1,568,786
. Non-deductible provisions and impairments:					
- Impairment on customer receivables, debtors and other investments and guarantees and commitments given	44,602,309	(6,536,312)			38,065,997
- Impairment on non-current assets held for sale and other assets	726,645	(236,736)	(4,728)		485,181
- Impairment of securities	97,057	37,200			134,257
- Impairment of financial holdings	747,872	(119,616)			628,256
- Funds for general banking risks	-	-			-
- Provisions for other risks and charges	2,749,834	(971,406)			1,778,428
. Pensions					
- Early retirement	1,402,516	303,753			1,706,269
- Pension fund	-	-			-
- Seniority bonus	3,822,954	(512,455)			3,310,499
- Health care charges	13,339	(13,690)			(351)
. Valuation of securities at fair value through profit or loss	(471,002)	1,832,090			1,361,088
. Valuation of securities at fair value through reserves	156,949			23,416,013	23,572,962
. Revaluation of fixed assets non-tax deductible	(229,407)	(246,779)		26,347	(449,838)
. Revaluation of real estate properties - DL 66/2016	166,504	10,175			176,679
	-	455,135			455,135
. Tax benefits	-	-			-
. Tax losses carried forward	5,511,408	(279,213)	110,999	2,912,501	8,255,695
. Consolidated tax - elimination of intra-group sales	1,755,488		(357,308)		1,398,180
. Other	16,828	234,775			251,603
Total	**62,710,971**	**(6,115,970)**	**(251,036)**	**26,354,861**	**82,698,827**

As observed in the tables above, the most significant amount of the deferred tax assets refers to credit impairment, a situation that arises from the application of the tax systems that had been in force up to 31 December 2018, under which part of the impairments recorded in the accounts was not deducted for tax purposes, as well as to utilisations occurred in previous periods that are still pending tax recovery.

In 2019, the publication of Law 98/2019 of 4 September gave rise to the entry into force of the current tax system applicable to credit impairments, which provides for the tax deduction of impairments recorded under the accounting and regulatory standards. In relation to the impairment stock taxed until 31 December 2018, a transitional scheme is established which foresees, in general terms, that the tax recovery of that amount shall occur at the time of the reversal of the impairments and/or realisation of losses.

Accordingly, the stock of impairment taxed under the previous regime, up to 31 December 2018, will continue to generate deferred tax assets until it is fully reversed under Article 3 of the aforementioned Law 98/2019.

Another relevant component of the deferred tax assets refers to the tax losses calculated individually by the CA Group's different institutions to the extent that these tax losses are still within the time limit for carrying them forward established in the tax law and their recoverability is supported by projections of taxable profits enabling their deduction in that period. These tax losses are detailed as follows:

Year	Tax losses carried forward	Tax losses with deferred tax assets	Deferred tax assets
2014	3,478,504	453,183	95,168
2015	1,039,379	351,463	73,807
2016	949,052	-	-
2017	-	-	-
2018	200,043	200,043	42,009
2019	1,414,986	969,925	203,684
2020	2,810,694	564,970	118,644
2021	3,015,918	542,082	113,837
2022	11,284,578	10,778,938	2,263,512
2023	-	-	-
	24,193,156	**13,860,605**	**2,910,662**

Under the terms of Law 24-D/2022, of December 30 (State Budget Law for 2023), the time limit for deducting tax losses calculated in a given tax period was eliminated. This amendment applies to tax losses assessed in tax periods beginning on or after 1 January 2023, as well as tax losses assessed in tax periods prior to 1 January 2023, whose deduction period is still in progress on that date.

In the 2023 and following tax periods, the deduction of tax losses to be made in each tax period cannot exceed 65% of the respective taxable profit (70% in 2022), maintaining the 10 percentage point increase in the annual deduction limit for tax losses calculated in 2020 and 2021.

As at 31 December 2023, the deferred tax assets, for tax losses, not recorded due to doubts as to the existence of future taxable profits, amount to 2,169,835 euros.

Also noteworthy is the tax impact recognised as a result of the cancellation of transactions carried out between institutions that are consolidated in the CA Group accounts.

The table below details the amounts (costs and/or gains) associated to income taxes recorded through profit or loss as at 31 December 2023 and 2022, as well as the respective effective tax rate in each period, which is measured by the relationship between the net cost related to income tax and the earnings before tax.

	31-Dec-23	31-Dec-22
Current taxes		
Tax on profit for the year	120,700,052	30,335,422
Tax corrections relative to previous years	(1,655,164)	(593,740)
	119,044,888	29,741,683
Deferred taxes		
Recording and reversal of temporary differences	(7,699,272)	5,698,713
Tax losses carried forward	3,843,539	668,293
	(3,855,733)	6,367,006
Total tax recognised through profit or loss	**115,189,155**	**36,108,689**
Earnings before taxes	412,642,813	124,124,436
Effective tax rate	**27.91%**	**29.09%**

As indicated in the table above, the CA Group has an effective tax rate of 27.91% in 2023, which is due to the positive performance of the CA Group's activity during the year with impact on its earnings and the impact of the application of the tax regime applicable to loan impairments established in Law 98/2019 of 4 September, by most of the Caixas Agrícolas.

The table below presents the reconciliation of the effective tax rate as at 31 December 2023, and as at 31 December 2022 for comparative purposes:

Description	31-Dec-23 Tax rate	31-Dec-23 Amount	31-Dec-22 Tax rate	31-Dec-22 Amount
Earnings before taxes		412,642,813		124,124,436
Corporate income tax - general rate (21%)	21.00%	86,654,991	21.00%	26,066,132
Changes in value - Pension fund	-0.45%	(1,851,758)	-1.18%	(1,463,841)
Expenses relative to previous years	0.20%	834,031	0.37%	456,243
Non-deductible impairments/provisions	2.85%	11,764,033	-6.89%	(8,553,615)
Employee benefits adjustments	-0.02%	(71,672)	0.19%	233,704
Contribution of the banking sector	0.65%	2,668,237	2.06%	2,563,000
Additional solidarity of the banking sector	0.10%	410,172	0.30%	369,919
Elimination of double taxation	0.00%	-	0.00%	-
Tax benefits	-0.04%	(176,338)	-0.34%	(421,188)
Other deductible adjustments	-0.45%	(1,862,155)	-0.12%	(151,938)
Other non-deductible/taxable expenses (net)	0.04%	185,321	5.45%	6,763,192
Deduction of tax losses	-0.01%	(24,262)	-1.23%	(1,530,710)
Municipal and state surcharges	5.13%	21,167,074	4.08%	5,069,852
Autonomous taxation	0.24%	1,002,378	0.75%	934,673
Impact of current tax on profit or loss	29.25%	120,700,052	24.44%	30,335,422
Impact of deferred tax on profit or loss *	(0.93%)	(3,855,733)	5.13%	6,367,006
Tax cost for the year	**28.32%**	**116,844,319**	**29.57%**	**36,702,429**
Tax corrections relative to previous years	(0.40%)	(1,655,163)	(0.48%)	(593,740)
Total tax cost	**27.91%**	**115,189,155**	**29.09%**	**36,108,689**

* See the details of this amount in the table on the movement of deferred taxes in 2023

According to the legislation in force, the tax returns of the CA Group's institutions can be reviewed by the Taxation and Customs Authority (AT), as a rule, for a period of 4 years, unless any tax deduction or credit is made (e.g., deduction of tax losses), in which case the expiry period is the time limit for the exercise of this right. Therefore, the tax returns of the CA Group's institutions relative to 2020 to 2023 can still be reviewed by the AT and are thus subject to possible corrections to the tax base.

Law 12/2022 of 27 June (State Budget Law for 2022) created the Fiscal Recovery Incentive (IFR), a tax benefit corresponding to a deduction from corporate income tax (IRC) assessment of investment expenses in assets allocated to operation, which are made between 1 July 2022 and 31 December 2022, up to a maximum of 70% of the IRC assessment. One of the conditions to benefit from the IFR is the non-distribution of profits for 3 years.

The Supplementary Budget for 2020 approved the Extraordinary Investment Tax II (CFEI II), a tax benefit corresponding to a corporate income tax deduction of the value of 20% of eligible investment made between 1 July 2020 and 30 June 2021. The deduction is made in the settlement of corporate income tax relative the tax period starting in 2020 or 2021, up to the concurrence of 70% of the collection of this tax, according to the relevant dates of the eligible investments. The amount that cannot be deducted in the same year may be deducted, under the same conditions, in the five subsequent taxation periods.

To this extent, the tax payable in 2023 is, in certain institutions that make up the perimeter of the Crédito Agrícola Group, influenced by the tax benefit relating to IFR and CFEI II.

The Supplementary Budget for 2020 also created the Additional Solidarity for the Banking Sector, whose subjective and objective incidence is identical to the Contribution on the Banking Sector, with applicable rates of 0.02% on eligible liabilities and 0.00005% on the notional value of off-balance sheet derivative financial instruments. In 2023 and 2022, the Caixas Agrícolas recognised an expense related to this extraordinary contribution, amounting to 1,591,402 euros and 1,532,551 euros, respectively.

15. Other assets

The composition of this heading is as follows (in euros):

	31-Dec-23	31-Dec-22
Other cash balances	197,650	196,523
Gold and other precious metals	626,724	633,108
Pledged account investments	3,339,398	3,376,524
Administrative Public Sector		
VAT receivable	1,701,266	8,669,008
IMT - refunds requested	316,151	403,644
Other receivables	222,028	221,614
Debtors for unpaid capital	794	794
Expenses on overdue loans	3,030,273	3,062,301
Expenses on credit litigation	3,009,824	3,150,624
Subsidies receivable	2,907,417	1,201,274
Other debtors - advancements	2,270,710	2,040,800
Customers with finance lease	247,589	108,282
Other assets due to credit recovery	335,967,925	30,444,458
of which real estate properties	*333,330,123*	*28,180,519*
Other real estate properties	2,674,134	1,156,558
Life insurance contract assets	39,950,428	25,158,279
Life and non-life reinsurance contract assets	31,965,866	28,825,235
Other miscellaneous receivables	50,529,746	43,558,507
	478,957,925	**152,207,533**

Income receivable		
From irrevocable commitments undertaken	295,976	287,057
From banking services	3,159,584	3,300,280
Other income receivable	226,936	617,670
	3,682,496	**4,205,006**
Deferred expenses		
Insurance	916,474	1,051,668
Rentals and leasing	147,288	149,689
Other	12,786,805	8,453,541
	13,850,566	**9,654,898**
Amounts to be settled		
Foreign exchange position	-	188,884
Transactions of securities to be settled	392,548	2,235,743
Multibanco (ATM clearing)	61,171,220	62,516,939
Off-setting of amounts	4,851	32,189
Margin Call	100,670,822	123,753,892
SIBS invoicing	258,564	198,018
Protocol agreements	4,672,301	3,742,274
Office supplies	636,937	672,069
Other transactions to be settled - electronic transfers	7,455,511	2,378,166
Other transactions to be settled	8,694,075	15,960,737
	183,956,828	**211,678,910**
	680,447,815	**377,746,347**
Liabilities related to pensions and other benefits (Note 46)		
Total liabilities	(112,633,231)	(106,568,109)
Pension fund assets	113,190,596	108,651,135
	557,365	**2,083,026**
Impairment - Other assets		
Other assets for loan recovery	(169,356,805)	(5,146,690)
of which real estate properties	*(168,648,917)*	*(4,565,801)*
Other real estate properties	(770,924)	(105,858)
Receivables and other investments	(20,555,435)	(20,543,084)
	(190,683,164)	**(25,795,633)**
	490,322,016	**354,033,740**

The value recorded under the heading of “Other assets due to credit recovery” as at 31 December 2022, refers to real estate properties that, although there is an intention to sell cannot be classified as “Non-current assets held for sale”.

In 2023, non-current assets held for sale were transferred to this asset category, as described in Note 16.

The type of real estate properties (net value) included is as follows:

	No. real estate properties	31-Dec-23	No. real estate properties	31-Dec-22
Farmland/rural land	499	27,843,486	66	3,491,189
Land with construction permits	587	47,471,292	14	3,358,218
Constructed buildings	1,191	89,842,150	140	12,302,989
Other	24	1,427,487	25	4,462,322
	2,301	**166,584,416**	**245**	**23,614,718**

The measurement policy and methodology for calculating the impairment of real estate have not changed, resulting in the lower of the fair value, obtained through the appraisal value less costs to sell, and the carrying amount of the loan. The valuations are carried out by external expert valuators, registered at the Portuguese Securities Market Commission (CMVM). The main features of the valuations are related to obtaining the fair value of the real estate property through the market or comparative method. The calculated losses are recognised through profit or loss at the time when they occur.

Following the provisions of Banco de Portugal Circular Letter no. 21/2023, published on 5 June 2023, the Group defined in 2023 a table of additional haircuts to be applied to properties received in credit recovery, through which impairment may be aggravated according to the age of the property in the Group's portfolio, whenever applicable.

The fair value hierarchy to which the fair value calculated for the valuation of the assets corresponds is level 3.

Pursuant to Banco de Portugal Instruction 4/2016, the Group has requested extensions of the period of holding and maintaining its real estate assets acquired via credit recovery.

Furthermore, a sensitivity analysis was carried out based on the assumption of a variation of -0.5% and +0.5% in the m2 value of the valuations, minus the cost of selling:

	-0.5%	+0.5%
Farmland/rural land	27,829,282	27,844,351
Land with construction permits	47,453,540	47,471,555
Constructed buildings	89,804,171	89,844,888
Other	1,426,230	1,427,487
	166,513,223	**166,588,282**
Other assets - other real estate properties	**166,584,416**	**166,584,416**
Impact	(71,193)	3,866

The age of the properties (net value) in the Group's portfolio is as follows:

	No. real estate properties	31-Dec-23	No. real estate properties	31-Dec-22
< 1 year	45	4,464,267	19	986,768
1 to 2 years	180	18,286,653	22	4,610,326
3 to 4 years	187	12,998,711	16	2,810,319
Over 5 years	1,889	130,834,785	188	15,207,306
	2,301	**166,584,416**	**245**	**23,614,718**

The balances of the heading of “Other miscellaneous receivables” are explained by the recording of outstanding values with debtors due to services rendered by institutions of the Group to third parties, which have not yet been settled. As at 31 December 2023, this amounted to 50,547,006 euros (2022: 43,683,973 euros).

The Crédito Agrícola Group assesses the credit risk of receivables from third parties based on an assessment of the customer's track record, such as the fulfilment of its payments to the Group, as well as an analysis of the fulfilment of future payments.

The decrease in margin call values is due to the allocation of liquidity to this specific activity, which results from two tranches. On the one hand, an initial margin, calculated according to the value transferred and the maturity of the exposures and, on the other hand, a variation margin, derived from the market value of the outstanding positions. As at 31 December 2023, the counterparties to these assets are Commerzbank (100.5 million euros) and Citibank Europe (0.2 million euros).

The heading “Multibanco automated teller machines (ATM clearing)” corresponds to the amount immobilised at ATMs, pending settlement by SIBS.

As at 31 December 2023 and 2022, the balance of the heading “Other transactions to be settled” includes the movements of the corresponding demand deposit accounts, namely in foreign currency made by customers of the Crédito Agrícola Group, which remain pending the value date of the movement. These amounts were mostly settled in early January 2024 and 2023, respectively.

The heading of "income receivable - for banking services rendered" is mainly due to placement and marketing fees of the Funds (not belonging to the CA Group) which were only settled in early 2024.

The movement of the impairment of "Other assets" in 2023 and 2022 is as follows:

	31-Dec-22	2023				31-Dec-23
Description	Closing balance	Top-ups	Write-backs & annulments	Uses and write-offs	Transf.	Closing balance
Impairment - Other assets						
Assets - loan recovery	5,146,690	33,851,916	(6,598,678)	(3,223,429)	140,180,305	169,356,805
Other real estate properties	105,858	884,517	(219,451)	-	-	770,924
Receivables and other investments	20,543,084	653,605	(308,833)	(332,421)	-	20,555,435
	25,795,633	35,390,038	(7,126,962)	(3,555,850)	140,180,305	190,683,164

As mentioned, in 2023, non-current assets held for sale were transferred to this asset category, as described in Note 16, of the gross value of 140 million euros.

Description	31-Dec-21 Closing balance	2022 Top-ups	Write-backs & annulments	Uses and write-offs	Transf.	Deconsolidation Addrezza	31-Dec-22 Closing balance
Impairment - Other assets							
Assets - loan recovery	5,027,662	1,173,170	(1,710,726)	395,626	260,958	-	5,146,690
Other real estate properties	225,194	109,019	(35,010)	(193,345)	-	-	105,858
Receivables and other investments	28,514,680	436,331	(212,473)	(7,967,170)	-	(228,283)	20,543,084
	33,767,536	1,718,520	(1,958,209)	(7,764,889)	260,958	(228,283)	25,795,633

Impairment of debtors refers essentially to litigation, where the stage of impairment is level 3.

See impairment movement in Note 18.

The amounts relating to insurance and reinsurance contract assets in the Life and Non-Life business lines can be seen in Note 48.

16. Non-current assets and disposal groups classified as held for sale

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Real estate properties		
Real estate properties received in loan recovery	8,796,751	373,809,012
Other properties held for sale	-	3,894,231
Equipment received in loan recovery	535,788	793,304
Other assets	704,897	789,711
	10,037,437	**379,286,257**
Impairment (Note 18)		
Impairment of real estate properties	(1,942,814)	(118,537,798)
Impairment of equipment and other assets	(606,564)	(669,397)
	(2,549,378)	**(119,207,195)**
	7,488,058	**260,079,062**

It can thus be summed up in:

	31-Dec-23	31-Dec-22
Real estate properties	6,853,937	259,165,444
Equipment and other assets	634,121	913,618
	7,488,058	**260,079,062**

The type of real estate properties (net value) included is as follows:

	No. of real estate properties	31-Dec-23	No. of real estate properties	31-Dec-22
Farmland/rural land	7	1,448,161	495	39,879,426
Land with construction permits	31	624,081	692	71,415,085
Constructed buildings	32	4,781,695	1,356	147,295,356
Other	-	-	3	575,577
	70	**6,853,937**	**2,546**	**259,165,444**

Given the current market conditions, it has not been possible in some situations to complete disposals within the expected timeframe and in accordance with the provisions of IFRS 5. As a result, in 2023, properties and other assets relating to recoveries that do not meet all the requirements of IFRS 5, namely the condition that the sale is highly probable, are now recorded under "Other assets", as described in Note 15.

The method used to calculate the impairment of the real estate properties is the result of the lowest amount between their fair value, obtained through valuation minus costs of sale, and the book value of the credit. The valuations are carried out by external expert valuators, registered at the Portuguese Securities Market Commission (CMVM). The main features of the valuations are related to obtaining the fair value of the real estate property through the market or comparative method. Losses are recognised in the income statement when they arise under the “Profit or loss from non-current assets and disposal groups classified as held for sale and not eligible as discontinued operations” heading (Note 44).

The movement in non-current assets held for sale during 2023 and 2022 may is presented as follows:

	31-Dec-22		Inflow /outflow			Impairment (Note 18)				31-Dec-23		
	Gross value	Impairment	Acquisitions	Disposals	Transfers	Impairment allocations	Impairment reversals	Use of impairment	Transfers	Gross value	Impairment	Net value
Non-current assets held for sale:												
Real estate properties	377,703,243	(118,537,799)	4,091,974	(55,153,420)	(317,845,046)	(29,415,636)	7,889,451	3,320,185	134,800,985	8,796,751	(1,942,814)	6,853,937
Equipment	793,303	(309,531)	238,928	(496,443)	-	(76,332)	1,080	51,000	-	535,788	(333,783)	202,005
Other	789,711	(359,865)	95,490	(180,304)	-	(92,380)	86,124	93,340	-	704,897	(272,781)	432,116
	379,286,257	**(119,207,195)**	**4,426,392**	**(55,830,167)**	**(317,845,046)**	**(29,584,348)**	**7,976,655**	**3,464,525**	**134,800,985**	**10,037,436**	**(2,549,378)**	**7,488,058**

	31-Dec-21		Inflow /outflow			Impairment (Note 18)				31-Dec-22		
	Gross value	Impairment	Acquisitions	Disposals	Transfers	Impairment allocations	Impairment reversals	Use of impairment	Transfers	Gross value	Impairment	Net value
Non-current assets held for sale:												
Real estate properties	441,175,100	(131,483,187)	2,826,807	(66,298,664)	-	(4,274,913)	5,972,730	11,247,571	-	377,703,243	(118,537,799)	259,165,444
Equipment	982,525	(344,311)	28,480	(217,702)	-	(43,364)	1,658	76,486	-	793,303	(309,531)	483,772
Other	885,506	(385,951)	1,277,296	(1,373,091)	-	(99,913)	236,263	(110,264)	-	789,711	(359,865)	429,846
	443,043,131	**(132,213,449)**	**4,132,583**	**(67,889,457)**	**-**	**(4,418,190)**	**6,210,651**	**11,213,793**	**-**	**379,286,257**	**(119,207,195)**	**260,079,062**

The fair value hierarchy of IFRS 13 to which corresponds the fair value calculated for the valuation of the assets is level 3.

Pursuant to Banco de Portugal Instruction 4/2016, Caixa Central has requested extensions of the period of holding and maintaining its real estate assets acquired via credit recovery. For the properties remaining in this portfolio as at 31 December 2023, there is an expectation that they will be sold within 12 months.

Furthermore, a sensitivity analysis was carried out based on the assumption of a variation of -0.5% and +0.5% in the m2 value of the evaluations:

	-0.5%	+0.5%
Farmland/rural land	1,441,098	1,455,223
Land with construction permits	2,941,812	2,971,378
Constructed buildings	2,449,181	2,520,680
	6,832,092	**6,947,281**
Non-current assets held for sale - Real estate properties	**6,853,937**	**6,853,937**
Impact	(21,845)	93,344

A variation of +/-0.5% has a minor impact on the CA Group's total portfolio of real estate properties.

The age of the properties held in the CA Group portfolio is as follows:

	No. properties	31-Dec-23	No. properties	31-Dec-22
< 1 year	-	-	122	8,607,414
1 to 3 years	-	-	221	19,524,914
3 to 5 years	1	80,000	225	17,039,469
Over 5 years	69	6,773,937	1,978	213,993,646
	70	**6,853,937**	**2,546**	**259,165,445**

17. Financial liabilities measured at amortised cost

As at 31 December 2023 and 2022, this heading is detailed as follows:

	31-Dec-23	31-Dec-22
Deposits		
Loans - Banco de Portugal	18,091,361	28,167,692
Loans to Other credit institutions	205,993,807	41,271,334
Customer deposits		
Demand	9,459,175,219	10,379,550,112
Term	6,467,560,316	4,596,873,958
Other customers' funds	4,043,536,409	5,407,278,498
Cheques and orders payable	11,136,051	10,302,293
Other customers' funds	101,106	81,876
Interest - Banco de Portugal	30,901	35,914
Interest payable	22,420,058	3,887,534
of which to Other credit institutions	*369,362*	*4,057*
	20,228,045,227	20,467,449,209
Debt securities issued		
Debt issued	550,000,000	300,000,000
Interest	11,522,370	1,171,233
	561,522,370	301,171,233
Other financial liabilities		
Loans	20,362,500	36,078,298
Interest payable	382,994	21,040
	20,745,494	36,099,338
	20,810,313,091	20,804,719,779

17.1 Deposits

Loans - Banco de Portugal

The table below details the loans granted by Banco de Portugal (excluding accrued interest) which are included in this heading, as at 31 December 2023:

Institution	Original currency amount	Currency	Amount in euros	Start date	Repayment date	Rate
Banco de Portugal	20,000,000	USD	18,091,361	12/21/2023	1/4/2024	5.59%
Total			**18,091,361**			

The details of the loans granted by Banco de Portugal (excluding accrued interest) as at 31 December 2022 are as follows:

Institution	Original currency amount	Currency	Amount in euros	Start date	Repayment date	Rate
Banco de Portugal	30,000,000	USD	28,167,692	12/22/2022	1/5/2023	4.59%
Total			**28,167,692**			

Deposits (excluding Banco de Portugal)

At 31 December 2023 and 2022, the residual maturity of the remaining deposits (excluding Banco de Portugal) presented the following structure:

	31-Dec-23	31-Dec-22
Up to three months	13,138,309,981	14,024,297,171
Three months to one year	6,278,643,677	6,094,704,582
One year to three years	598,015,701	136,099,424
Three to five years	60,415,894	58,664,624
Over five years	102,833,372	121,577,877
Indefinite period	14,433	14,392
	20,178,233,058	20,435,358,070
Interest payable	22,420,058	3,887,534
	20,200,653,115	**20,439,245,603**

Term deposits and customers' savings are remunerated in the range from 0.00% to 7.43% (2022: 0.00%-5.86%).

Additionally, see the contracted values tiered by repricing periods of the interest rate in Note 47.

17.2 Debt securities issued

At the end of October 2021, the CA Group placed its first debt issue in the international market, specifically senior preferred debt securities linked to Social Sustainability. The issue, amounting to 300 million euros, has a maturity of 5 years, with an early repayment option at the end of the fourth year and an issue price of 99.906%, with an annual coupon rate of 2.50% in the first 4 years, and bearing interest at the 3M Euribor rate plus a spread of 260 basis points thereafter. The settlement occurred on 5 November 2021. Moody's Investor Services assigned a rating of "Ba2", with a stable Outlook for this issue.

Original currency amount	Currency	Amount in euros	Start date	Early repayment date	Repayment date	Coupon rate over 4 years	5th year rate
300,000,000	Euros	300,000,000	11/5/2021	4 years	5 years	2.50%	3M Euribor
		300,000,000					

In June 2023, Caixa Central made a second debt issue on the international market for 200 million euros. This issue has a term of 4 years, with an early repayment option at the end of the third year and an issue price of 99.681%, with an annual coupon rate of 8.375%, and subsequently remunerated at the 3M Euribor rate, plus a margin of 497.4 basis points. The settlement occurred on 04 July 2023. Moody's Investor Services assigned a rating of “Ba1”.

As a result of the interest of institutional investors in this debt issue, the Crédito Agrícola Group decided to increase its value by 50 million euros. This tap issue of senior preferred bonds, linked to Social Sustainability, was liquidated on 8 August 2023. Like the second issue, these bonds are listed on the international market. Moody's Investor Services assigned a rating of “Ba1”.

This tap issue is also eligible for MREL, thus enabling the Crédito Agrícola Group to exceed its binding target for the Minimum Requirement for Own Funds and Eligible Liabilities Total Risk Exposure Amount + Combined Buffer Requirement (MREL TREA + CBR) minimum requirement, which comes into force on 1 January 2024 (25.28%).

Original currency amount	Currency	Amount in euros	Start date	Early repayment date	Repayment date	Coupon rate over 3 years	4th year rate
200,000,000	Euros	200,000,000	7/4/2023	3 years	4 years	8.38%	3M Euribor
50,000,000	Euros	50,000,000	8/8/2023	3 years	4 years	8.38%	3M Euribor
		250,000,000					

17.3 Other financial liabilities

The loans heading includes an amount of 20.7 million euros as at 31 December 2023 (36.1 million euros as at 31 December 2022) this operation is part of a credit line from the European Investment Bank (EIB), aimed at financing medium and long-term investments for small and medium-sized companies operating in Portugal. The average rate of this loan is 3.59% and the maturity ranges from 1 to 6 months.

18. Provisions and impairment

The movement in provisions and impairment of the Crédito Agrícola Group during 2023 and 2022 is shown in the tables below.

Description	31-Dec-22 Closing balance	2023 Top-ups	2023 Write-backs & annulments	2023 Uses and write-offs	2023 Transf.	31-Dec-23 Closing balance
Impairments						
Impairment of Assets at FVTOCI (Note 23)	560,944	260,428	(284,694)	-	-	536,678
Impairment of Assets at amortised cost (Note 9)	356,180,643	473,187,394	(379,888,542)	(55,246,019)	-	394,233,477
Other impairments:						
- Non-current assets held for sale (Notes 16 and 44)	119,207,195	55,863,023	(7,976,655)	(24,363,879)	(140,180,305)	2,549,378
- Other assets (Note 15)	25,795,633	35,390,038	(7,126,962)	(3,555,850)	140,180,305	190,683,164
- Property, plant and equipment (Note 12)	8,146,984	2,219,611	(1,211,251)	(185,180)	-	8,970,164
	509,891,399	566,920,494	(396,488,105)	(83,350,928)	-	596,972,861
Provisions						
- Guarantees provided and irrevocable commitments	11,492,006	19,369,048	(18,436,351)	(4)	-	12,424,699
- Other provisions	29,650,662	26,758,750	(11,874,206)	(6,623,967)	-	37,911,240
	41,142,669	46,127,799	(30,310,557)	(6,623,971)	-	50,335,939
Total	**551,034,067**	**613,048,293**	**(426,798,662)**	**(89,974,899)**	**-**	**647,308,800**

Description	31-Dec-21 Closing balance	2022 Top-ups	2022 Write-backs & annulments	2022 Uses and write-offs	2022 Transf.	2022 Technical provisions of insurance activity	2022 Deconsolidation Addrezza	2022 Implementation of IFRS 17/ 9	31-Dec-22 Closing balance
Impairments									
Impairment of Assets at FVTOCI (Note 23)	103,714	166,403	(156,824)	(2,826)	-	-	-	450,478	560,944
Impairment of Assets at amortised cost (Note 9)	335,793,521	340,793,311	(294,243,974)	(26,297,012)	-	-	-	134,797	356,180,643
Other impairments:									
- Non-current assets held for sale (Notes 16 and 44)	132,213,449	4,418,190	(6,210,651)	(10,952,835)	(260,958)	-	-	-	119,207,195
- Other assets (Note 15)	33,767,536	1,718,520	(1,958,209)	(7,764,889)	260,958	-	(228,283)	-	25,795,633
- Property, plant and equipment (Note 12)	8,062,917	1,507,519	(1,308,240)	(115,213)	-	-	-	-	8,146,984
	509,941,137	348,603,944	(303,877,898)	(45,132,776)	-	-	(228,283)	585,274	509,891,399
Provisions									
- Guarantees provided and irrevocable commitments	11,170,434	17,804,027	(17,482,457)	4	-	-	-	-	11,492,006
- Other provisions	734,551,008	20,150,429	(10,376,920)	(3,280,775)	-	70,927,284	-	(782,320,364)	29,650,662
	745,721,442	37,954,456	(27,859,377)	(3,280,771)	-	70,927,284	-	(782,320,364)	41,142,669
Total	**1,255,662,579**	**386,558,400**	**(331,737,275)**	**(48,413,546)**	**-**	**70,927,284**	**(228,283)**	**(781,735,090)**	**551,034,067**

As shown in the table above, in 2023 there was an increase in impairment for assets at amortised cost of about 38.1 million euros. Of this amount, 39.6 million euros of variation refer to loans and advances to customers, which essentially resulted from write-offs and the evolution of the risk associated to the loan portfolio, whose valuation was based on application of the criteria of the Crédito Agrícola Group's impairment model, as described in Note 2.3 c) of this document. The remaining value, which amounts to approximately -1.5 million euros, refers to the reinforcement of impairment on debt securities. It should be noted that the reinforcements and repositioning of impairment for financial assets at amortised cost relating to interest on level 3 loans are recognised in net interest income. A reinforcement of 1.4 million euros is recognised in 2023 and a reversal of 0.8 million euros in 2022.

During 2023, the assessment of impairment for guarantees given and irrevocable commitments recorded under off-balance sheet items resulted in an increase in impairment of 0.9 million euros.

As mentioned in Notes 15 and 16, in 2023, non-current assets held for sale were transferred to “Other assets”, and following the provisions of Banco de Portugal Circular Letter no. 21/2023, additional haircuts were applied to the properties received in loan recoveries through which the impairment was aggravated according to the age of the property in CA Group's portfolio, whenever applicable.

In terms of provisions, it should be noted that under "Provisions for other risks and charges", a provision was made for a human resources optimisation program for early retirements to begin after 1 January 2024, amounting to 17.4 million euros.

19. Share capital repayable on demand

This heading is detailed as follows:

	31-Dec-23	31-Dec-22
CCAM Nordeste Alentejano, CRL	5,490	310,990
CCAM Ribatejo Norte e Tramagal, CRL	505	15,220
CCAM de Trás-os-Montes e Alto Douro, CRL	51,040	74,305
CCAM Médio Ave, CRL	2,495	29,790
	59,530	**430,305**

Pursuant to IAS 32, securities representing share capital are equity instruments if the institution has the unconditional right to refuse their reimbursement. The introduction of the IAS/IFRS implied an adjustment with reference to 1 January 2006 of the value of 41,447,495 euros, derived from the classification of special securities of share capital as liabilities (Note 22). The reductions of securities representing share capital refer to repayments made to the Associates.

20. Other liabilities

This heading is detailed as follows:

	31-Dec-23	31-Dec-22
Payables and other funds		
Funds - captive account	2,384,445	2,175,632
Funds - escrow account	12,916,474	9,981,263
Other funds	6,117,063	5,304,587
Administrative Public Sector		
Tax withholdings at source	10,743,037	8,397,536
Social Security contributions	4,283,461	4,070,190
IVA payable	1,374,449	1,240,818
Other taxes	1,123,713	3,240,807
Collections on behalf of third parties	324,515	333,482
Contributions to other health systems	797,073	743,114
Financial liabilities from insurance contracts	4,543,646	4,151,773
Life insurance contract liabilities	634,699,440	613,077,493
Non-life insurance contract liabilities	163,911,412	154,682,827
Liabilities in investment funds, included in the consolidation perimeter	88,177	101,536
Miscellaneous payables		
Payables due to supply of goods and services	24,038,080	20,085,043
Payables - Credit cards	1,224,688	1,188,888
Other payables	43,355,457	36,015,567
Advancements received	6,889,982	6,962,548
Lease liabilities	19,380,670	23,204,093
	938,195,780	**894,957,199**
Charges payable		
Staff expenses		
Provisions for holidays and holiday allowance	22,802,671	23,520,828
Seniority bonus (Note 46)	15,519,531	16,120,164
Other	5,634,327	4,375,057
For other administrative expenses	180,605	147,229
Other	7,440,383	6,018,345
	51,577,516	**50,181,623**

Deferred expenses		
Fees on guarantees provided and irrevocable letters of credit	2,953,339	2,708,374
Rents	45,836	49,783
Other	478,800	419,426
	3,477,975	**3,177,583**
Amounts to be settled		
Foreign exchange position	2,873	-
Margin call	630,961,950	879,760,098
Multibanco (ATM) clearing house - real-time traffic	2,834,593	6,096,319
Transactions of securities to be settled	391,878	2,235,015
Off-setting of amounts	3,904,907	3,987,759
Other transactions to be settled - electronic transfers	45,498	100,415
Other transactions to be settled - protocol agreements	3,066,352	2,745,281
Other transactions to be settled	137,452,364	99,257,346
	778,660,413	**994,182,232**
	1,771,911,685	**1,942,498,638**

The Group recognises under "Other liabilities", the participation units of investment funds which are included in the consolidation perimeter, held by institutions outside the Group, due to being a liability, pursuant to AG29A and BC68 of IAS 32, and no longer recognises them under non-controlling interests.

As at 31 December 2023, the balance of the item "Creditors and other resources - Financial liabilities from insurance contracts" refers to contracts issued by CA Vida in which there is only a transfer of financial risk, with no discretionary profit sharing, and to contracts in which the investment risk belongs to the policyholder. The evolution between 31 December 2022 and 31 December 2023 was as follows:

		Amounts		Changes in gains and	
	Amount managed as at 31-Dec-22	Inflow	Outflow	losses	Amount managed as at 31-Dec-23
Measured at amortised cost	68,657	-	13,937	-	54,720
Measured at fair value through profit and loss	4,083,115	552,430	372,740	226,121	4,488,926
Total	**4,151,773**	**552,430**	**386,677**	**226,121**	**4,543,646**

The maturity of the financial liabilities of insurance contracts is as follows:

31-Dec-23	On demand	Up to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Financial liabilities of the deposit part of insurance contracts taken into consideration for accounting purposes as investment contracts valued at amortised cost	-	54,720	-	-	-	-	54,720
Financial liabilities of the deposit part of insurance contracts taken into consideration for accounting purposes as investment contracts valued at fair value through profit or loss	-	-	2,082,652	129,377	934,799	1,342,098	4,488,926
Total	**-**	**54,720**	**2,082,652**	**129,377**	**934,799**	**1,342,098**	**4,543,646**

The fair value of the assets at amortised cost is 54,720 euros.

The decrease in margin call values is due to the fluctuation in the allocation of liquidity for this specific activity, which is the result of two parts. On the one hand, an initial margin, calculated according to the value transferred and the maturity of the exposures and, on the other hand, a variation margin, derived from the market value of the outstanding positions. The counterparties to these assets are Commerzbank (467.2 million euros), Santander (0.3 million euros) and BBVA (163.5 million euros). The market context has changed significantly since 2022. In fact, the sharp rise in inflation rates in the world economy in 2022, to which the eurozone was not immune, forced the ECB to reverse the course of the accommodative monetary policy followed until then, initiating a rapid rate hike from the July 2022 meeting. For reference, the deposit facility rate, which stood at -0.50% at the start of 2022, ended 2023 at 4.00%. The increase in interest rates had a positive impact on the market value of interest rate swaps from the CA Group's perspective. The increase in the market value of the derivatives portfolio had a direct impact on the amount of the maintenance margin, which now has a materially relevant positive value.

As at 31 December 2023 and 2022, the balance of the heading of "Other transactions to be settled" includes the Nostro accounts, namely in foreign currency, which continue awaiting the value date of the movement. The majority corresponds to transactions with value date in early January 2024 and 2023, respectively, with the transactions being settled at that time.

The amount in the ATM clearing house shows a decrease compared with the previous year and is essentially due to transactions made with multibanco cards at the end of the year, with clearing taking place on the following business day.

The amounts to be settled presented under "Other transactions to be settled – protocol agreements", whose balances refer to amounts charged to Caixa Central customers under the protocol agreements concluded between Caixa Central and other institutions, were settled in the first days of January 2024 and 2023, respectively.

The maturity of the lease liabilities (buildings, equipment and vehicles) is broken down as follows:

	31-Dec-23	31-Dec-22
Less than 12 months	3,237,208	3,058,874
More than 12 months	16,143,462	20,145,219
	19,380,670	**23,204,093**

The amounts relating to liabilities from life and non-life insurance contracts can be seen in Note 48.

21. Contingent liabilities and commitments

The off-balance-sheet items associated with guarantees provided, irrevocable commitments and other liabilities due to services rendered are shown in the table below:

	31-Dec-23	31-Dec-22
Guarantees provided and any other possible liabilities		
Guarantees granted	212,499,731	213,816,855
Open documentary credits	815,368	1,814,320
Assets given as guarantee - securities	3,181,010,441	3,385,966,172
Other possible liabilities	5,282,330	5,316,911
Commitments to third parties		
Due to credit lines		
Irrevocable commitments	1,318,090,411	1,241,397,227
Revocable commitments	439,811,076	415,744,292
Irrevocable commitments for buying and selling securities	-	1,945,960
Due to securities underwritten	92,162,186	71,500,000
Potential liability in relation to the Investor indemnity system	1,662,672	1,469,370
Liabilities due to services rendered		
Deposit and custody of values	1,845,765,903	1,754,606,527
Amounts managed by the institution	1,526,804,840	1,383,954,171
Amounts received for collection	22,865,572	29,161,029
Other	613,725	407,069
	8,647,384,255	**8,507,099,906**

As at 31 December 2023 and 2022, the off-balance-sheet heading "Assets given as guarantee - securities" includes the value of the securities included in the pool of collateral at Banco de Portugal to back financing operations from the Eurosystem. This heading also includes securities given as guarantee to cover repos contracted with other non-resident financial institutions.

The entirety of the balance of the heading “Commitments to third parties – Due to subscription of securities” corresponds to the underwriting of commercial paper.

Although this is not recorded in the off-balance sheet accounts under the legal system of Crédito Agrícola Mútuo, the Group is jointly liable for the non-financed amount of the pension funds of the Caixas Agrícolas which do not belong to SICAM (Note 46), which comes to 6,016,080 euros. It should be noted that the process of splitting up these responsibilities regarding the Crédito Agrícola Mútuo Pension Fund is under way.

22. Capital

The statutory share capital of the Crédito Agrícola Group, divided and represented by registered securities, with unit nominal value of 5 euros is 1,522,830,952 euros as at 31 December 2023.

Of the total amount of underwritten capital, the amount of 59,530 euros was transferred to the liability heading "Share capital repayable on demand", by application of IAS 32 – Financial Instruments (Note 19).

The publication of the new Legal Framework for Crédito Agrícola Mútuo, in Diário da República (Decree-Law 142/2009 of 16 June), as mentioned in the Introduction implied the adaptation of the Articles of Association of the Caixas de Crédito Agrícola to the new Legal Framework which, at the limit, had to be amended by the date of the first mandatory general meeting held in 2010, as stipulated in the transitory provisions in Article 5 of Decree-Law 142/2009 of 16 June. Therefore, during 2009 and in early 2010, the Articles of Association of the Associated Caixas were amended and approved at the General Meeting, in order to assure the General Meeting's decision on the exoneration of the members. This is the reason why the registered securities of the Caixas Agrícolas underwritten by their members continued under the same classification of equity, under the terms of IAS 32, with the exception of those classifiable under liabilities, also as defined in IAS 32.

Pursuant to the Articles of Association of the Caixas Agrícolas, the conditions of exoneration of the members are as follows:

- Up to 31 October of each year, the Members may either present their exoneration or request a reduction of their participation, by letter addressed to the Board of Directors, in accordance with the following conditions:

  - At least three years must have elapsed after the equity securities have been paid;

  - The reimbursement must not lead to a reduction of share capital to a figure below the minimum amount stipulated in the Articles of Association nor imply default or the worsening of default in any relationship or prudential limits established by the law or Banco de Portugal in relation to Caixa Agrícola.

- The exoneration takes effect after approval by the General Meeting that deliberates on the annual report for the year in which the request is submitted;
- Members that are exonerated or have reduced their participation are entitled to the reimbursement of their equity securities, under the terms of Article 8(7) of the Articles of Association, although the Board of Directors may order suspension of the reimbursement as established in Article 8(8);
- The reimbursement may be made in three annual instalments unless a shorter timeframe is decided by the Board of Directors.

In 2023, there were capital increases (incorporation of reserves, entry of new shareholders and dividends converted into capital) amounting to 90,599 thousand euros and, in the opposite direction, shareholder withdrawals amounting to -11,195 thousand euros.

Following the General Meetings held by the different Associated Caixas, share capital increases are made by incorporation of reserves, which leads to movements of transfer of balances of reserves to carry out share capital increases.

As at 31 December 2023 and 2022, the statutory capital corresponded to the associates of the following Caixas Agrícolas:

	31-Dec-23	31-Dec-22
CCAM Centro Litoral, CRL*	72,810,200	62,560,995
CCAM Batalha, CRL	55,976,805	54,009,610
CCAM Costa Azul, CRL	62,924,720	63,331,390
CCAM Alto Douro, CRL	60,838,480	58,281,570
CCAM de Vale de Sousa e Baixo Tâmega, CRL	59,733,100	53,861,570
CCAM Açores, CRL	46,279,560	43,226,185
CCAM do Noroeste, CRL	55,098,220	45,305,940
CCAM da Serra da Estrela, CRL*	52,253,570	49,896,645
CCAM Alto Cávado e Basto, CRL	39,869,050	37,696,470
CCAM Terras Sousa, Ave, Basto e Tâmega, CRL	35,185,235	33,692,120
CCAM do Vale do Távora e Douro, CRL	34,988,990	32,426,135
CCAM de Alcobaça, Cartaxo, Nazaré, Rio Maior e Santarém, C	31,082,750	29,641,180
CCAM de Trás-os-Montes e Alto Douro, CRL	24,885,360	24,738,580
CCAM P. Varzim, V. Conde e Esposende, CRL	27,329,515	26,438,030
CCAM C. da Rainha, Óbidos e Peniche, CRL	31,126,740	29,769,235
CCAM do Baixo Mondego, CRL	23,944,750	23,326,750
CCAM Beira Douro e Lafões, CRL	38,876,250	37,020,285
CCAM do Sotavento Algarvio, CRL	19,809,875	19,756,555
CCAM Vale do Dão e Alto Vouga, CRL	19,191,400	18,899,980
CCAM de São Teotónio, CRL	18,270,960	18,157,975
CCAM de Terras de Viriato, CRL	25,116,860	23,552,330
CCAM Lourinhã, CRL	21,059,725	20,083,185
CCAM Alenquer, CRL	17,058,685	16,664,985
CCAM Coimbra, CRL	14,683,110	14,634,730
CCAM Vila Verde e Terras do Bouro, CRL	16,828,455	15,137,485
CCAM Terras do Arade, CRL	30,547,140	28,832,095
CCAM Douro e Côa, CRL	15,171,865	15,113,080
CCAM da Terra Quente, CRL	15,144,520	14,088,370
CCAM de Pernes e Alcanhões, CRL	13,921,445	13,095,970
CCAM da Bairrada e Aguieira, CRL	13,259,670	13,236,680
CCAM da Zona do Pinhal, CRL	13,642,900	13,135,955
CCAM do Baixo Vouga, CRL	13,741,740	13,524,825
CCAM Ribatejo Norte e Tramagal, CRL	13,632,180	12,854,190

	31-Dec-23	31-Dec-22
CCAM do Guadiana Interior, CRL	13,901,735	13,538,415
CCAM Região do Fundão e Sabugal, CRL	11,683,850	11,633,190
CCAM Alentejo Sul, CRL	22,265,260	21,062,030
CCAM Albufeira, CRL	17,271,560	10,641,905
CCAM Cadaval, CRL	11,190,095	11,182,140
CCAM Área Metropolitana do Porto, CRL	13,056,210	12,491,435
CCAM Salvaterra de Magos, CRL	12,864,790	12,120,630
CCAM Coruche, CRL	10,567,900	10,537,560
CCAM Costa Verde, CRL	10,231,095	10,224,595
CCAM Médio Ave, CRL	11,877,100	10,564,075
CCAM Loures, Sintra e Litoral, CRL	10,563,310	10,523,290
CCAM Aljustrel e Almodovar, CRL	13,718,420	11,310,885
CCAM de Cantanhede e Mira, CRL	15,264,790	15,056,930
CCAM Paredes, CRL	11,483,100	10,929,410
CCAM Estremoz, Monforte e Arronches, CRL	9,190,630	9,127,495
CCAM Nordeste Alentejano, CRL	9,753,510	9,493,040
CCAM do Ribatejo Sul, CRL	9,993,345	9,632,410
CCAM Douro e Sabor, CRL	15,632,555	15,923,825
CCAM da Beira Baixa (Sul), CRL	14,278,425	12,846,435
CCAM Oliveira de Azeméis e Estarreja, CRL	7,998,190	7,958,250
CCAM Alentejo Central, CRL	15,282,005	14,844,120
CCAM Beira Centro, CRL	9,397,730	8,760,885
CCAM de Moravis, CRL	7,805,525	7,815,215
CCAM Vila Franca de Xira e Arruda dos Vinhos, CRL*	17,570,740	16,984,510
CCAM Terras de Santa Maria, CRL	14,025,600	13,282,200
CCAM do Algarve, CRL	7,534,496	7,518,026
CCAM Porto de Mós, CRL	8,392,820	7,934,315
CCAM Alcácer-Sal e Montemor-Novo, CRL	6,768,510	6,768,290
CCAM Sobral de Monte Agraço, CRL	6,697,320	6,688,280
CCAM do Norte Alentejano, CRL	8,361,620	7,951,740
CCAM Azambuja, CRL	6,688,660	6,383,910
CCAM Entre Tejo e Sado, CRL	5,652,785	5,633,760
CCAM Elvas, Campo Maior e Borba, CRL	13,436,025	13,430,270
CCAM Oliveira do Bairro, Albergaria e Sever, CRL	15,714,740	17,238,410
CCAM Vagos, CRL	8,214,635	5,185,535
FACAM	84,218,046	84,218,046
	1,522,830,952	1,443,426,537

*

CCAM de Arruda dos Vinhos, CRL was incorporated into CCAM de Vila Franca de Xira, CRL, and the incorporating bank was renamed CCAM de Vila Franca de Xira e Arruda dos Vinhos, CRL.

CCAM de Oliveira do Hospital, CRL was merged into CCAM da Serra da Estrela, CRL, which kept its name.

CCAM de Serras de Ansião, CRL was incorporated into CCAM de Pombal, CRL, and the incorporating Caixa was renamed CCAM Centro Litoral, CRL.

23. Other accumulated comprehensive income, retained earnings and reserves

As at 31 December 2023 and 31 December 2022, the headings of other accumulated comprehensive income, retained earnings and reserves are broken down as follows:

	31-Dec-23	31-Dec-22
Reserves derived from measurement at fair value		
Fair value changes of financial assets at FVTOCI		
Potential gains	(86,315,108)	(134,590,080)
Impairment	536,678	560,944
Deferred taxes	6,274,256	13,709,558
Fair value changes of financial assets at FVTOCI	**(79,504,174)**	**(120,319,579)**
Tangible assets revaluation reserves	(310,271)	(162,032)
Reserve for the financial component of insurance contracts	59,890,051	70,187,347
Other reserves	665,059,467	640,116,940
Actuarial gains or (-) loss on defined benefit pension plans (Note 46)	(27,923,808)	(27,233,679)
Retained earnings	(1,930,704)	11,448,814
Profit or loss attributable to owners of the parent company	297,224,436	87,772,077
	912,504,997	**661,809,888**

The movement of “Other accumulated comprehensive income” in 2023 and 2022 is as follows:

	31-Dec-22	Increases / (decreases) in valuations	Disposals	Impairments	Taxes	Other	31-Dec-23
Items that will not be reclassified to profit and loss							
Actuarial gains or (-) loss on defined benefit pension plans	(27,233,679)	(690,128)	-	-	-	-	(27,923,807)
Items that can be reclassified to profit or loss							
Fair value changes of debt instruments measured at fair value through other comprehensive income	(120,319,579)	61,343,613	(27,988,565)	24,267	7,435,301	790	(79,504,174)
Reserve for the financial component of insurance contracts	70,187,347	-	-	-	-	(10,297,296)	59,890,051
Other accumulated comprehensive income	**(77,365,911)**						**(47,537,930)**

	31-Dec-21	Increases / (decreases) in valuations	Disposals	Impairments	Taxes	Other	Implementation of IFRS17 / IFRS9	31-Dec-22
Items that will not be reclassified to profit and loss								
Actuarial gains or (-) loss on defined benefit pension plans	(30,653,395)	3,419,716	-	-	-	-	-	(27,233,679)
Fair value changes of equity instruments measured at fair value through other comprehensive income (Insurance Activity - IAS 39)	1,003,425	777,279	-	-	-	-	(1,780,704)	-
Items that can be reclassified to profit or loss								
Fair value changes of debt instruments measured at fair value through other comprehensive income	(2,146,308)	(109,606,635)	(49,864,889)	6,752	41,515,368	(9,697)	(214,169)	(120,319,579)
ancial component of insurance contracts	-	-	-	-	-	-	70,187,347	70,187,347
d comprehensive income	**(31,796,279)**							**(77,365,911)**

The value indicated in “Other reserves” is distributed among the following statutory reserves:

	31-Dec-23	31-Dec-22
Legal reserve	451,577,030	439,134,697
Statutory reserve	2,052,647	2,042,058
Special reserve	42,122,346	40,928,187
Free reserve	84,090,085	71,957,856
Reserve for cooperative training and education	7,778,073	7,227,241
Reserve for mutualism	5,744,831	5,423,745
Reserves for differences in capital reimbursement	7,191	7,191
Reserves for payment of equity securities in the following years	2,642,645	2,231,494
Reserves for associates' equity rights	703,743	581,052
Reserve for the financial component of insurance contracts	8,106,043	14,756,290
Reserve for the financial component of reinsurance contracts	(106,120)	(94,885)
Other reserves	60,340,952	55,922,012
	665,059,467	640,116,940

The heading of “Other reserves” refers to the reserves of surpluses, which do not have any restrictions concerning their use.

Legal reserve

The legal reserve is intended to cover any losses for the year. Pursuant to Article 33 of the Articles of Association of the Caixas, the legal reserve is annually credited with 20% of the net annual surplus and any other amounts paid in by the Members to this end, until its amount is equal to the capital.

Reserve for cooperative training and education

The reserve for cooperative training and education is intended to finance expenses with technical, cultural, and cooperative training programmes for members, management, and employees of the CA Group, and is reinforced by a maximum of 2.5% of net annual surpluses and also with the amounts that, for any reason, are obtained for that purpose.

Reserve for mutualism

The reserve for mutualism is intended to cover the cost of mutual assistance required by Members or employees, being credited with the maximum of 2.5% of the net annual surplus.

Revaluation reserves

This heading includes the fixed assets revaluation reserve. This reserve cannot be distributed, although it may be used, in situations following the revaluation of fixed assets, to increase the share capital or cover losses, according to their use (depreciation) or disposal of the assets to which it refers.

Reserve for the financial component of insurance and reinsurance contracts

The reserve for the financial component of insurance contracts includes income or expenses from insurance and reinsurance contracts resulting from a change in the assets and/or liabilities of insurance and reinsurance contracts resulting from the effect of financial risk and changes in financial risk.

The amounts in the Non-Life financial component reserve for direct insurance and reinsurance are broken down by segment as shown in the table below:

	31-Dec-23		**31-Dec-22**	
	Direct Ins. financ comp reserve	**Reinsurance financ comp reserve**	**Direct Ins. financ comp reserve**	**Reinsurance financ comp reserve**
Accident & sickness:				
Accidents at work	6,762,456	-	10,811,488	-
Personal accidents	10,192	-	49,159	-
Sickness	3,372	(2,927)	6,428	(8,453)
Fire and other damage	71,981	(63,659)	321,077	(45,045)
Motor:				
Civil liability	1,177,562	(11,049)	3,390,102	(7,948)
Other coverage	900	18	28,010	18
Marine, air and transport	45	-	69	-
General civil liability	51,114	(369)	115,829	(113)
Other	28,422	(28,133)	34,128	(33,343)
Total	**8,106,043**	**(106,120)**	**14,756,290**	**(94,885)**

24. Consolidated profit

During 2023 and 2022, the determination of the consolidated profit can be summarised as follows:

(amounts in euros)	31-Dec-23
Profit for the year of Caixas de Crédito Agrícola Mútuo e FACAM [1] [2]	242,649,661
Profit for the year of Caixa Central de Crédito Agrícola Mútuo	66,271,409
	308,921,070
Impact on net income of the reconciliation of common balances at SICAM	(21,258,245)
Net income of SICAM	287,662,825
Crédito Agrícola Vida, Companhia de Seguros S.A.	6,575,506
Crédito Agrícola Seguros – Companhia de Seguros de Ramos Reais, S.A.	7,869,114
Crédito Agrícola SGPS S.A.	3,504,361
Fenacam - Federação Nacional das Caixas de Crédito Agrícola Mútuo FCRL	186,441
Crédito Agrícola Informática - Serviços de Informática S.A.	511,875
Crédito Agrícola Serviços - ACE (3)	-
Crédito Agrícola Gest – SGOIC, S.A	480,615
CA Capital - Sociedade de Capital de Risco S.A.	(219,695)
CCCAM Gestão de Investimentos e Consultoria, Unipessoal, Lda	(874,263)
Crédito Agrícola Seguros e Pensões SGPS S.A.	6,683,214
FII ImoValor CA	(23,225)
CA Imóveis, Unipessoal Lda	(2,151,062)
FII CA Imobiliário	(14,838,672)
FIM CA Institucionais	1,183,244
Net income of all the other Group companies (4)	8,887,454
Annulment of the devaluation of the PUs of the Real Estate Investment Funds recorded in the year	13,717,948
Earnings from application of the equity method to associated companies	553,223
	14,271,171
Adjustment of intergroup relations and annulment of common balances:	
Adjustment of provisions for additional paid-in capital of CA SGPS in CCCAM GI and CA Imóveis	3,025,325
Annulment of impairment on financial holdings	242,860
Annulment of dividends	(13,041,098)
Annulment of invoices issued between CA Group institutions	(550,329)
Adjustment of properties of Real Estate Investment Funds	(13,612,198)
Adjustment of taxes in the consolidation	(1,115,469)
Overlay Provision IFRS 9	9,368,330
Annulment of estimates	1,871,091
Other consolidation adjustments	443,697
	(13,367,791)
	297,453,658
Profit or loss attributable to non-controlling interests	(229,222)
Consolidated profit for the year of Crédito Agrícola Group	**297,224,436**

[1] This amount derives from the sum of the net income of all the Caixas belonging to SICAM and FACAM

[2] FACAM has been included in CA Group's consolidation perimeter since 1 January 2020 (based on different methods between prudence and integration).

[3] At the end of each year, the profit or loss of the ACE is divided in the invoicing to the Group's institutions, in proportion to the total invoiced in that same year

(amounts in euros)	31-Dec-22
Profit for the year of Caixas de Crédito Agrícola Mútuo e FACAM [1]	86,954,220
Profit for the year of Caixa Central de Crédito Agrícola Mútuo	22,342,698
	109,296,918
Impact on net income of the reconciliation of common balances at SICAM	(11,186,651)
Net income of SICAM	98,110,267
Crédito Agrícola Vida, Companhia de Seguros S.A.	(8,016,431)
Crédito Agrícola Seguros – Companhia de Seguros de Ramos Reais, S.A.	10,131,383
Crédito Agrícola SGPS S.A.	(958,968)
Fenacam - Federação Nacional das Caixas de Crédito Agrícola Mútuo FCRL	211,774
Crédito Agrícola Informática - Serviços de Informática S.A.	597,099
Crédito Agrícola Serviços - ACE (3)	-
Crédito Agrícola Gest – SGOIC, S.A	78,731
CA Capital - Sociedade de Capital de Risco S.A.	(144,799)
CCCAM Gestão de Investimentos e Consultoria, Unipessoal, Lda	(348,633)
Crédito Agrícola Seguros e Pensões SGPS S.A.	5,659,430
FII ImoValor CA	(1,680,503)
CA Imóveis, Unipessoal Lda	(1,818,045)
FII CA Imobiliário	(5,037,878)
FIM CA Institucionais	(1,701,817)
Net income of all the other Group companies	(3,028,658)
Annulment of the devaluation of the PUs of the Real Estate Investment Funds recorded in the year	12,794,471
Earnings from application of the equity method to associated companies	224,686
	13,019,157
Adjustment of intergroup relations and annulment of common balances:	
Adjustment of provisions for additional paid-in capital of CA SGPS in CCCAM GI and CA Imóveis	2,223,757
Annulment of impairment on financial holdings	(3,193,045)
Annulment of insurance premiums charged to CA Group companies	987,932
Anulação da faturação emitida entre entidades do Grupo CA	268,828
Annulment of dividends	(7,417,242)
Adjustment to fixed assets sold intergroup - annulment of capital gains and correction of amortisations	353,508
Adjustment of properties of Real Estate Investment Funds	696,640
Adjustment of taxes in the consolidation	(362,036)
Derived from Caixa Central and Addrezza adjustments	(4,013,946)
Overlay Provision IFRS 9	(9,368,330)
Other consolidation adjustments	(261,085)
	(20,085,018)
	88,015,748
Profit or loss attributable to non-controlling interests	(243,671)
Consolidated profit for the year of Crédito Agrícola Group	**87,772,077**

(1) This value derives from the sum of the net income of all the Caixas belonging to SICAM

(2) At the end of each year, the profit or loss of the ACE is divided in the invoicing to the Group's institutions, in proportion to the total invoiced in that same year

25. Non-controlling interests

The value of third-party stakes in companies of the Crédito Agrícola Group, in 2023 and 2022, is distributed by institution as follows:

	31-Dec-23			31-Dec-22		
	Effective %	Balance sheet	Income statement	Effective %	Balance sheet	Income statement
Crédito Agrícola Seguros	2.62%	1,773,498	(206,129)	2.62%	1,591,573	(265,389)
Alternative FIM Institutional CA	1.21%	234,132	(14,318)	1.21%	219,813	20,594
Crédito Agrícola Informática	0.55%	50,679	(2,815)	0.55%	47,445	(3,284)
Crédito Agrícola Vida	0.07%	108,612	(4,579)	0.07%	92,993	5,582
Crédito Agrícola Seguros e Pensões	0.02%	27,508	(1,337)	0.02%	27,244	(1,132)
Fenacam	0.02%	1,715	(43)	0.02%	1,414	(42)
		2,196,144	**(229,222)**		**1,980,481**	**(243,671)**

The movement in non-controlling interests during the years ended on 31 December 2023 and 2022 was as follows:

Non-controlling interests as at 31 December 2021	1,870,560
Net income for the year attributable to non-controlling interests:	
Crédito Agrícola Seguros	265,389
Alternative FIM Institutional CA	(20,594)
Crédito Agrícola Informática	3,284
Crédito Agrícola Vida	(5,582)
Crédito Agrícola Seguros e Pensões	1,132
Fenacam	42
	243,671
Change in equity (revaluation reserves) of insurers:	(133,750)
Non-controlling interests as at 31 December 2022	1,980,481
Net income for the year attributable to non-controlling interests:	
Crédito Agrícola Seguros	206,129
Alternative FIM Institutional CA	14,318
Crédito Agrícola Informática	2,815
Crédito Agrícola Vida	4,579
Crédito Agrícola Seguros e Pensões	1,337
Fenacam	43
	229,222
Change in equity (revaluation reserves) of insurers:	(13,559)
Non-controlling interests as at 31 December 2023	2,196,144

26. Interest income

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Interest of financial assets held for trading		
Debt securities issued by residents	370,624	162,189
Debt securities issued by non-residents	410,135	122,174
Interest rate swaps	6,676,537	402,491
	7,457,296	**686,854**
Interest on non-neg. financial assets compulsorily accounted for at FVTPL		
Debt securities issued by residents	2,833,832	3,201,720
	2,833,832	**3,201,720**
Interest of financial assets at fair value through other comprehensive income		
Debt securities issued by residents	13,001,069	57,883,206
Debt securities issued by non-residents	3,172,812	846,793
	16,173,881	**58,729,999**

	31-Dec-23	31-Dec-22
Interest of financial assets at amortised cost		
Interest of securities at amortised cost		
Debt securities issued by residents	62,838,191	54,705,636
Debt securities issued by non-residents	112,656,479	96,655,258
Interest of investments at other credit institutions		
Investments in domestic credit institutions	1,314,000	370,879
Interest on loans and advances to customers		
Loans and advances not represented by securities		
Domestic loans and advances		
Companies and public administration		
Discounts and other certified receivables	438,440	357,281
Loans	266,333,968	139,262,450
Current account loans and advances	23,283,975	11,829,404
Demand deposits overdrafts	1,441,393	1,397,820
Finance lease operations		
Equipment	6,982,096	2,916,641
Real estate	5,576,965	2,632,034
Credit card	107,860	87,122
Commercial paper	16,905,704	7,045,177
Individuals		
Mortgage loans	135,022,286	46,013,256
Consumer credit	40,283,678	28,474,565
Other purposes		
Loans	42,070,612	27,521,979
Current account loans and advances	1,601,383	1,140,239
Demand deposits overdrafts	542,428	495,710
Finance lease operations	913,611	488,987
Other loans	14,211	38,404
Credit abroad		
Companies and public administration		
Loans	952,787	17,113
Commercial paper	1,002,794	284,472
Individuals		
Mortgage loans	8,733,957	3,088,118
Consumer credit		
Credit card	73,862	62,723
Other loans	1,385,072	773,928
Other purposes		
Loans	377,914	240,286
Demand deposits overdrafts	6,356	4,555
Interest on overdue loans	8,199,922	9,280,250
	739,059,944	**435,184,287**
Interest of cash balances at Banco de Portugal	-	19,523,153
Interest of derivatives	145,712,680	10,509,532
Other interest and similar income	41,912,616	33,999,843
	953,150,249	**561,835,389**

The change in interest income is essentially explained by the increase in interest on: i) derivatives of around 135.2 million euros; ii) loans to companies and public administrations of around 127.1 million euros; iii) mortgage loans of around 89 million euros.

27. Interest expense

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Interest of financial liabilities held for trading		
Interest of securities held for trading	6,498,453	303,922
	6,498,453	**303,922**
Interest of financial liabilities measured at amortised cost		
Interest of funds of central banks	45,021	38,431
Interest of funds of other credit institutions		
Domestic	1,072,516	399,567
Abroad	5,451,758	168,378
Interest of customer funds and other loans	50,707,114	5,952,481
Interest of bond loans	18,181,693	7,500,000
	75,458,102	**14,058,857**
Interest of hedge derivatives		
Interest rate swaps - hedge	34,563,871	26,924,910
	34,563,871	**26,924,910**
Other liabilities		
Interest of leases	358,767	383,578
Other interest and charges	28,107,981	35,775,599
	28,466,748	**36,159,177**
Interest expense on assets		
Amortisation of the premium on bond transactions in the capital market	58,684,286	116,505,742
Other interest and charges	14	82,540
	58,684,300	**116,588,282**
	203,671,476	**194,035,147**

The variation in the "Interest expenses" item is essentially explained by the increase in interest on: (i) hedging derivatives of around 7.6 million euros; (ii) customer funds and other loans of around 44.8 million euros and a decrease in the charge for amortising the premium on bond operations on the capital market of around 57.8 million euros.

28. Dividend income

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Dividends of non-trading financial assets mandatorily stated at fair value through profit or loss		
Capital instruments issued by residents	336,833	364,063
Capital instruments issued by non-residents	491,000	361,671
	827,833	**725,734**

As at 31 December 2023 and 2022, the value relative to dividends receivable from securities issued by residents refers to equity instruments.

The value of dividends from securities issued by non-residents mainly refers to the securities of Corretaje e Informatión Monetária Y De Divisas, SA and Banco de Credito Social Cooperativo SA held by CA SGPS, of the value of 301,136 euros and 113,321 euros, respectively.

29. Fee and commission income

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
From guarantees		
Guarantees and sureties	3,850,410	3,886,154
Open documentary credits	44,629	54,718
	3,895,039	3,940,872
For commitments assumed before third parties		
Irrevocable commitments		
Irrevocable credit lines	9,928,229	9,229,476
Other irrevocable commitments	529,391	53,424
	10,457,620	9,282,900
For services rendered		
Deposit and custody of values	3,338,006	3,354,982
Collection of values	533,914	502,672
Transfer of amounts	6,157,343	5,108,636
Management of cards	222,477	181,738
Annuities	15,145,844	11,214,288
Assembly of operations	3,246,691	3,536,348
Credit operations		
Other credit operations	38,026,072	35,595,623
Other services rendered		
Other interbank fees	1,878,666	1,821,289
Intermediation fees	32,827	174,016
Placement	8,032,413	8,294,156
Interbank fees - cards	42,270,556	41,242,651
Other	5,695,770	5,176,829
	124,580,579	116,203,228
For transactions conducted on account of third parties		
For securities		
In Stock Exchange transactions	120,710	158,273
In transactions outside the Stock Exchange	22,188	67,611
	142,898	225,884
Other fees received	42,520,731	37,127,828
of which Account maintenance	*23,664,057*	*19,967,403*
	181,596,867	**166,780,712**

The variation of the heading of “Fee and commission income” is mainly explained by fees and commissions for services rendered, with a greater impact on annuities and interchange commissions - cards and other fees and commissions related with other credit operations, most notably processing, study and annual management fees. Also noteworthy was the growth in account maintenance fees, which rose by 3.7 million euros compared to the previous year.

30. Fee and commission expenses

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
From guarantees	103	64,663
From banking services		
Deposit and custody of values	1,446,112	1,078,969
Collection of values	3,501	5,764
Administration of values	105,621	88,013
Cards	21,119,725	18,505,271
Other	363,774	432,056
	23,038,836	20,174,736
For transactions by third parties	2,863,433	6,088,900
	2,863,433	6,088,900
Other fees paid		
Intermediation fees	26,540	111,723
Other	2,640,482	2,140,310
	2,667,022	2,252,033
	28,569,291	**28,515,669**

Card fees and commissions expenses are the main contributors to the total of this heading, as well as a positive variation of 2.6 million euros. Also noteworthy, in the opposite direction, was the decrease in expenditure on operations carried out by third parties of around 3.2 million euros.

31. Gains or losses on financial assets and liabilities not measured at fair value through profit or loss, net

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Financial assets at fair value through other comprehensive income		
Securities	231,047	(4,856,371)
	231,047	(4,856,371)
Financial assets at amortised cost		
Securities	(184)	-
Other	127,921	80,289
	127,737	80,289
	358,785	(4,776,082)

Portfolio securities at amortised cost were sold during 2023, within the limit defined in the investment policy of the CA Group. During 2022 no portfolio securities were disposed of at amortised cost. The changes in the fair value through other comprehensive income (FVTOCI) portfolio are related to the fall in interest rates, which increased the fair value of the investments held and consequently sold. In 2022, the opposite effect occurred: interest rates went up.

32. Gains or losses on financial assets and liabilities held for trading, net

The composition of this heading is as follows:

	31-Dec-23			31-Dec-22		
Description	Gains	Losses	Net	Gains	Losses	Net
Financial assets and liabilities held for trading						
Debt instruments	6,674,819	(967,061)	5,707,758	14,830,032	(15,335,770)	(505,738)
Trading derivatives	18,166,907	(13,542,017)	4,624,890	5,189,800	(5,084,038)	105,762
Total	**24,841,726**	**(14,509,078)**	**10,332,648**	**20,019,832**	**(20,419,808)**	**(399,976)**

Gains and losses on debt instruments refer to capital gains and losses on the sale of debt securities, the vast majority of which are foreign public issuers, as well as gains and losses resulting from fluctuations in the fair value of the instruments held.

The net value of debt instruments includes realised capital gains of 4,093 thousand euros on disposals and a potential unrealised gain of 1,615 thousand euros.

33. Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net

The composition of this heading is as follows:

Description	31-Dec-23 Gains	Losses	Net	31-Dec-22 Gains	Losses	Net
Financial assets and liabilities not held for trading						
Capital instruments	8,259,501	(3,099,995)	5,159,506	10,003,193	(14,549,336)	(4,546,144)
Debt instruments	2,569,127	(1,279,510)	1,289,617	2,008,626	(11,155,148)	(9,146,522)
Total	**10,828,628**	**(4,379,505)**	**6,449,123**	**12,011,819**	**(25,704,484)**	**(13,692,666)**

34. Gains or losses on hedge accounting, net

The composition of this heading is as follows:

Description	31-Dec-23 Gains	Losses	Net	31-Dec-22 Gains	Losses	Net
Swaps - Interest rate risk hedge	520,451,509	(512,594,925)	7,856,584	1,019,999,368	(1,020,696,715)	(697,347)
Total	**520,451,509**	**(512,594,925)**	**7,856,584**	**1,019,999,368**	**(1,020,696,715)**	**(697,347)**

The gains and losses recorded under this heading refer to interest rate risk swaps (see Note 10 - Derivatives and hedging).

35. Foreign exchange differences (gains or losses), net

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Earnings from currency revaluation		
Spot foreign exchange transactions	2,017,211	2,296,958
	2,017,211	**2,296,958**

The earnings recorded in this heading refer to the currency revaluation of monetary assets and liabilities expressed in foreign currency, of foreign exchange spot transactions.

Being spot transactions, they are settled within two business days or less.

36. Gains or losses on derecognition of non-financial assets and liabilities, net

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Gains or (-) losses on non-financial assets		
Other tangible assets	362,057	217,056
Investment properties	-	1,579,590
Other assets	324,052	21,354
	686,109	**1,817,999**

The variation is mainly explained by the disposal of Investment Properties in 2022.

37. Insurance contracts results

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Insurance contract results	90,529,493	88,329,261
	90,529,493	**88,329,261**

Income from insurance contracts (income from insurance contracts and income from the financial component of reinsurance contracts) amounted to around 90.5 million euros, 2.2 million euros more than in the previous year, with the following breakdown by line of business:

	31-Dec-23	31-Dec-22	Variation
Life insurance business	26,556,642	25,353,395	1,203,247
Non-Life insurance business	63,972,851	62,975,866	996,985
	90,529,493	**88,329,261**	**2,200,232**

Life insurance business

Insurance premiums are calculated in accordance with the technical bases of the respective modalities. Every year, an analysis is made of the technical bases and the actuarial principles and rules used to construct the tariffs, verifying the adequacy of the premiums charged, in order to guarantee the commitments assumed as a result of the claims associated with the contracts in question. There was a negative variation of 18 million in insurance premiums compared to December 2022.

In accordance with the classification principles of IFRS 17, the amounts received in respect of insurance contracts that only transfer financial risk without discretionary participation features (no profit sharing) are classified as investment contracts and recorded as liabilities. Therefore, the amounts received from fixed-rate contracts without profit sharing and from contracts in which the policyholder bears the investment risk are not recorded as revenue from insurance contracts.

Revenues from ceded reinsurance contracts refer exclusively to the coverage of risk products and correspond to the amounts recovered from claims occurred during the year, including the reinsurance profit-sharing component.

Insurance contract costs fell by around 17 million euros, mainly due to the increase in the amounts paid out and the change in the provision for past services on claims for the year.

The costs of reinsurance contracts ceded correspond to the premiums ceded to the reinsurer. The catastrophic treaty is measured using the simplified model, while the other treaties are measured using the general model.

Non-Life insurance business

Revenue from insurance contracts includes the value of premiums or fractions of premiums relating to risk periods in the respective financial years. In 2023, income increased by around 10 million euros compared to the previous year.

The new item of income from insurance contracts - measured using the premium allocation approach, is calculated premium by premium by applying the *pro rata temporis* method based on the gross premiums written less the respective acquisition costs, taking into account the start and end dates of the risk period to which the premium or fraction refers or the date on which the premium becomes due, as required by the standard.

The costs of reinsurance contracts are determined on the basis of gross premiums written, by applying the ceding rates previously contracted in reinsurance treaties and agreed in optional reinsurance. Assets from reinsurance contracts relating to future services are calculated premium by premium, using the *pro rata temporis* method, considering the start and end dates of the risk period to which the ceded premium refers, net of the respective deferred acquisition costs of reinsurance ceded.

In crop insurance, the claims compensation contributions paid to the Institute for the Financing of Agriculture and Fisheries ("IFAP") are recorded as costs of reinsurance contracts and the amounts received as claims compensation are recorded as costs of claims, part of reinsurance.

The company has always maintained its reinsurance policy, transferring part of the risks it takes on through reinsurance treaties appropriate to its portfolio profile. This contracting and selection of reinsurers is carried out in a careful manner and in accordance with their financial strength, in order to ensure an adequate spread of risks.

38. Other operating income

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Rents	2,001,175	1,882,026
Reimbursement of expenses	1,249,401	1,598,375
Recovery of credit, interest and expenses		
Recovery of bad debts	20,467,555	18,705,811
Recovery of interest and expenses of overdue loans	2,659,285	3,214,948
Income from miscellaneous services rendered	5,775,024	7,661,800
Gains relative to previous years	1,230,587	2,861,815
Other	6,029,875	5,126,677
	39,412,902	**41,051,453**

During 2022, the Crédito Agrícola Group recovered 20.5 million euros of uncollectible loans, an increase of about 1.8 million euros over the previous year. Also noteworthy is the decrease of around 1.9 million euros compared to the previous year in income from the provision of various services.

39. Other operating expenses

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Levies and donations	(2,415,132)	(1,831,377)
Annulment of overdue interest	(1,527,297)	(838,191)
Contribution of the banking sector	(8,748,892)	(8,091,580)
Additional for Solidarity of the Banking Sector	(1,599,667)	(1,538,590)
Other taxes	(3,107,736)	(3,114,934)
Other operating charges and expenses relative to previous years	(3,436,563)	(1,295,075)
Other operating charges and expenses	(24,904,895)	(21,533,976)
	(45,740,181)	**(38,243,724)**

The most relevant value under the heading of "Other operating costs and expenses" refers to expenses to be reimbursed to SIBS/SBE of the value of 10.9 million euros (2022: 9.2 million euros).

40. Staff expenses

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Salaries and wages		
Management and Supervisory Bodies	26,377,450	25,626,216
Employees	167,996,690	158,297,729
	194,374,140	183,923,945
Mandatory social security charges		
Pension funds (Note 46)	4,753,490	5,995,015
Charges relative to remunerations		
Social Security	38,591,880	36,517,507
SAMS	6,803,880	6,479,965
Other	110,721	141,890
Work accident insurance	701,422	627,583
Other compulsory charges	409,751	459,229
	51,371,144	50,221,189
Other staff expenses		
Contractual indemnities	1,262,537	363,158
Other	2,475,711	1,931,678
	3,738,248	2,294,836
	249,483,532	**236,439,970**

The average number of GCA employees in 2023 was 4,063, 102 more than as at 31 December 2022, representing an increase of 2.6%.

41. Other administrative expenses

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Related to supplies		
Water, energy and fuel	3,307,827	4,232,750
Consumables	834,887	755,702
Hygiene and cleaning material	251,481	260,384
Publications	67,904	126,762
Material for assistance and repair	57,508	46,652
Other third party supplies	2,178,206	1,357,853
	6,697,813	6,780,103
Related to services		
Rentals and leasing	2,185,447	1,958,515
Maintenance and related services	8,236,503	6,852,793
Communications	7,109,802	6,865,422
Advertising and publishing	9,950,963	9,018,060
Travel, hotel and representation	4,154,379	3,026,299
Insurance	1,362,320	1,066,233
Staff training	721,672	583,808
Transportation	4,207,089	4,147,211
Specialised services:		
IT	24,092,158	26,470,974
Retainers and fees	9,508,233	8,687,954
Security, surveillance and cleaning	4,631,268	4,489,742
Information	4,783,149	3,705,882
Occasional manpower	332,985	244,193
Legal and notary expenses	1,891,046	1,829,368
Database	208,107	175,209
Other specialised services:		
Multibanco services	2,198,320	1,787,601
External valuators	2,940,504	2,755,797
Other third party services	40,231,256	39,205,819
	128,745,202	122,870,882
	135,443,014	**129,650,984**

The fees invoiced during the year by the Statutory Audit Firms and other companies in its network are broken down as follows:

Description	31-Dec-23	31-Dec-22
PwC fees - Statutory Auditor		
Statutory Audit	1,210,569	1,005,364
Non-audit services required by law	417,500	335,120
Non-audit services not required by law	435,300	158,000
Fees from other PwC network companies		
Non-audit services not required by law	259,331	69,942
Sub-total	**2,322,699**	**1,568,426**
Other fees - Statutory Auditor		
Statutory Audit	1,012,418	1,162,866
Non-audit services required by law	1,050,323	1,014,689
Non-audit services not required by law	77,455	5,044
Sub-total	**2,140,196**	**2,182,598**
Total	**4,462,896**	**3,751,025**

The heading “Other specialised services – other third-party services” includes the value of 2,205,987 euros relative to the total fees invoiced by the Statutory Auditors during 2023, disclosed for the purpose of compliance with the amendment introduced by Decree-Law 185/2009 of 12 August to Article 66-A of the Commercial Companies Code.

The fees for non-audit services, required by the applicable legislation, include the services under Agreed procedures - Contribution to the Single Resolution Fund, the services within the scope of issuing the reports on the impairment of the individual credit portfolio and SICAM and the Report on the safeguarding of customers' assets. With regard to non-audit services, which are not required by the applicable legislation, most of them refer to audits of the Legal and Regulatory Standards Project.

In addition, the statutory auditor provided different auditing services permitted by law to the subsidiaries CA Vida and CA Seguros, relating to anti-fraud policy, remuneration policy, solvency and financial situation of the insurance group and quantitative models, under the terms required by the rules applicable to insurance companies (the latter two also provided to CA SGPS). The statutory auditor also provided CA Vida with services relating to the prudential reporting of pension funds under management.

The costs related to hire and rental charges presented under this heading refer to leases with duration not exceeding 12 months (short term) or where the underlying asset has a value, as new, of less than 5,000 euros (low value).

42. Cash contributions to resolution funds and deposit guarantee schemes

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Contributions to the Single Resolution Fund	4,954,523	6,182,102
Contributions to the Resolution Fund	1,780,002	3,278,422
Contributions to the Deposit Guarantee Fund	229,511	214,588
	6,964,036	**9,675,111**

43. Modification gains or losses, net

The composition of this heading is detailed as follows:

	31-Dec-23	31-Dec-22
Modified		
Financial assets at amortised cost	(2,139,432)	5,855,318
	(2,139,432)	**5,855,318**

As a result of contractual modifications made to credit contracts in 2023 and the accrual of the amounts calculated in the previous year, an amount of 2.1 million euros was determined to be recognised as a loss for the year.

44. Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Gains or losses on non-current assets held for sale		
Realised gains and losses	(22,119,467)	1,401,102
Impairment top-ups and reversals	(21,605,592)	1,794,561
	(43,725,059)	**3,195,663**

The negative result of non-current assets held for sale results from the sale of properties acquired through loan recovery, as well as from impairments recorded during the year, following the provisions of Banco de Portugal Circular Letter no. 21/2023, published on 5 June 2023, for which the Group defined, in 2023, a table of additional haircuts to be applied to properties received through loan recovery, through which the impairment may be aggravated according to the age of the property in the Group's portfolio, whenever applicable.

Additionally, see Note 18 – Provisions and Impairment, with the movement of impairment in 2023.

45. Related institutions

As at 31 December 2023, the amount of credit granted to members of the governing bodies relative to the Caixas Agrícolas incorporated in Crédito Agrícola Group reached 17,268,671 euros (17,441,867 euros as at 31 December 2022).

The total amount of remunerations received by the members of the governing bodies of the entities comprising Crédito Agrícola Group, relative to 2023, stood at 27,218,868 euros (26,638,218 euros in 2022), distributed as follows:

	31-Dec-23	31-Dec-22
General Supervisory Boards	928,067	883,755
Boards of Directors	24,862,646	24,332,277
Superior Councils	208,394	365,315
Supervisory Boards	1,185,358	1,020,731
Boards of the General Meeting	14,400	11,223
Strategic committee	20,003	24,917
	27,218,868	**26,638,218**

The benefits attributed to the Governing Bodies (executive and non-executive members) are included in the respective remuneration policy (see the Corporate Governance Report contained in this Annual Report).

All transactions conducted between related parties are done according to market conditions.

46. Retirement pensions and healthcare

In order to determine the liabilities of the CA Group institutions participating in the pension fund due to past services of active and retired employees/pensioners, actuarial studies were conducted by Companhia de Seguros Crédito Agrícola Vida, S.A.

The impact on net income is recognised under the heading of "Staff expenses", which refers to value of costs related to pre-retirement, current service, net interest and insurance premiums paid by the Crédito Agrícola Group to employees, of the value of 4,753,490 euros (5,995,015 euros in December 2022) (see Note 40).

The actuarial and financial assumptions used in the calculation of the liabilities as at 31 December 2023 and 2022 were as follows:

	31-Dec-23	31-Dec-22
Demographic assumptions		
Mortality table	TV – 88/90	TV – 88/90
Disability table	EVK 80	EVK 80
Retirement age	(*)	(*)
Assessment methods	"Projected Unit Credit"	"Projected Unit Credit"
Financial assumptions		
Discount rate:		
- Active workers and Leave with actuarial age < 55 years old	4.00%	3.55%
- Active workers and Leave with actuarial age ≥ 55 years old	4.00%	3.50%
- Early retired, retired and pensioners	3.90%	3.45%
Growth rate of wages and other benefits	2.0%	1.8%
Pension growth rate	1.6%	1.4%
Total wage for Social Security purposes	2.5%	2.3%
Wage revaluation rate for Social Security:		
- pursuant to Decree-Law 187/2007 27(2)	2.13%	2.08%
- pursuant to Decree-Law 187/2007 27(1)	2.13%	2.08%

(*) Pursuant to Decree-Law 167-E/2013

The participants of pension plans financed by the pension fund are detailed below:

	31-Dec-23	31-Dec-22
Active workers and those on unpaid leave	4,056	4,064
Early retired	226	246
Former participants	-	1
Retired and pensioners	1,042	943
Total	**5,324**	**5,254**

The liabilities related to retirement pensions, healthcare and seniority bonus, as at 31 December 2023 and 2022, as well as their coverage, present the following details:

	31-Dec-23	31-Dec-22
Active and former employees	50,665,286	50,528,458
Unpaid leave	3,704,105	3,641,381
Early retired	18,380,750	17,337,842
Retired and pensioners	39,910,375	35,099,637
Total	**112,660,516**	**106,607,318**

In 2023 and 2022, liabilities related to past services of the Crédito Agrícola Pension Fund according to actuarial studies conducted and the respective assets allocated to their coverage, are detailed as follows:

	31-Dec-23	31-Dec-22
Total liabilities for past services	(112,660,516)	(106,607,318)
Equity of the pension fund (Note 15)	113,190,596	108,651,135
(Excess)/(Shortfall) of coverage	530,080	2,043,817
Liability funding level	100.47%	101.92%

Pursuant to Banco de Portugal Notice 12/2001, which establishes the minimum solvency level (with past services of active staff financed at a minimum level of 95%, without prejudice to compliance with the minimum solvency levels determined by the Insurance and Pension Funds Supervisory Authority), the present value of liabilities for past services to be recognised as at 31 December 2023 was 99,258,958 euros (as at 31 December 2022 it was 109,436,926 euros).

Banco de Portugal Notice 4/2005 determines that it is compulsory for pension funds to assure the full financing of pension liabilities under current payment and a minimum level of 95% of liabilities related to past service of current staff.

The SICAM Pension Fund covers the Caixas de Crédito Agrícola Mútuo of Leiria, Torres Vedras and Mafra. However, they are not part of the consolidation perimeter of the Crédito Agrícola Group. As at 31 December 2023, the CA Group's balances do not include the values of these Caixas Agrícolas (Note 15).

The liabilities of these Caixas Agrícolas calculated under the terms of IAS 19, and the respective share in the value of the Fund as at 31 December 2023 and 2022, are broken down as follows:

	31-Dec-23	31-Dec-22
Total liabilities for past services	(6,016,080)	(5,697,909)
Equity of the Pension fund	5,927,943	5,755,327
(Excess)/(Shortfall) of coverage	(88,137)	57,418
Liability funding level	98.53%	101.01%

Pursuant to Banco de Portugal Circular Letter 106/08/DSBDR of 18 December, from 2008 onwards, the cost of current service and net interest were recorded in the heading of "Staff expenses".

The book value of the liabilities related to the pension fund, apart from the value relative to the Crédito Agrícola Mútuo Pension Fund – FPCAM (2023: 112,660,516 euros; 2022: 106,607,318 euros), includes liabilities undertaken by other institutions of the Group. These liabilities also include the net value of financing the autonomous pension fund of the insurers, corresponding to a defined contribution plan, rather than a defined benefit plan as is the case of FPCAM, comprising the total value of 30,919 euros in 2023 (2022: 39,210 euros).

The value of liabilities due to past services evolved as follows during the year:

Liabilities as at 31 December 2021	**130,897,244**
Cost of current service:	
Of institutions of CA Group	1,301,139
Of the contribution of the participants (employees)	2,218,538
Net interest	1,427,332
Costs due to past services (charges on pre-retirement pensions)	2,344,400
Remeasurement	
Change of demographic estimates and experience gains and losses; financial assumptions (discount rate)	(28,354,952)
Increase of liabilities arising from early retirements	2,290,192
Pensions paid by the pension fund	(1,573,897)
Contributions paid to SAMS	(958,192)
Benefits paid to early retired	(2,984,486)
Liabilities as at 31 December 2022	**106,607,318**
Cost of current service:	
Of institutions of CA Group	71,817
Of the contribution of the participants (employees)	2,414,335
Net interest	3,706,103
Costs due to past services (charges on pre-retirement pensions)	3,698,043
Remeasurement	
Change of demographic estimates and experience gains and losses; financial assumptions (discount rate)	997,336
Increase of liabilities arising from early retirements	1,527,078
Pensions paid by the pension fund	(1,742,590)
Contributions paid to SAMS	(1,066,455)
Benefits paid to early retired	(3,552,470)
Liabilities as at 31 December 2023	**112,660,516**

The reconciliation of remeasurement recognised in Equity is as follows (See Comprehensive income statement):

Actuarial deviations as at 31 December 2022	**(27,233,679)**
Insurance premium payment	(1,815,749)
Change of demographic estimates and experience gains and losses; financial assumptions (discount rate)	(538,787)
Capital insurance received	264,793
Profit-sharing in insurance	1,399,614
	(690,129)
Actuarial deviations as at 31 December 2023	**(27,923,808)**

The movement during 2023 relative to the present value of past service liabilities and in the employees' pension fund was as follows:

	Total liabilities for past services	Equity situation of the Pension fund	Net asset/(liability) related to pensions and other benefits
Amount as at 31 December 2022	(106,607,318)	108,651,135	2,043,817
Recognised through profit or loss (Note 40)			
Cost of current service	(71,817)		(71,817)
Interest cost related to liabilities	24,110		24,110
Cost of early retirement	(1,527,078)		(1,527,078)
Early retirement	(3,175,408)		(3,175,408)
Payment of ASF supervision fee		(3,297)	(3,297)
Recognised in equity (Note 23)			
Change of demographic estimates and experience of gains and losses; financial assumptions (discount rate)		(538,787)	(538,787)
Insurance premiums paid		(1,815,749)	(1,815,749)
Insurance capital received		264,793	264,793
Profit-sharing in insurance		1,399,614	1,399,614
Other			
Contributions made to the Fund by the Crédito Agrícola Group		4,452,519	4,452,519
Contributions made to the Fund by the employees	(2,414,335)	2,414,335	-
Interest costs	(3,706,103)		(3,706,103)
Retirement and survivor's pensions paid	1,742,590	(1,742,590)	-
Contributions paid by the Pension fund to SAMS	1,066,455	(1,066,455)	-
Benefits paid to early retired	3,552,470	(3,552,470)	-
Change of assumptions	(1,544,081)	4,727,547	3,183,466
Amount as at 31 December 2023	(112,660,516)	113,190,595	530,079

The value of the expected payment of benefits by maturity period for the entire fund is as follows:

Amounts in euros

Analysis of maturity of the expected benefits	
Benefits payment expected within the next 12 months	8,878,781
Benefits payment expected over a period of 1 to 3 years	12,306,696
Benefits payment expected over a period of 3 to 5 years	11,055,342
Benefits payment expected over a period above 5 years	189,487,220
	221,728,039

The estimated contributions to be made in 2024 depend on the amount of liabilities that will be calculated at the end of that year.

For the purposes of the expected contribution for 2024, the normal cost of the plan is calculated based on the actuarial method used in actuarial valuation (Projected Unit Credit method). On this basis, the value of the expected contribution for the Group in 2024 is 2,606,800 euros.

This value does not take into consideration any estimated possible actuarial deviations arising either from differences between the assumptions undertaken and the real values (for example in terms of yield of the fund) or change of assumptions.

The average duration of the liabilities related to pensions, considering the created population groups, was as follows (in years):

	2023	2022
Average duration of the liabilities:		
Active workers and those on unpaid leave aged < 55 years old	18.3	23.3
Active workers and those on unpaid leave aged ≥ 55 years old	18.3	13.9
Early retired, Retired and Pensioners	8.7	9.1

The movement in the Pension Fund (assets of the plan) during 2023 and 2022 was as follows:

Balance as at 31-12-2021	**128,188,607**
Contributions of Crédito Agrícola Group	7,325,355
Contributions of the employees	2,218,538
Insurance capital received	725,546
Net income from Fund assets	(23,365,012)
Insurance premiums paid	(2,167,957)
Profit-sharing in insurance	1,247,212
Retirement and survivor's pensions paid	(1,573,897)
Contributions paid by the pension fund to SAMS	(958,192)
Payment of ASF fee	(4,580)
Benefits paid to early retired	(2,984,486)
Balance as at 31-12-2022	**108,651,135**
Contributions of Crédito Agrícola Group	4,452,519
Contributions of the employees	2,414,335
Insurance capital received	264,792
Net income from Fund assets	4,188,761
Insurance premiums paid	(1,815,749)
Profit-sharing in insurance	1,399,614
Retirement and survivor's pensions paid	(1,742,590)
Contributions paid by the pension fund to SAMS	(1,066,455)
Payment of ASF fee	(3,297)
Benefits paid to early retired	(3,552,470)
Balance as at 31-12-2023	**113,190,596**

a) As at 31 December 2023 and 2022, the assets incorporated in the Crédito Agrícola Pension Fund, valued at fair value, are composed of:

	2023		2022		
	amount	%	amount	%	Listed / Unlisted
Public debt	66,385,715	56%	54,835,020	48%	Listed
Corporate bonds	28,333,420	24%	28,269,838	25%	Listed
Other investment assets	16,581,053	14%	24,082,561	21%	Listed
Shares	6,342,109	5%	5,800,408	5%	Listed
Assets related to real estate investment	1,476,246	1%	1,418,640	1%	Unlisted
Total assets of the CAM Pension Plan	119,118,543	100%	114,406,467	100%	

b) According to the actuarial report of the Crédito Agrícola Mútuo Pension Fund, the yield of the asset portfolio in 2023 and 2022 was:

Asset Classes	Profitability 2023	Profitability 2022
Public debt bonds	5.17%	-28.50%
Corporate bonds	7.46%	-10.10%
Shares	16.84%	-13.60%
Absolute-return investments	7.74%	-6.60%
Assets related to real estate investment	4.40%	4.50%

The effective income of the Crédito Agrícola Pension Fund can be broken down into the heading "share of net interest" and the respective actuarial deviation. Therefore, the fund's effective income is 4,410,439 euros, the share of net interest amounts to 3,929,960 euros, with the difference being used in the determination of the remeasurement (actuarial deviations).

c) Risks associated with the benefits of the plan:

The plan guarantees pensions for old age, disability, early retirement, and survivors, as defined in the Collective Labour Agreement for the Crédito Agrícola Mútuo institutions. The payment of pension refers to a supplementary scheme beyond the pensions paid by Social Security. The plan also foresees the payment of contributions for medical and social support after retirement.

Hence, the risks associated with the benefits of the plan are as follows:

- Risk of dependency on the benefits provided by the public Social Security schemes.
- Risk of mortality during the period of formation of the benefit and risk of longevity during the retirement period.
- Risk of disability of the participants. Currently, this risk is mitigated as the pension fund has taken out risk insurance to cover the increased liabilities related to the death and disability of active participants.
- Risk relative to early retirement.

d) Furthermore, Crédito Agrícola Group is committed to the payment of seniority bonuses to its employees. As at 31 December 2023 and 2022, these liabilities are detailed as follows (see Note 20):

	31-Dec-23	**31-Dec-22**
Seniority bonus:		
Active and former employees	14,613,732	14,816,875
Unpaid leave	905,799	1,303,289
Total liabilities related to seniority bonus	15,519,531	16,120,164

The reconciliation of seniority bonus movements is as follows:

	31-Dec-22	Increases	Reversals	Uses	31-Dec-23
Seniority bonus	16,120,164	1,651,060	(906,550)	(1,345,143)	15,519,531

e) Presentation of sensitivity analyses on each significant actuarial assumption:

Amounts in euros

	Value of the liabilities	Change relative to Central Scenario	Variation in %
DISCOUNT RATE			
Increase by 25 basis points	114,819,033	(3,857,564)	-3.25%
Decrease by 25 basis points	122,754,524	4,077,927	3.44%
Decrease by 40 basis points	125,348,752	6,672,155	5.63%
PENSION GROWTH RATE			
Increase by 25 basis points	121,566,239	2,889,642	2.43%
Decrease by 25 basis points	115,894,777	(2,781,820)	-2.34%
MORTALITY TABLE			
Adjustment of -1 year	121,979,767	3,303,170	2.78%
GROWTH RATE OF WAGES			
Increase by 25 basis points	120,305,776	1,629,179	1.37%
Decrease by 25 basis points	117,273,100	(1,403,497)	-1.18%

The scenario of adjustment of the mortality table consisted in considering an age for the covered population of 1 year less than the actual age of the participants and beneficiaries.

For the scenario of the wage growth rate, sensitivity analysis was conducted on the assumption of growth of the wage tables of the Collective Labour Agreement as well as on the wage subject to Social Security contributions.

47. Disclosure relative to financial instruments

47.1 Financial Risks

As a result of its activity, the CA Group is exposed to risks arising from financial assets and liabilities held in its portfolios. The main risks refer to market risks, foreign exchange risk, interest rate risks, credit risk and liquidity risk.

Market Risk

Market risk represents any potential losses derived from an adverse change in the market value of a financial instrument because of variations in interest rates, exchange rates, share prices, commodity prices, credit spreads or other equivalent variables.

The market risk management rules established for each portfolio include limits of market risk regarding exposure to credit and liquidity risk, required yield, types of authorised instruments and permissible maximum loss levels.

To mitigate the risks associated with an assessment of the risks incurred, a policy has been implemented of separation of duties between the execution of market transactions and the control of the risk incurred at any time during this execution.

Any hedge operations can be proposed by the portfolio managers or those responsible for risk control, considering the risk limits and authorised instruments.

In the case of CA Vida, the securities portfolio is entirely managed by CA Gest, with investment policies being defined according to the risk that is intended to be taken and the desired yield, which stipulates limits of distribution by asset categories, by geographic areas and by credit risk, among others.

The Insurer's portfolio is valued monthly based on inputs of the Management Institution.

With respect to the management of credit and market risk of the securities portfolio, CA Vida carries out the following controls:

- Permanent contact is ensured with the Management Institution, in order to assess the evolution of the portfolio;
- Monthly risk analysis reports are prepared by the Management Institution, with the respective analysis being made; and
- Regular meetings are held with the Management Institution, every month and whenever recommended by market outlook and evolution, with the re-definition of the portfolio risk profiles where necessary.

The value at risk (VaR) of the portfolio as at 31 December 2023 and 2022 may be presented as follows:

	Market value	**Duration**	**Monte Carlo VaR**
Portfolio position 31-Dec-23	8,328,603,669.56	2.87	3,605,654.00
Change compared to 31-Dec-22	*980,768,315.36*	*-0.39*	*-485,308.23*

Note: Unaudited information

- Only the VaR of the portfolio of financial assets at fair value through profit or loss and fair value through other comprehensive income is considered, as the portfolio at amortised cost is not affected by the impact of price variations in the securities market.
- The VaR of the portfolio is calculated based on the Monte Carlo methodology, with a confidence level of 99% and a time horizon of 1 month (22 days).

Foreign Exchange Risk

Foreign exchange risk arises in connection with changes in exchange rates for currencies whenever there is an open position in one of them.

Control and assessment of foreign exchange risk are carried out daily, individually for each branch and in consolidated terms. Amounts and compliance with limits in terms of total position are calculated.

At the Crédito Agrícola Group, foreign exchange risk management is the responsibility of the Financial Department, within the limits approved by the Executive Board Directors.

The Crédito Agrícola Group has low exposure to this type of risk. Effectively, the profile defined for foreign exchange risk is very conservative and embodied in the coverage policy followed.

Interest Rate Risk

The Crédito Agrícola Group incurs interest rate risk whenever, during the course of its activity, it contracts operations with future financial flows whose present value is sensitive to interest rate variations.

The overall interest rate risk incurred derives from various factors, namely:

- different periods regarding maturity or review of the rates of assets, liabilities, and off-balance sheet items (repricing risk);
- alterations of the slope of the interest rate curve (curve risk).
- asymmetric changes of the different market curves which affect the different balance sheet and off-balance sheet values (base risk); and,
- existence of explicit or implicit options in many banking products (option risk).

The interest rate risk management policy has been defined and monitored by the Risk Committee since July 2023 and until then by the Assets, Liabilities and Capital Committee (ALCCO), both of which are bodies of Caixa Central's Executive Board of Directors.

The Crédito Agrícola Group conducts monthly assessments of its exposure to this type of risk, using a methodology based on grouping various assets and liabilities sensitive to interest rate changes at intervals of time in line with their rate review dates. For each interval, the active and passive cash flows are calculated and the corresponding gap sensitive to interest rate risk is measured. The impact of the mentioned gaps on the evolution of the net interest income and on the institution's economic value is then assessed in various interest rate evolution scenarios.

The risk/yield relationship is defined within limits and monitored every month by ALCCO and since July 2023 by the Risk Committee in terms of the exposure of net interest income and the economic impact of adverse interest rate changes.

At CA Vida, this risk is monitored on a daily basis, with observation of the differential between the amount of assets and liabilities that will be subject to interest rate repricing based on predefined intervals of time.

The Crédito Agrícola Group can trade derivative financial instruments, namely, by selling futures on interest rates, strictly for the purpose of hedging against the risk of asset variation. The use of futures only contemplates contracts that can be traded on the Stock Exchange or in regulated markets.

The Crédito Agrícola Group also trades interest rate swaps over the counter, aimed at assuring a suitable model for the financial flows generated by closed portfolios, traded, and contracted with financial institutions whose rating is preferentially investment grade, in order to minimise the credit and/or counterpart risk in portfolios.

As at 31 December 2023, the Crédito Agrícola Group hedges interest rate risk arising from investment activities, aimed at maintaining a stable net interest income, both in the short term and medium term, affecting its economic value from a long-term perspective. These hedges follow the fair value hedge principle in accordance with the defined policy indicated in Note 2.2. In the investment portfolio risk is low as the management of these positions is done by a specific Department of the Group, with this risk being controlled on a daily basis through indicators and limits defined for control of market risks.

As at 31 December 2023 and 2022, the exposure to interest rate risk can be summarised as follows (values in thousand euros):

	31-Dec-23			in thousand euros	
	Fixed Rate	Variable rate	Subtotal	Not subject to interest rate risk	Total
Assets					
Cash, cash balances at central banks and other demand deposits	1,200,000	194,437	1,394,437	220,866	1,615,303
Financial assets held for trading	124,949	17,680	142,628	-	142,628
Non-trading financial assets mandatorily at fair value through profit or loss	25,982	35,805	61,787	88,068	149,855
Financial assets at fair value through other comprehensive income	866,701	39,100	905,800	-	905,800
Financial assets at amortised cost	9,743,871	11,124,016	20,867,887	-	20,867,887
Derivatives - Hedge accounting	-	686,290	686,290	-	686,290
	11,961,502	12,097,326	24,058,829	308,934	24,367,762
Liabilities					
Financial liabilities held for trading	-	9,872	9,872	-	9,872
Financial liabilities measured at amortised cost	11,042,777	236,017	11,278,794	9,531,520	20,810,313
Financial liabilities from insurance contracts	4,544	-	4,544	-	4,544
Derivatives - Hedge accounting	-	97,297	97,297	-	97,297
	11,047,320	343,186	11,390,506	9,531,520	20,922,026
Net exposure	914,182	11,754,141	12,668,323	(9,222,586)	3,445,737

	31-Dec-22			in thousand euros	
	Fixed Rate	Variable rate	Subtotal	Not subject to interest rate risk	Total
Assets					
Cash, cash balances at central banks and other demand deposits	1,000,000	291,746	1,291,746	64,637	1,356,383
Financial assets held for trading	168,503	10,942	179,445	-	179,445
Non-trading financial assets mandatorily at fair value through profit or loss	25,763	39,816	65,579	78,217	143,796
Financial assets at fair value through other comprehensive income	685,895	5,016	690,911	-	690,911
Financial assets at amortised cost	10,599,866	10,141,456	20,741,322	-	20,741,322
Derivatives - Hedge accounting	-	4,473,897	4,473,897	-	4,473,897
	12,480,026	14,962,873	27,442,900	142,853	27,585,753
Liabilities					
Financial liabilities held for trading	-	5,216	5,216	-	5,216
Financial liabilities from insurance contracts	4,152	-	4,152	-	4,152
Financial liabilities measured at amortised cost	10,532,663	61,115	10,593,778	10,210,942	20,804,720
Derivatives - Hedge accounting	-	4,653,161	4,653,161	-	4,653,161
	10,536,815	4,719,492	15,256,307	10,210,942	25,467,248
Net exposure	1,943,211	10,243,382	12,186,593	(10,068,088)	2,118,504

As at 31 December 2023 and 2022, the distribution of the financial instruments with exposure to interest rate risk according to the interest rate refixing date is presented in the following table (values in thousand euros):

	31-Dec-23						in thousand euros	
	Repricing Dates							
	On demand	Up to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Undetermined	Not subject to interest rate risk	Total
Assets								
Cash, cash balances at central banks and other demand deposits	-	1,615,303	-	-	-	-	-	1,615,303
Financial assets held for trading	-	109,784	5,055	22,829	4,960	-	-	142,628
Non-trading financial assets mandatorily at fair value through profit or loss	-	1,379	-	18,938	19,124	22,346	88,068	149,855
Financial assets at fair value through other comprehensive income	-	50,501	238,264	207,509	409,526	-	-	905,800
Financial assets at amortised cost	32,672	4,867,720	7,068,292	3,012,150	5,887,052	-	-	20,867,886
Derivatives - Hedge accounting	-	-	101	82,083	604,106	-	-	686,290
	32,672	6,644,688	7,311,712	3,343,509	6,924,768	22,346	88,068	24,367,762
Liabilities								
Financial liabilities held for trading	-	12	-	5,305	4,554	-	-	9,872
Financial liabilities measured at amortised cost	3,853,392	4,171,962	7,324,342	4,096,157	1,364,460	-	-	20,810,313
Financial liabilities from insurance contracts	-	55	2,083	1,064	1,342	-	-	4,544
Derivatives - Hedge accounting	-	-	-	4,943	92,354	-	-	97,297
	3,853,392	4,172,030	7,326,425	4,107,469	1,462,711	-	-	20,922,026
Net exposure	(3,820,720)	2,472,658	(14,713)	(763,960)	5,462,057	22,346	88,068	3,445,736

	31-Dec-22							in thousand euros
	Repricing Dates							
	On demand	Up to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Undetermined	Not subject to interest rate risk	Total
Assets								
Cash, cash balances at central banks and other demand deposits	72,982	1,163,891	103,082	30,654	51,337	-	-	1,421,945
Financial assets held for trading	-	159,007	2,788	10,595	7,055	-	-	179,445
Non-trading financial assets mandatorily at fair value through profit or loss	-	83	-	7,301	31,219	26,976	78,217	143,796
Financial assets at fair value through other comprehensive income	-	24,205	67,131	186,811	412,763	-	-	690,911
Financial assets at amortised cost	25,177	4,121,038	7,416,405	3,698,756	8,297,819	-	-	23,559,195
Derivatives - Hedge accounting	-	1,536,179	2,841,526	73,904	22,288	-	-	4,473,897
	98,159	7,004,403	10,430,932	4,008,022	8,822,480	26,976	78,217	30,469,188
Liabilities								
Financial liabilities held for trading	-	-	-	852	4,363	-	-	5,216
Financial liabilities measured at amortised cost	7,059,066	2,001,060	3,716,055	2,796,107	4,872,030	-	-	20,444,319
Financial liabilities from insurance contracts		69	-	2,977	1,106	-	-	4,152
Derivatives - Hedge accounting	-	29,011	93,212	1,003,715	3,527,223	-	-	4,653,161
	7,059,066	2,030,139	3,809,267	3,803,652	8,404,723	-	-	25,106,847
Net exposure	(6,960,907)	4,974,263	6,621,665	204,370	417,758	26,976	78,217	5,362,340

Considering the values presented above, there is relevant exposure to interest rate risk, both in terms of net interest income and the economic value of the capital. This risk measures the impact of a variation of interest rates, positive or negative, on these indicators according to net exposure in the different time intervals.

The table below presents the analysis of the sensitivity of the economic involving both assets and liabilities, to interest rate risk to which the CA Group was exposed as at 31 December 2023 and 2022. This analysis was based on a simulation involving assets and liabilities sensitive to a 200 basis point variation in the reference rate (values in thousand euros):

				31-Dec-23	in thousand euros	
	-200 bp	-100 bp	-50 bp	+50 bp	+100 bp	+200 bp
Assets						
Cash, cash balances at central banks and other demand deposits	778	389	194	(194)	(388)	(774)
Non-trading financial assets mandatorily at fair value through profit or loss	21	9	4	(3)	(6)	(11)
Financial assets at fair value through other comprehensive income	16,224	7,813	3,836	(3,700)	(7,271)	(14,050)
Financial assets at amortised cost	1,266,447	602,796	294,695	(283,130)	(551,913)	(1,054,001)
	1,283,470	611,007	298,729	(287,027)	(559,578)	(1,068,837)
Liabilities						
Financial liabilities measured at amortised cost	(515,794)	(232,837)	(96,761)	62,526	158,669	344,455
Financial liabilities from insurance contracts	(368)	(177)	(87)	83	164	315
	(516,162)	(233,014)	(96,848)	62,609	158,833	344,770
Net exposure	1,799,632	844,021	395,577	(349,635)	(718,411)	(1,413,607)

				31-Dec-22	in thousand euros	
	-200 bp	-100 bp	-50 bp	+50 bp	+100 bp	+200 bp
Assets						
Cash, cash balances at central banks and other demand deposits	10,387	3,614	415	499	(1,600)	(5,595)
Non-trading financial assets mandatorily at fair value through profit or loss	23,306	9,487	4,345	(3,731)	(6,982)	(12,406)
Financial assets at fair value through other comprehensive income	105,591	49,445	23,962	(22,573)	(55,470)	(83,076)
Financial assets at amortised cost	1,912,354	851,109	365,121	(320,297)	(715,834)	(1,450,760)
	2,051,637	913,655	393,843	(346,102)	(779,886)	(1,551,837)
Liabilities						
Financial liabilities measured at amortised cost	(995,702)	(350,571)	(46,403)	(42,484)	154,155	527,704
Financial liabilities from insurance contracts	(497)	(231)	(111)	104	202	379
	(996,199)	(350,802)	(46,514)	(42,380)	154,357	528,083
Net exposure	3,047,836	1,264,457	440,357	(303,722)	(934,243)	(2,079,920)

Considering the stability of Customer funds, a maturity transformation effect is achieved. Considering an upward yield curve as the norm, this transformation effect positions the financial assets portfolio along the yield curve, translating into a positive differential between the duration of Assets and the duration of Liabilities. In this context, a rise in interest rates is reflected in a sharper devaluation of Assets vis-à-vis Liabilities, with an effect on the Capital position. The relative projections, presented in the table above, fall within the limits of the impact on Own Funds as a consequence of significant rises in interest rates.

Liquidity risk

Liquidity risk is associated with the inability of the Crédito Agrícola Group to meet its contractual and contingent liabilities, and with the potential inability of the Crédito Agrícola Group to finance its assets.

The liquidity management policy is defined and monitored by ALCCO and the Risk Committee, and its daily management is entrusted to the Financial Department.

To assess the overall exposure to this type of risk in the short, medium, and long-term, reports are prepared which not only enable identifying negative mismatches but assessment of their dynamic coverage. The Group and Caixa Central also monitor the liquidity ratios from a prudential perspective, calculated according to the rules required by Banco de Portugal.

In terms of liquidity, the Crédito Agrícola Group pursues a conservative policy reflected in a loan-to-deposit ratio in each of its areas which is clearly below the average ratio in the national banking system.

Surplus funds from the Crédito Agrícola Group are channelled to Caixa Central, where they are centrally invested in assets of high credit and liquidity quality, namely public debt of eurozone countries and investments in bonds of companies or renowned credit institutions, both domestic and international.

The Crédito Agrícola Group has a solid position in the retail market, distributed evenly over the entire country, reflected in its network of 618 branches and a funding base that is dispersed, stable and with a high degree of permanence.

From the perspective of prevention and management of liquidity risk contingency, the following points are especially considered and monitored:

- Control and containment of any possible concentration of commercial funds which, if this were to develop, could lead to a more permeable portfolio, thus reducing its stability and permanence. Regular simulations are carried out to assess impact, using conservative hypotheses regarding the stability of retail funds and without considering tenders of additional sources of funding.
- Albeit without depending on these supplementary sources of funding, in view of the structural treasury position of the Crédito Agrícola Group, maintenance of financing lines with domestic and international credit institutions, which are regularly tested.
- Regular launch of liability products to enable maintaining the standards of permanence of the projected funds.
- Maintenance of a cushion of assets with immediate liquidity to cope with any unexpected increased cash outflow.

CA Vida's treasury situation is monitored on a daily basis, with controls on bank balances and the necessary guidelines to maintain liquidity. The prudential management of liquidity risk requires the maintenance of sufficient cash or liquid financial instruments and the possibility to close market positions. The Management monitors updated forecasts on the liquidity reserve, considering the expected cash flow. This is based on an analysis of the residual contractual maturity of the financial liabilities and obligations related to insurance contracts, and the expected date of inflows of financial assets. Specifically with regard to investment portfolios, the Management Institution conducts the daily treasury management, taking into consideration cash inflow and outflow, and the settlement of transactions on securities. Moreover, the investment policy gives priority to the acquisition of securities traded in regulated markets.

As at 31 December 2023 and 2022, the contractual residual periods of the financial instruments according to the inherent undiscounted cash flows (nominal value and undiscounted interest), are detailed as follows (values in thousand euros):

	31-Dec-23					in thousand euros	
	Contractual residual periods						
	On demand	Up to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Not subject to interest rate risk	Total
Assets							
Cash, cash balances at central banks and other demand deposits	1,731	1,201,651	3,424	18,191	292,753	-	1,517,750
Financial assets held for trading	-	159,007	2,788	10,595	7,055	-	179,445
Non-trading financial assets mandatorily at fair value through profit or loss	-	2,897	1,558	35,532	82,082	88,068	210,136
Financial assets at fair value through other comprehensive income	-	29,317	258,633	247,322	488,538	-	1,023,810
Financial assets at amortised cost	3,279	1,200,979	2,397,198	7,743,114	12,198,545	-	23,543,115
Hedge derivatives	-	29,589	151,476	382,268	505,534	-	1,068,867
	5,009	2,623,440	2,815,076	8,437,022	13,574,507	88,068	27,543,121
Liabilities							
Financial liabilities held for trading	-	(12)	-	(5,305)	(4,554)	-	(9,872)
Financial liabilities measured at amortised cost	(3,933,693)	(4,286,335)	(7,536,177)	(4,191,694)	(1,393,745)	-	(21,341,645)
Financial liabilities from insurance contracts	-	(55)	(2,083)	(1,064)	(1,342)	-	(4,544)
Hedge derivatives	-	(7,251)	(39,959)	(165,688)	(101,093)	-	(313,990)
	(3,933,693)	(4,293,653)	(7,578,219)	(4,363,751)	(1,500,734)	-	(21,670,050)
Net exposure	(3,928,684)	(1,670,213)	(4,763,143)	4,073,271	12,073,772	88,068	5,873,071

	31-Dec-22					in thousand euros	
	Contractual residual periods						
	On demand	Up to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Not subject to interest rate risk	Total
Assets							
Cash, cash balances at central banks and other demand deposits	72,982	1,059,326	104,674	39,144	204,842	-	1,480,968
Financial assets held for trading	-	159,007	2,788	10,595	7,055	-	179,445
Non-trading financial assets mandatorily at fair value through profit or loss	-	1,470	3,081	23,293	111,796	78,217	217,856
Financial assets at fair value through other comprehensive income	-	6,278	76,285	206,054	522,264	-	810,881
Financial assets at amortised cost	2,211,502	2,110,210	4,233,984	4,703,382	8,788,400	-	22,047,479
Hedge derivatives	-	5,812	93,540	487,967	616,453	-	1,203,772
	2,284,484	3,342,103	4,514,352	5,470,434	10,250,810	78,217	25,940,401
Liabilities							
Financial liabilities held for trading	-	-	-	(852)	(4,363)	-	(5,216)
Financial liabilities measured at amortised cost	(7,059,067)	(2,005,975)	(3,746,931)	(2,818,399)	(4,880,284)	-	(20,510,656)
Financial liabilities from insurance contracts	-	(69)	-	(2,977)	(1,106)	-	(4,152)
Hedge derivatives	-	(4,255)	(29,829)	(114,474)	(86,054)	-	(234,612)
	(7,059,067)	(2,010,299)	(3,776,759)	(2,936,702)	(4,971,808)	-	(20,754,635)
Net exposure	(4,774,582)	1,331,804	737,593	2,533,732	5,279,002	78,217	5,185,765

As at 31 December 2023, the potential cash flows associated with loan commitments are as follows (values in thousand euros):

	2024	2025	2026	Total
Assets				
Financial assets at amortised cost:				
Debt securities (Commercial paper)	5,576	-	-	5,576
Loans and advances	595,165	506,102	453,460	1,554,726
	600,741	506,102	453,460	1,560,303
Liabilities				
Financial liabilities at amortised cost:				
Deposits	74,793	9,876	5,130	89,800
	74,793	9,876	5,130	89,800

Credit Risk

The activities developed concerning risk and capital management seek to endow the Crédito Agrícola Group with capacity for credit risk management in line with best market practices, through a series of initiatives which include strong coordination with technological aspects and require the development of specific in-house skills and also ensure the necessary framework for the demanding regulatory challenges currently being experienced.

Credit risk is associated with the risk of loss arising from the inability of customers, debtors, or other counterparties to meet their contractual obligations to pay on the maturity date and in full the principal, interest, collateral, and other amounts receivable.

In 2023 and 2022, the inter-stage transfer related to financial assets at amortised cost (excluding insurance activity) is presented as follows:

(thousand euros)

	Financial assets at amortised cost				Impairment			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as at 31-12-2022	21,112,002	1,895,523	618,940	23,626,465	50,019	75,652	241,948	367,618
Transfers:				0				0
Stage 1 to 2	-740,609	688,207	0	-52,402	-2,894	21,790	0	18,896
Stage 1 to 3	-187,431	0	176,431	-10,999	-3,675	0	45,556	41,880
Stage 2 to 1	578,294	-639,464	0	-61,170	4,864	-12,961	0	-8,096
Stage 2 to 3	0	-186,607	170,439	-16,168	0	-22,059	52,690	30,631
Stage 3 to 2	0	59,276	-64,710	-5,434	0	3,876	-23,572	-19,697
Stage 3 to 1	30,041	0	-34,212	-4,172	379	0	-6,068	-5,690
Credit annulments/sales	0	-24	-55,154	-55,179	0	-1	-45,549	-45,549
Origination net of amortisations	3,241,010	223,288	15,662	3,479,961	6,586	3,677	3,913	14,176
Balance as at 31-12-2023	21,437,425	1,758,362	764,096	23,959,883	52,431	70,041	282,396	404,867

Credit quality for cash balances at credit institutions – "Cash, cash balances at central banks and other demand deposits - Other demand deposits" (Note 5) and "Loans and advances - Funds" without impairment (Note 9).

The table below shows the breakdown of the balance sheet value of investments in credit institutions, with reference to 31 December 2023 and 2022, considering aggregated risk classes (low, medium, and high) associated with external ratings:

	31-Dec-23	31-Dec-22
Ratings		
Low	4,634,939	10,208,127
Medium	1,110,217	1,226,328
High	38,129	266,387
Without rating	60,761,174	52,935,902
	66,544,460	64,636,745

The ratings of credit institutions in the table above are considered as follows: A/AA/AA as low risk, BBB as medium risk and BB/CCC as high risk.

Credit quality of forborne exposures

31-Dec-23

amounts in thousands of euros

	Gross carrying amount / Nominal amount of exposures with forbearance measures				Accumulated impairments, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne	Of which, in default	Of which, in impairment	On performing forborne exposures	On non-performing forborne exposures		Of which, collateral and financial guarantees received on non-performing exposures with forbearance measures
Loans and advances	**252,344**	**452,922**	**451,601**	**451,601**	**-17,950**	**-174,024**	**497,289**	**274,317**
Central banks	0	0	0	0	0	0	0	0
Central governments	0	0	0	0	0	0	0	0
Credit institutions	0	0	0	0	0	0	0	0
Other financial corporations	1,244	0	0	0	-24	0	1,220	0
Non-financial corporations	103,494	236,539	236,093	236,093	-9,985	-100,219	220,195	134,185
Individuals	147,607	216,383	215,508	215,508	-7,941	-73,804	275,874	140,132
Debt securities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Signature credit (Off-balance sheet)	**4,988**	**1,627**	**1,627**	**1,627**	**60**	**208**	**5,415**	**1,141**
Total	**257,332**	**454,549**	**453,228**	**453,228**	**-17,890**	**-173,815**	**502,704**	**275,459**

31-Dec-22

amounts in thousands of euros

	Gross carrying amount / Nominal amount of exposures with forbearance measures				Accumulated impairments, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which, collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which, in default	Of which, in impairment				
Loans and advances	**311,594**	**374,645**	**374,090**	**374,090**	**-30,339**	**-158,150**	**479,831**	**210,066**
Central banks	0	0	0	0	0	0	0	0
Central governments	0	0	0	0	0	0	0	0
Credit Institutions	0	0	0	0	0	0	0	0
Other financial corporations	1,356	0	0	0	-37	0	1,320	0
Non-financial corporations	244,321	304,064	303,881	303,881	-25,683	-125,533	384,964	173,777
Individuals	65,917	70,581	70,209	70,209	-4,619	-32,616	93,547	36,290
Debt securities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Signature credit (Off-balance sheet)	**4,351**	**1,848**	**1,848**	**1,848**	**37**	**100**	**4,526**	**1,690**
Total	**315,945**	**376,493**	**375,938**	**375,938**	**-30,303**	**-158,050**	**484,357**	**211,757**

Credit quality of performing and non-performing exposures by days in arrears

31-Dec-23

amounts in thousands of euros

	Gross carrying amount / Nominal amount											
	Performing exposures			Non-performing exposures								
		No arrears or arrears ≤ 30 days	In arrears > 30 days ≤ 90 days		Low probability of payment in no arrears or in arrears for ≤ 90 days	In arrears > 90 days ≤ 180 days	In arrears > 180 days ≤ 1 year	In arrears > 1 year ≤ 2 years	In arrears > 2 years ≤ 5 years	In arrears > 5 years ≤ 7 years	In arrears > 7 years	Of which, in default
Loans and advances	**10,974,314**	**10,936,364**	**37,950**	**728,933**	**479,996**	**63,871**	**71,115**	**41,516**	**33,494**	**12,130**	**26,811**	**724,621**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0
Central governments	646,697	646,697	0	185	0	0	0	185	0	0	0	185
Credit institutions	33,096	33,096	0	0	0	0	0	0	0	0	0	0
Other financial corporations	196,722	196,722	0	0	0	0	0	0	0	0	0	0
Non-financial corporations	5,230,593	5,217,075	13,518	418,230	256,599	41,136	49,454	29,604	20,312	7,472	13,654	416,615
Of which, SME	4,928,330	4,914,812	13,518	410,503	249,837	41,136	49,052	29,604	19,749	7,472	13,654	408,888
Individuals	4,867,205	4,842,774	24,431	310,519	223,397	22,735	21,661	11,728	13,182	4,658	13,157	307,821
Debt securities	**10,465,210**	**10,465**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0
Central governments	8,122,157	8,122	0	0	0	0	0	0	0	0	0	0
Credit institutions	1,600,832	1,601	0	0	0	0	0	0	0	0	0	0
Other financial corporations	214,481	214	0	0	0	0	0	0	0	0	0	0
Non-financial corporations	527,739	528	0	0	0	0	0	0	0	0	0	0
Signature credit (Off-balance sheet)	**2,197,404**			**38,541**								**37,477**
Central banks	0			0								0
Central governments	62,001			0								0
Credit institutions	143,536			0								0
Other financial corporations	26,523			0								0
Non-financial corporations	1,407,856			31,552								31,459
Individuals	557,489			6,989								6,018
Total	**23,636,928**	**10,946,829**	**37,950**	**767,475**	**479,996**	**63,871**	**71,115**	**41,516**	**33,494**	**12,130**	**26,811**	**762,098**

31-Dec-22

amounts in thousands of euros

	Gross carrying amount / Nominal amount											
	Performing exposures			Non-performing exposures								
		No arrears or arrears <= 30 days	In arrears > 30 days <= 90 days		Reduced probability of payment in no arrears or in arrears for <= 90 days	In arrears > 90 days <= 180 days	In arrears > 180 days <= 1 year	In arrears > 1 year <= 2 years	In arrears > 2 years <= 5 years	In arrears > 5 years <= 7 years	In arrears > 7 years	Of which, in default
Loans and advances	**11,004,969**	**10,976,302**	**28,667**	**585,927**	**368,177**	**48,232**	**39,269**	**27,221**	**48,237**	**17,416**	**37,375**	**583,242**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0
Central governments	654,663	654,663	0	0	0	0	0	0	0	0	0	0
Credit Institutions	29,419	29,419	0	0	0	0	0	0	0	0	0	0
Other financial corporations	142,396	142,396	0	0	0	0	0	0	0	0	0	0
Non-financial corporations	6,080,824	6,065,906	14,917	454,852	300,439	35,271	28,779	20,261	36,063	13,278	20,760	453,618
Of which, SME	5,858,476	5,843,582	14,895	449,921	296,197	35,271	28,779	19,698	36,062	13,278	20,636	448,688
Individuals	4,097,667	4,083,918	13,749	131,075	67,738	12,961	10,490	6,960	12,174	4,137	16,615	129,623
Debt securities	**9,249,973**	**9,249,973**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0
Central governments	7,039,706	7,039,706	0	0	0	0	0	0	0	0	0	0
Credit Institutions	1,659,642	1,659,642	0	0	0	0	0	0	0	0	0	0
Other financial corporations	47,643	47,643	0	0	0	0	0	0	0	0	0	0
Non-financial corporations	502,983	502,983	0	0	0	0	0	0	0	0	0	0
Signature credit (Off-balance sheet)	**2,158,523**			**36,157**								**34,493**
Central banks	0			0								0
Central governments	62,986			0								0
Credit Institutions	201,625			0								0
Other financial corporations	25,661			0								0
Non-financial corporations	1,408,649			32,586								31,319
Individuals	459,601			3,571								3,174
Total	**22,413,465**	**20,226,275**	**28,667**	**622,085**	**368,177**	**48,232**	**39,269**	**27,221**	**48,237**	**17,416**	**37,375**	**617,735**

Performing and non-performing exposures and their provisions

31-Dec-23

amounts in thousands of euros

	Gross carrying amount / Nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures - accumulated impairments and provisions			Non-performing exposures - accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
		Of which, stage 1	Of which, stage 2		Of which, stage 2	Of which, stage 3		Of which, stage 1	Of which, stage 2		Of which, stage 2	Of which, stage 3		On Performing overexposures	On non-performing overexposures
Loans and advances	**10,974,314**	**9,435,418**	**1,477,481**	**728,933**	**4,016**	**651,059**	**-112,298**	**-44,699**	**-63,155**	**-276,879**	**-981**	**-243,523**	**0**	**9,230,664**	**427,871**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Central governments	646,697	635,971	8,407	185	0	185	-366	-315	-50	0	0	0	0	185,020	0
Credit institutions	33,096	33,096	0	0	0	0	-39	-39	0	0	0	0	0	0	0
Other financial corporations	196,722	195,478	1,244	0	0	0	-448	-424	-24	0	0	0	0	193,741	0
Non-financial corporations	5,230,593	4,680,122	512,788	418,230	1,328	365,753	-68,175	-38,078	-26,980	-166,712	-443	-143,510	0	4,472,341	236,142
Of which, SME	4,928,330	4,396,952	493,695	410,503	1,328	358,427	-64,562	-34,748	-26,696	-164,153	-443	-141,003	0	4,291,404	231,460
Individuals	4,867,205	3,890,750	955,042	310,519	2,688	285,122	-43,270	-5,843	-36,101	-110,167	-537	-100,014	0	4,379,562	191,729
Debt securities	**10,465,210**	**10,465,210**	**0**	**0**	**0**	**0**	**-5,594**	**-5,594**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Central governments	8,122,157	8,122,157	0	0	0	0	-4,021	-4,021	0	0	0	0	0	0	0
Credit institutions	1,600,832	1,600,832	0	0	0	0	-932	-932	0	0	0	0	0	0	0
Other financial corporations	214,481	214,481	0	0	0	0	-315	-315	0	0	0	0	0	0	0
Non-financial corporations	527,739	527,739	0	0	0	0	-325	-325	0	0	0	0	0	0	0
Signature credit (Off-balance sheet)	**2,197,404**	**1,987,549**	**207,783**	**38,541**	**1,057**	**37,344**	**5,918**	**3,290**	**2,575**	**6,507**	**13**	**6,464**		**1,254,387**	**24,468**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Central governments	62,001	60,882	1,119	0	0	0	18	13	5	0	0	0		9,678	0
Credit institutions	143,536	143,444	92	0	0	0	15	15	0	0	0	0		0	0
Other financial corporations	26,523	26,523	0	0	0	0	52	52	0	0	0	0		22,805	0
Non-financial corporations	1,407,856	1,259,605	146,529	31,552	93	31,391	4,920	2,765	2,112	5,879	1	5,850		1,052,624	20,286
Individuals	557,489	497,096	60,043	6,989	964	5,953	913	445	459	628	12	613		169,281	4,182
Total	**23,636,928**	**21,888,177**	**1,685,264**	**767,475**	**5,073**	**688,403**	**-111,974**	**-47,002**	**-60,580**	**-270,372**	**-968**	**-237,060**	**0**	**10,485,051**	**452,339**

31-Dec-22

amounts in thousands of euros

	Gross carrying amount / Nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures - accumulated impairments and provisions			Non-performing exposures - accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On Performing overexposures	On non-performing overexposures
		Of which, stage 1	Of which, stage 2		Of which, stage 2	Of which, stage 3		Of which, stage 1	Of which, stage 2		Of which, stage 2	Of which, stage 3			
Loans and advances	**11,004,969**	**9,304,187**	**1,604,356**	**585,927**	**2,384**	**518,359**	**-113,391**	**-40,254**	**-62,970**	**-236,201**	**-289**	**-205,427**	**0**	**9,357,196**	**331,980**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Central governments	654,663	646,002	6,225	0	0	0	-310	-306	-3	0	0	0	0	193,564	0
Credit Institutions	29,419	29,419	0	0	0	0	-57	-57	0	0	0	0	0	0	0
Other financial corporations	142,396	141,033	1,362	0	0	0	-622	-585	-37	0	0	0	0	137,799	0
Non-financial corporations	6,080,824	5,071,272	935,641	454,852	1,233	400,146	-88,491	-34,940	-44,993	-178,813	-154	-154,319	0	5,295,844	263,975
Of which, SME	5,858,476	4,897,140	887,426	449,921	1,233	395,216	-87,757	-34,386	-44,813	-178,477	-154	-153,983	0	5,160,294	259,392
Individuals	4,097,667	3,416,461	661,128	131,075	1,151	118,212	-23,912	-4,366	-17,938	-57,388	-135	-51,108	0	3,729,989	68,004
Debt securities	**9,249,973**	**9,249,973**	**6,467**	**0**	**0**	**0**	**-6,534**	**-6,531**	**-4**	**0**	**0**	**0**	**0**	**0**	**0**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Central governments	7,039,706	7,039,706	0	0	0	0	-5,334	-5,334	0	0	0	0	0	0	0
Credit Institutions	1,659,642	1,659,642	0	0	0	0	-843	-843	0	0	0	0	0	0	0
Other financial corporations	47,643	47,643	0	0	0	0	-22	-22	0	0	0	0	0	0	0
Non-financial corporations	502,983	502,983	6,467	0	0	0	-335	-331	-4	0	0	0	0	0	0
Signature credit (Off-balance sheet)	**2,158,523**	**1,967,733**	**186,999**	**36,157**	**1,657**	**34,364**	**5,822**	**3,550**	**2,199**	**5,670**	**15**	**5,601**		**1,137,602**	**20,357**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Central governments	62,986	62,320	667	0	0	0	14	14	0	0	0	0		7,945	0
Credit Institutions	201,625	201,625	0	0	0	0	11	11	0	0	0	0		0	0
Other financial corporations	25,661	25,599	63	0	0	0	33	33	0	0	0	0		694	0
Non-financial corporations	1,408,649	1,265,423	139,518	32,586	1,266	31,190	5,235	3,200	1,995	5,257	12	5,191		1,011,483	19,119
Individuals	459,601	412,766	46,752	3,571	390	3,174	528	292	204	413	3	410		117,481	1,238
Total	**22,413,465**	**20,521,893**	**1,797,823**	**622,085**	**4,041**	**552,722**	**-114,103**	**-43,234**	**-60,774**	**-230,531**	**-274**	**-199,826**	**0**	**10,494,798**	**352,336**

Credit quality of loans and advances by sector of activity

31-Dec-23

amounts in thousands of euros

	Gross carrying amount				Accumulated impairments	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which, non-performing		Of which, loans and advances subject to impairment		
			Of which, in default			
Agriculture, forestry and fisheries	819,214	57,563	57,107	819,214	-33,247	0
Mining	22,733	4,718	4,718	22,733	-2,341	0
Manufacturing Industries	798,848	59,876	59,414	798,848	-40,911	0
Production and distribution of electricity, gas, steam and air conditioning	48,442	553	553	48,442	-351	0
Water supply	113,529	1,166	1,166	113,529	-909	0
Construction	482,002	46,332	46,319	482,002	-19,582	0
Wholesale and retail trade	888,699	78,745	78,421	888,699	-45,776	0
Transport and storage	137,930	8,334	8,330	137,930	-4,360	0
Accommodation and catering activities	547,443	57,890	57,553	547,443	-29,209	0
Information and communication	17,593	1,658	1,657	17,593	-1,099	0
Financial and insurance activities	157,345	3,685	3,685	157,345	-2,943	0
Real estate activities	1,002,422	48,812	48,808	1,002,422	-30,110	0
Consulting, scientific and technical activities	187,624	12,208	12,202	187,624	-7,179	0
Administrative and support service activities	96,988	8,830	8,827	96,988	-4,041	0
Public administration and defence, mandatory social security	8	0	0	8	0	0
Education	75,988	2,562	2,562	75,988	-2,369	0
Health services and social work	174,888	13,681	13,679	174,888	-5,733	0
Artistic, entertainment and recreational activities	52,489	10,417	10,416	52,489	-4,241	0
Other services	24,639	1,200	1,198	24,639	-485	0
Total	**5,648,823**	**418,230**	**416,615**	**5,648,823**	**-234,887**	**0**

31-Dec-22

amounts in thousands of euros

	Gross carrying amount				Accumulated impairments	Accumulated negative changes in fair value due to credit risk in non-performing exposures
		Of which, non-performing		Of which, loans and advances subject to impairment		
			Of which, in default			
Agriculture, forestry and fisheries	1,065,080	64,854	64,719	1,065,080	-37,272	0
Mining	22,680	2,955	2,954	22,680	-1,984	0
Manufacturing Industries	806,724	73,321	73,235	806,724	-44,788	0
Production and distribution of electricity, gas, steam and air conditioning	27,541	287	287	27,541	-308	0
Water supply	100,843	903	903	100,843	-940	0
Construction	486,811	47,085	47,056	486,811	-28,463	0
Wholesale and retail trade	1,050,135	66,727	66,657	1,050,135	-39,935	0
Transport and storage	117,520	7,945	7,940	117,520	-5,127	0
Accommodation and catering activities	672,660	62,832	62,740	672,660	-37,009	0
Information and communication	17,041	890	883	17,041	-1,041	0
Financial and insurance activities	157,231	2,181	2,081	157,231	-3,625	0
Real estate activities	993,187	60,901	60,897	993,187	-28,522	0
Consulting, scientific and technical activities	176,352	11,932	11,925	176,352	-6,765	0
Administrative and support service activities	119,173	8,783	8,779	119,173	-4,519	0
Public administration and defence, mandatory social security	924	222	119	924	-44	0
Education	78,520	5,885	5,884	78,520	-3,896	0
Health services and social work	187,844	5,876	5,873	187,844	-4,373	0
Artistic, entertainment and recreational activities	66,145	9,623	9,621	66,145	-4,648	0
Other services	389,266	21,651	21,065	389,266	-14,045	0
Total	**6,535,676**	**454,852**	**453,618**	**6,535,676**	**-267,304**	**0**

Exposure and impairment by segment and type of analysis

31-Dec-23

Unit: thousand euros, except %

Segment	Exposure						Impairment						Degree of coverage		
	Collective analysis	%	Individual Analysis	%	Total	%	Collective analysis	%	Individual Analysis	%	Total	%	Collective analysis	Individual Analysis	Total
Corporate	**7,568,915**	**32.6%**	**723,979**	**69.1%**	**8,292,894**	**34.1%**	**96,670**	**49.0%**	**169,249**	**80.5%**	**265,919**	**65.3%**	**1.3%**	**23.4%**	**3.2%**
Business	1,938,388	8.3%	108,931	10.4%	2,047,319	8.4%	51,139	25.9%	34,765	16.5%	85,903	21.1%	2.6%	31.9%	4.2%
Large and SME	3,757,651	16.2%	355,585	33.9%	4,113,236	16.9%	27,999	14.2%	91,917	43.7%	119,916	29.4%	0.7%	25.8%	2.9%
Construction and real estate activities	1,872,877	8.1%	259,463	24.8%	2,132,339	8.8%	17,532	8.9%	42,568	20.3%	60,100	14.8%	0.9%	16.4%	2.8%
Individuals, of which:	**4,866,676**	**20.9%**	**323,411**	**30.9%**	**5,190,087**	**21.4%**	**94,559**	**48.0%**	**40,873**	**19.5%**	**135,433**	**33.3%**	**1.9%**	**12.6%**	**2.6%**
Mortgage loans	3,384,415	14.6%	259,771	24.8%	3,644,185	15.0%	53,521	27.1%	17,770	8.5%	71,290	17.5%	1.6%	6.8%	2.0%
Consumer credit	713,037	3.1%	36,527	3.5%	749,564	3.1%	26,702	13.5%	14,758	7.0%	41,460	10.2%	3.7%	40.4%	5.5%
Other	**736,309**	**3.2%**	**185**	**0.0%**	**736,494**	**3.0%**	**407**	**0.2%**	**0**	**0.0%**	**408**	**0.1%**	**0.06%**	**0.03%**	**0.06%**
Sub-total	**13,171,901**	**56.7%**	**1,047,574**	**100.0%**	**14,219,476**	**58.5%**	**191,637**	**97.2%**	**210,122**	**100.0%**	**401,759**	**98.6%**	**1.5%**	**20.1%**	**2.8%**
Investments in securities	**10,076,474**	**43.3%**	**0**	**0.0%**	**10,076,474**	**41.5%**	**5,509**	**2.8%**	**0**	**0.0%**	**5,509**	**1.4%**	**0.05%**	**0.00%**	**0.05%**
Total	**23,248,375**	**100.0%**	**1,047,574**	**100.0%**	**24,295,950**	**100.0%**	**197,146**	**100.0%**	**210,122**	**100.0%**	**407,268**	**100.0%**	**0.8%**	**20.1%**	**1.7%**

31-Dec-22

amounts in thousands of euros

Segment	Maximum						Impairment						Coverage ratio		
	Collective analysis		Individual Analysis		Total	%	Collective analysis		Individual Analysis		Total	%	Collective analysis	Individual Analysis	Total
	Value	%	Value	%			Value	%	Value	%			Value	Value	
Companies	**7,257,423**	**31.5%**	**571,258**	**86.0%**	**7,828,680**	**33.0%**	**97,262**	**54.2%**	**156,015**	**82.8%**	**253,276**	**68.9%**	**1.3%**	**27.3%**	**3.2%**
Business	1,979,465	8.6%	115,652	17.4%	2,095,117	8.8%	45,461	25.3%	37,588	20.0%	83,049	22.6%	2.3%	32.5%	2.3%
Large and SME	3,590,583	15.6%	309,271	46.6%	3,899,854	16.5%	30,768	17.2%	81,081	43.1%	111,849	30.4%	0.9%	26.2%	0.9%
Construction and Real Estate Activities	1,687,374	7.3%	146,335	22.0%	1,833,709	7.7%	21,033	11.7%	37,346	19.8%	58,379	15.9%	1.2%	25.5%	1.2%
Individuals, of which:	**5,331,635**	**23.2%**	**90,362**	**13.6%**	**5,421,997**	**22.9%**	**75,483**	**42.1%**	**32,295**	**17.1%**	**107,777**	**29.3%**	**1.4%**	**35.7%**	**2.0%**
Mortgage	3,779,942	16.4%	20,635	3.1%	3,800,577	16.0%	30,421	17.0%	6,249	3.3%	36,670	10.0%	0.8%	30.3%	0.8%
Consumer	748,264	3.2%	43,973	6.6%	792,237	3.3%	27,023	15.1%	17,516	9.3%	44,540	12.1%	3.6%	39.8%	3.6%
Other	**737,756**	**3.2%**	**2,437**	**0.4%**	**740,193**	**3.1%**	**335**	**0.2%**	**1**	**0.0%**	**336**	**0.1%**	**0.0%**	**0.0%**	**0.0%**
Sub-total	**13,326,814**	**57.9%**	**664,057**	**100.0%**	**13,990,871**	**59.1%**	**173,079**	**96.5%**	**188,311**	**100.0%**	**361,390**	**98.3%**	**1.3%**	**28.4%**	**2.6%**
Investments in securities	**9,699,197**	**42.1%**	**0**	**0.0%**	**9,699,197**	**40.9%**	**6,259**	**3.5%**	**0**	**0.0%**	**6,259**	**1.7%**	**0.1%**	**0.0%**	**0.1%**
Total	**23,026,011**	**100.0%**	**664,057**	**100.0%**	**23,690,068**	**100.0%**	**179,338**	**100.0%**	**188,311**	**100.0%**	**367,618**	**100.0%**	**0.8%**	**28.4%**	**1.6%**

Note - The reconciliation of the balances in this table and the following is as follows:

	31-Dec-23			31-Dec-22		
	G. Amount	Impairment		G. Amount	Impairment	
Securities portfolio						
Financial assets at CA (Note 9.1)	9,170,674	4,899		9,008,286	6,283	
	9,170,674	**4,899**		**9,008,286**	**6,283**	
Financial assets at FVTOCI (Note 8 and 23)	905,800	537		690,911	561	
	905,800	**537**		**690,911**	**561**	
Presented balance						
Financial assets at CA (Note 9.1)	9,730,698	4,972		9,865,248	6,283	
Financial assets at AC - hedge adjustment (Note 9.1)	-560,024			-856,962		
Financial assets at FVTOCI (Note 8 and 23)	905,800	537		690,911	537	
Closing balance	**10,076,474**	**5,509**		**9,699,197**	**6,820**	
Loans and advances to customers	On-balance sheet	Off-balance sheet		On-balance sheet	Off-balance sheet	
Financial assets at CA - Commercial paper (Note 9.1)	388,199			420,434		
Financial assets at CA - Loans and advances (Note 9.2)	11,703,247			11,590,897		
	12,091,446			**12,011,330**		
Loan commitments made (Note 47 - maximum exposure)		1,410,268			1,312,912	
Financial guarantees given (Note 47 - maximum exposure)		362,297			424,129	
Other commitments made (Note 47 - maximum exposure)		463,381			457,638	
		2,235,946			**2,194,680**	
	On-balance sheet	Off-balance sheet	Presented balance	On-balance sheet	Off-balance sheet	Presented balance
Customer balances under analysis	12,132,513	2,086,963	**14,219,476**	12,046,323	1,944,548	**13,990,871**
Fees (deferred income - Note 9.2)	1,854			1,854		
Fees (deferred expenses - Note 9.2)	-31,216			-30,414		
Fees received to defer (discounted commercial paper - Note 9.1)	-3,171					
Any other possible liabilities (Note 21)		5,282			5,317	
Assets given as guarantee (Note 21) - excluding Central Banks		142,037			201,712	
Liability related to investor compensation scheme (Note 21)		1,663			1,469	
Irrevocable commitments - real state properties (Note 21)		23,570			39,688	
Irrevocable commitments for buying and selling securities (Note (21)		0			1,946	
Modified	-8,575			-6,433		
	12,091,404	**2,259,516**		**12,011,330**	**2,194,680**	
Segmental analysis (Impairment)	On-balance sheet	Off-balance sheet	Presented balance	On-balance sheet	Off-balance sheet	Presented balance
Financial assets at CA - Commercial paper (Note 9.1)	158			306		
Financial assets at CA - Loans and advances (Note 9.2)	389,176			349,592		
	389,334			**349,898**		
Guarantees and sureties (Note 21)		12,425			11,492	
Closing balance	**389,334**	**12,425**	**401,759**	**349,898**	**11,492**	**361,390**

The calculation of the probabilities of default is based on Hazard models (for all segments except the credit card segment), which consist of the explicit modelling of the performance over time of the probability of default in view of the contracting and maturity of each operation/customer. In addition, prospective scenarios reflecting current and future macroeconomic conditions are introduced. For the forward-looking adjustment, macroeconomic variables obtained from an external institution accredited as an ECAI were considered, taking into account the basic, optimistic (S1) and adverse (S3) macroeconomic scenarios. The macroeconomic regression model is used to obtain future forecasts, considering the existence of explanatory variables at those dates (3 years) and it is considered that in the long run the curve tends towards the average default rate of the portfolio by applying a convergence factor for 3 years. The explanatory variables to be used for each portfolio were selected based on the Pearson correlation coefficient analysis, between the regressors and the dependent variable, as well as the correlation between the explanatory variables themselves.

The tables with the key indicators used in these scenarios are presented below:

31-Dec-23

Macroeconomic variables	Moody's																	
	Actual						Base				Optimistic				Adverse			
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026
GDP	3.1	2.7	3.1	-9.2	9.8	2.8	-3.4	2.2	2.0	1.5	-3.3	4.1	1.7	1.4	-3.6	-3.9	3.0	2.6
Unemployment rate	8.0	6.6	6.9	6.7	6.1	6.6	6.1	5.8	5.4	5.3	6.1	5.4	5.1	5.1	6.2	8.0	7.3	6.3
10-yr bond yields - Portugal	1.9	1.8	0.3	0.1	0.5	3.3	4.4	5.1	4.5	3.3	4.4	5.1	4.6	3.6	4.3	5.6	4.2	2.4
Harmonised price index	1.3	0.7	0.5	0.0	2.7	9.8	1.9	2.0	1.4	1.4	1.9	2.3	1.4	1.4	1.9	0.7	0.4	1.0
Inflation	2.0	1.8	1.3	2.3	1.0	8.3	3.4	1.6	1.2	1.2	3.4	1.8	1.3	1.1	3.3	0.6	0.5	1.2
Real Estate Price Index	7.5	-1.2	5.4	6.2	8.6	4.1	3.4	-3.9	0.8	4.2	3.5	-1.6	0.0	3.5	3.1	-15.4	3.2	10.1
3M Euribor	-0.3	-0.3	-0.4	-0.5	-0.6	2.1	4.1	3.2	1.9	1.8	4.1	3.7	2.5	1.9	4.1	1.3	1.0	1.0
Household Income	4.0	1.0	3.1	-3.2	2.7	3.9	1.0	3.7	2.2	1.1	1.0	5.1	2.6	1.0	1.1	-0.1	0.9	1.8

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Macroeconomic variables	Moody's																
	Actual					Baseline - Dec22				S1 (Upside 10th Percentile) - Dec22				S3 (Downside 90th Percentile) - Dec22			
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
GDP	3.2	2.7	2.8	-6.6	6.6	2.6	1.6	2.3	2.1	2.6	3.6	2.0	2.0	2.6	-4.4	2.9	3.3
Unemployment rate	8.2	6.7	6.7	7.1	6.1	6.4	6.6	6.0	5.5	6.4	6.2	5.6	5.3	6.4	8.7	7.8	6.6
10-yr bond yields - Portugal	2.1	1.9	0.3	0.1	0.4	3.3	4.0	3.4	3.1	3.3	4.3	4.0	3.7	3.3	4.5	3.2	2.6
Harmonised Price Index	9.9	-1.9	5.6	5.5	8.9	4.4	-3.9	1.3	1.7	4.4	-1.8	3.0	1.7	4.4	-12.3	-1.7	4.0
Inflation	1.8	1.7	1.7	1.6	1.4	6.8	2.7	1.4	1.4	6.8	2.6	1.7	1.4	6.8	0.8	0.5	1.2
Euribor 3M	-0.3	-0.3	-0.4	-0.5	-0.6	1.3	2.5	1.5	1.5	1.3	2.4	1.5	1.5	1.3	1.6	0.0	0.0
Household Income	2.6	1.2	3.2	-2.9	1.7	-2.4	0.9	2.5	1.9	-2.4	4.2	2.5	1.6	-2.4	-2.8	1.3	1.9

The impacts of sensitivity analysis of macroeconomic variables on the quantification of impairment are presented as follows:

(thousand euros)

	Impact on impairment quantification
Unemployment rate	
Source: Data buffet Moody's | Unemployment Rate | Dec-23: 6.09 (%, SA)	
+1%	561
+10%	5,258
Private Consumption	
Source: Data buffet Moody's | Private Consumption Expenditure: Actual | Dec-23: 137.46 (Bil. 2016 EUR, CDASAAR)	
-1%	160
-10%	2,101

Exposure and impairment by segment and level – Collective and individual analysis

31-Dec-23

Unit: thousand euros, except %

Segment	Exposure										Total	%
	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Of which: restructured	%	Assets in default (Stage 3)	%	Of which: restructured	%		
Corporate	**6,985,236**	**32.1%**	**820,790**	**46.7%**	**121,714**	**46.9%**	**486,869**	**63.7%**	**256,128**	**62.9%**	**8,292,894**	**34.1%**
Business	1,626,907	7.5%	256,913	14.6%	35,649	13.7%	163,499	21.4%	72,614	17.8%	2,047,319	8.4%
Large and SME	3,545,417	16.3%	356,776	20.3%	68,119	26.3%	211,043	27.6%	126,653	31.1%	4,113,236	16.9%
Construction and real estate activities	1,812,912	8.3%	207,100	11.8%	17,945	6.9%	112,327	14.7%	56,861	14.0%	2,132,339	8.8%
Individuals, of which:	**3,985,143**	**18.3%**	**927,902**	**52.8%**	**137,683**	**53.1%**	**277,042**	**36.3%**	**151,070**	**37.1%**	**5,190,087**	**21.4%**
Mortgage loans	2,837,336	13.0%	637,990	36.3%	105,308	40.6%	168,859	22.1%	131,499	32.3%	3,644,185	15.0%
Consumer credit	543,512	2.5%	137,773	7.8%	19,842	7.6%	68,279	8.9%	39,885	9.8%	749,564	3.1%
Other	**726,639**	**3.3%**	**9,671**	**0.5%**	**0**	**0.0%**	**185**	**0.0%**	**0**	**0.0%**	**736,494**	**3.0%**
Sub-total	**11,697,017**	**53.7%**	**1,758,362**	**100.0%**	**259,397**	**100.0%**	**764,096**	**100.0%**	**407,198**	**100.0%**	**14,219,476**	**58.5%**
Investments in securities	**10,076,474**	**46.3%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**10,076,474**	**41.5%**
Total	**21,773,491**	**100.0%**	**1,758,362**	**100.0%**	**259,397**	**100.0%**	**764,096**	**100.0%**	**407,198**	**100.0%**	**24,295,950**	**100.0%**

amounts in thousands of euros

Segment	Impairment												Coverage ratio		
	Assets without significant increased risk (Stage 1)		Assets with significant increased risk (Stage 2)				Assets in default (Stage 3)				Total	%	Assets without significant increased risk (Stage 1)	Assets with significant increased risk (Stage 2)	Assets in default (Stage 3)
	Value	%	Value	%	Of which: restructured	%	Value	%	Of which: restructured	%					
Companies	**46,225**	**84.7%**	**36,313**	**51.8%**	**9,914**	**56.3%**	**183,350**	**64.9%**	**105,858**	**61.2%**	**265,918**	**65.2%**	**0.6%**	**4.4%**	**37.7%**
Business	**12,569**	20.4%	9,934	14.2%	2,755	15.6%	63,401	22.5%	32,398	18.7%	84,038	20.8%	0.7%	3.9%	38.8%
Large and SME	19,419	37.0%	18,853	26.9%	5,980	34.0%	81,644	28.9%	51,083	29.5%	119,916	29.6%	0.5%	5.3%	38.7%
Construction and Real Estate Activities	14,267	27.2%	7,527	10.7%	1,178	6.7%	38,306	13.6%	22,477	13.0%	60,100	14.8%	0.8%	3.6%	34.1%
Individuals, of which:	**2,715**	**5.2%**	**33,673**	**48.1%**	**7,699**	**43.7%**	**99,045**	**35.1%**	**67,252**	**38.8%**	**135,433**	**33.5%**	**0.1%**	**3.6%**	**35.8%**
Mortgage	1,311	2.5%	22,817	32.6%	5,686	32.3%	47,163	16.7%	34,081	19.7%	71,290	17.6%	0.0%	3.6%	27.9%
Consumer	703	1.3%	6,871	9.8%	1,403	8.0%	33,885	12.0%	20,971	12.1%	41,460	10.2%	0.1%	5.0%	49.6%
Other	**352**	**0.7%**	**55**	**0.1%**	-	-	**0**	**0.0%**	-	-	**408**	**0.1%**	**0.0%**	**0.6%**	**0.0%**
Sub-total	**49,322**	**90.5%**	**70,041**	**100.0%**	**17,613**	**100.0%**	**282,396**	**100.0%**	**173,110**	**100.0%**	**401,759**	**98.8%**	**0.4%**	**4.0%**	**37.0%**
Investments in securities	**5,509**	**9.5%**	**0**	**0.00%**	**0**	**0.0%**	-	-	**0**	**0.0%**	**5,509**	**1.2%**	**0.1%**	-	-
Total	**54,831**	**100.0%**	**70,041**	**100.0%**	**17,613**	**100.0%**	**282,396**	**100.0%**	**173,110**	**100.0%**	**407,268**	**100.0%**	**0.2%**	**4.0%**	**37.0%**

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Unit: thousand euros, except %

Segment	Impairment										Total	%	Degree of coverage		
	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Of which: restructured	%	Assets in default (Stage 3)	%	Of which: restructured	%			Assets without significant increased risk (Stage 1)	Assets with significant increased risk (Stage 2)	Assets in default (Stage 3)
Corporate	**46,256**	**84.4%**	**36,313**	**51.8%**	**9,914**	**56.3%**	**183,350**	**64.9%**	**105,858**	**61.2%**	**265,919**	**65.3%**	**0.7%**	**4.4%**	**37.7%**
Business	12,569	22.9%	9,934	14.2%	2,755	15.6%	63,401	22.5%	32,298	18.7%	85,903	21.1%	0.8%	3.9%	38.8%
Large and SME	19,419	35.4%	18,853	26.9%	5,980	34.0%	81,644	28.9%	51,083	29.5%	119,916	29.4%	0.5%	5.3%	38.7%
Construction and real estate activities	14,267	26.0%	7,527	10.7%	1,178	6.7%	38,306	13.6%	22,477	13.0%	60,100	14.8%	0.8%	3.6%	34.1%
Individuals, of which:	**2,715**	**5.0%**	**33,673**	**48.1%**	**7,699**	**43.7%**	**99,045**	**35.1%**	**67,252**	**38.8%**	**135,433**	**33.3%**	**0.1%**	**3.6%**	**35.8%**
Mortgage loans	1,311	2.4%	22,817	32.6%	5,686	32.3%	47,163	16.7%	34,081	19.7%	71,290	17.5%	0.0%	3.6%	27.9%
Consumer credit	703	1.3%	6,871	9.8%	1,403	8.0%	33,885	12.0%	20,971	12.1%	41,460	10.2%	0.1%	5.0%	49.6%
Other	**352**	**0.6%**	**55**	**0.1%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**408**	**0.1%**	**0.05%**	**0.57%**	**0.03%**
Sub-total	**49,323**	**90.0%**	**70,041**	**100.0%**	**17,613**	**100.0%**	**282,396**	**100.0%**	**173,110**	**100.0%**	**401,759**	**98.6%**	**0.4%**	**4.0%**	**37.0%**
Investments in securities	**5,509**	**10.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**5,509**	**1.4%**	**0.05%**	**0.00%**	**0.00%**
Total	**54,832**	**100.0%**	**70,041**	**100.0%**	**17,613**	**100.0%**	**282,396**	**100.0%**	**173,110**	**100.0%**	**407,268**	**100.0%**	**0.3%**	**4.0%**	**37.0%**

amounts in thousands of euros

Segment	Impairment												Coverage ratio		
	Assets without significant increased risk (Stage 1)		Assets with significant increased risk (Stage 2)				Assets in default (Stage 3)				Total	%	Assets without significant increased risk (Stage 1)	Assets with significant increased risk (Stage 2)	Assets in default (Stage 3)
	Value	%	Value	%	Of which: restructured	%	Value	%	Of which: restructured	%					
Companies	**40,179**	**79.4%**	**49,759**	**65.8%**	**25,257**	**83.2%**	**163,338**	**67.5%**	**110,593**	**69.9%**	**253,276**	**68.8%**	**0.6%**	**5.1%**	**36.5%**
Business	9,703	19.2%	12,990	17.2%	5,597	18.4%	60,356	24.9%	34,133	21.6%	83,049	22.6%	0.6%	4.1%	41.3%
Large and SME	19,426	38.4%	27,920	36.9%	13,915	45.8%	64,503	26.7%	50,632	32.0%	111,849	30.4%	0.6%	6.2%	35.1%
Construction and Real Estate Activities	11,050	21.8%	8,850	11.7%	5,745	18.9%	38,479	15.9%	25,828	16.3%	58,379	15.9%	0.7%	4.4%	32.7%
Individuals, of which:	**3,279**	**6.5%**	**25,889**	**34.2%**	**5,098**	**16.8%**	**78,609**	**32.5%**	**47,590**	**30.1%**	**107,777**	**29.3%**	**0.1%**	**2.8%**	**45.9%**
Mortgage	1,206	2.4%	13,938	18.4%	978	3.2%	21,526	8.9%	9,870	6.2%	36,670	10.0%	0.0%	2.3%	38.4%
Consumer	907	1.8%	6,366	8.4%	2,361	7.8%	37,267	15.4%	23,829	15.1%	44,540	12.1%	0.2%	4.2%	49.7%
Other	**332**	**0.7%**	**4**	**0.0%**	-	-	-	-	-	-	**336**	**0.1%**	**0.0%**	**0.0%**	-
Sub-total	**43,760**	**86.5%**	**75,652**	**100.0%**	**30,355**	**100.0%**	**241,948**	**100.0%**	**158,183**	**100.0%**	**361,390**	**98.1%**	**0.4%**	**4.0%**	**39.1%**
Investments in securities	**6,820**	**13.5%**	-	-	**0**	**0.0%**	-	-	**0**	**0.0%**	**6,820**	**1.9%**	**0.1%**	-	-
Total	**50,580**	**100.0%**	**75,652**	**100.0%**	**30,355**	**100.0%**	**241,948**	**100.0%**	**158,183**	**100.0%**	**368,210**	**100.0%**	**0.2%**	**4.0%**	**39.1%**

Note - See reconciliation of balances above

Exposure by segment, stage and days in arrears – Collective and individual analysis

31-Dec-23

Unit: thousand euros

Segment	Assets without significant increased risk (Stage 1)	Assets with significant increased risk (Stage 2)				Non-performing assets (Stage 3)				Total
		≤ 30 days overdue	> 30 and < 90 days in arrears	> 90 days in arrears	Total	≤ 30 days overdue	> 30 and < 90 days in arrears	> 90 days in arrears	Total	
Corporate	**6,985,236**	**806,346**	**14,231**	**213**	**820,790**	**291,800**	**23,734**	**171,335**	**486,869**	**8,292,894**
Business	1,626,907	250,411	6,402	101	256,913	95,261	11,551	56,687	163,499	2,047,319
Large and SME	3,545,417	351,837	4,921	18	356,776	135,536	8,443	67,064	211,043	4,113,236
Construction and real estate activities	1,812,912	204,099	2,908	94	207,100	61,003	3,740	47,584	112,327	2,132,339
Individuals, of which:	**3,985,143**	**902,694**	**24,840**	**368**	**927,902**	**173,973**	**20,216**	**82,854**	**277,042**	**5,190,087**
Mortgage loans	2,837,336	622,922	15,068	0	637,990	134,354	7,179	27,326	168,859	3,644,185
Consumer credit	543,512	131,413	6,078	281	137,773	24,186	8,580	35,512	68,279	749,564
Other	**726,639**	**9,578**	**0**	**92**	**9,671**	**0**	**0**	**185**	**185**	**736,494**
Sub-total	**11,697,017**	**1,718,618**	**39,071**	**673**	**1,758,362**	**465,773**	**43,950**	**254,373**	**764,096**	**14,219,476**
Investments in securities	**10,076,474**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**10,076,474**
Total	**21,773,491**	**1,718,618**	**39,071**	**673**	**1,758,362**	**465,773**	**43,950**	**254,373**	**764,096**	**24,295,950**

31-Dec-22

amounts in thousands of euros

Segment	Assets without significant increased risk (Stage 1)	Assets with significant increased risk (Stage 2)				Assets in default (Stage 3)				Total
		≤ 30 days overdue	> 30 and < 90 days in arrears	> 90 days in arrears	Total	≤ 30 days overdue	> 30 and < 90 days in arrears	> 90 days in arrears	Total	
Companies	**6,407,828**	**961,382**	**11,394**	**289**	**973,064**	**276,196**	**33,843**	**137,749**	**447,788**	**7,828,680**
Business	1,629,010	314,378	5,409	136	319,923	76,055	11,079	59,049	146,184	2,095,117
Large and SME	3,264,034	448,824	3,068	41	451,932	133,888	17,455	32,544	183,888	3,899,854
Construction and Real Estate Activities	1,514,784	198,180	2,917	112	201,209	66,252	5,309	46,155	117,716	1,833,709
Individuals, of which:	**4,337,740**	**894,598**	**18,023**	**484**	**913,105**	**69,429**	**15,852**	**85,871**	**171,152**	**5,421,997**
Mortgage	3,148,935	585,609	9,841	175	595,625	25,454	4,994	25,570	56,017	3,800,577
Consumer	565,249	146,906	4,896	235	152,038	27,527	6,775	40,649	74,951	792,237
Other	**730,840**	**9,353**	-	**0**	**9,353**	-	-	-	-	**740,193**
Sub-total	**11,476,408**	**1,865,333**	**29,416**	**773**	**1,895,523**	**345,625**	**49,695**	**223,619**	**618,940**	**13,990,871**
Investments in securities	**8,829,540**	**0**	**0**	**0**	-	**0**	**0**	**0**	-	**8,829,540**
Total	**20,305,948**	**1,865,333**	**29,416**	**773**	**1,895,523**	**345,625**	**49,695**	**223,619**	**618,940**	**22,820,411**

Note - See reconciliation of balances above

Disclosure of changes in the measurement of impairments during 2023 and 2022, and the reasons for those changes by class of financial instrument:

31-Dec-23

	Changes in Impairment Quantification	Reasons for the Changes
- Debt securities	The quantification of impairment of the GCA debt securities portfolio has not changed.	n.a.
- Credit portfolio	Compared to the last report, with reference to 31 December 2023, the following improvements were made to the impairment quantification process: • Annual review of the risk parameters and updating of the macroeconomic scenarios (forward-looking component) of the impairment model in order to keep it up to date and in line with the behaviour of Crédito Agrícola's financial assets; • Methodology for identifying operations with signs of a significant increase in credit risk (SICR) classified as level 2: contracts/customers who see an improvement in their internal risk level (scoring/rating) compared to the initial moment (granting) will not be classified as level 2 even if the variation in the probability of default (PD) between the lifetime PD and the PD assigned to the customer at the initial moment (granting) is greater than 200%. As a result of the application of this improvement, there may be a reclassification from level 2 to level 1 in the contracts/customers that are covered by this criterion; • As in previous periods, the GCA maintains an impairment reinforcement (overlay) in order to incorporate the impact, in terms of the impairment of the loan portfolio, of the foreseeable worsening of the credit risk in a group of customers/operations considered to be vulnerable and falling into the following areas: **Mortgage loan operations** that cumulatively meet the following criteria: (i) had modifications to their contractual conditions in the period between 31 December 2022 and 31 December 2023 (e.g. increase in the residual term of the loan, reduction in the spread, deferral of capital, introduction or increase in the capital grace period, etc.) and (ii) that were not identified by the institution as "restructured" under the terms of article 47-B of the CRR following the modification of the contractual conditions and (iii) customer with a score higher than 4 as at 31 December 2023 and who meets at least one of the following criteria: - Effort rate higher than 36% on the date of the contractual change; - Average liability balances (term deposits and savings) of zero in the last 12 months; - Non-compliance with the CRC in the last 24 months; - Failure to pay the instalment (at least twice) in the 12 months prior to the date of the contractual change; - Introduction of a capital grace period. **Companies**: customers with exposure > €1,000,000 for CCCAM or €500,000 for CCAM who cumulatively meet the following criteria: - Potential universe of customers on the watch list with reference to 30 November 2023 through the automatic criteria (customers whose current or worsened rating is equal to or greater than 5 in the case of vulnerable sectors of activity and 6 or greater in the remaining sectors of activity, which were the subject of sensitivity analyses given the customer's high exposure, through the dimensions/input variables related to income (turnover), costs of goods sold and materials consumed (CMVMC) and financial charges, or whose degree of impairment coverage exceeds or equals 10% with a rating greater than or equal to 5, or the customer with a rating greater than or equal to 4 and with impairment level 2 and no financial difficulties) - Financial expense coverage ratio (EBITDA / Interest and similar expenses incurred) ≤ 0.5.	Regulatory guidelines. Introduction of improvement opportunities.

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	Changes in Quantification of Impairment	Reasons for the Changes
- Debt securities	The quantification of impairment of the GCA debt securities portfolio has not changed.	n.a.
- Credit portfolio	The following methodological changes with no material impact are noted: - Definition of default (e.g. correcting historical information on the marking of forborne loans caused by financial difficulties, correcting the wrong marking of signals of significative financial difficulties in the historic); - Methodology for identification of operations with signs of a Significant Increase in Credit Risk (SICR) classified as level 2 (e.g. review of the process for identification of information at origin when the original operations have a revolving/overdraft nature); - Loss Given Default (LGD) (e.g. consideration of direct costs associated with the credit recovery process). - Individual analysis: Apply the most severe impairment in the credit areas' analyses and the benchmark criteria (going/ gone approach - MOAI, based on Circular Letter No. 2018/62) for exposures from the individual analysis rated at level 3 that have a degree of impairment coverage below 40%	Regulatory guidelines. Introduction of improvement opportunities.

Exposure and impairment by segment, stage and credit rating – Collective and individual analysis

31-Dec-23

Unit: thousand euros, except %

Segment | Risk rating	Exposure						Impairment					
	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Total	%	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Total	%
Corporate	**6,985,236**	**63.7%**	**820,790**	**46.9%**	**7,806,026**	**61.4%**	**46,255**	**94.5%**	**36,313**	**51.9%**	**82,568**	**69.4%**
Business	1,626,907	14.8%	256,913	14.7%	1,883,821	14.8%	12,569	25.7%	9,934	14.2%	22,502	18.9%
Low	481,086	4.4%	22,869	1.3%	503,955	4.0%	2,499	5.1%	231	0.3%	2,730	2.3%
Medium	1,140,053	10.4%	206,967	11.8%	1,347,021	10.6%	9,823	20.1%	7,374	10.5%	17,197	14.5%
High	5,768	0.1%	27,078	1.5%	32,845	0.3%	247	0.5%	2,328	3.3%	2,575	2.2%
Large and SME	3,545,417	32.3%	356,776	20.4%	3,902,193	30.7%	19,419	39.7%	18,853	26.9%	38,272	32.2%
Low	1,610,823	14.7%	104,215	6.0%	1,715,038	13.5%	4,413	9.0%	1,532	2.2%	5,945	5.0%
Medium	1,886,567	17.2%	222,563	12.7%	2,109,130	16.6%	11,817	24.1%	10,329	14.8%	22,146	18.6%
High	48,027	0.4%	29,998	1.7%	78,025	0.6%	3,190	6.5%	6,991	10.0%	10,181	8.6%
Construction and real estate activities	1,812,912	16.5%	207,100	11.8%	2,020,012	15.9%	14,267	29.1%	7,527	10.8%	21,794	18.3%
Low	289,134	2.6%	13,215	0.8%	302,349	2.4%	285	0.6%	79	0.1%	364	0.3%
Medium	1,518,477	13.8%	181,090	10.4%	1,699,566	13.4%	13,839	28.3%	5,677	8.1%	19,516	16.4%
High	5,301	0.0%	12,796	0.7%	18,097	0.1%	143	0.3%	1,771	2.5%	1,914	1.6%
Individuals, of which:	**3,985,143**	**36.3%**	**927,902**	**53.1%**	**4,913,045**	**38.6%**	**2,715**	**5.5%**	**33,673**	**48.1%**	**36,387**	**30.6%**
Mortgage loans	2,837,336	25.9%	637,990	36.5%	3,475,326	27.3%	1,311	2.7%	22,817	32.6%	24,128	20.3%
Low	1,752,301	16.0%	160,807	9.2%	1,913,108	15.0%	391	0.8%	811	1.2%	1,202	1.0%
Medium	1,085,035	9.9%	131,036	7.5%	1,216,072	9.6%	920	1.9%	4,256	6.1%	5,177	4.4%
High	0	0.0%	346,147	19.8%	346,147	2.7%	0	0.0%	17,750	25.4%	17,750	14.9%
Consumer credit	543,512	5.0%	137,773	7.9%	681,285	5.4%	703	1.4%	6,871	9.8%	7,575	6.4%
Low	282,207	2.6%	17,120	1.0%	299,328	2.4%	159	0.3%	302	0.4%	461	0.4%
Medium	261,301	2.4%	63,965	3.7%	325,265	2.6%	544	1.1%	1,824	2.6%	2,368	2.0%
High	4	0.0%	56,688	3.2%	56,692	0.4%	0	0.0%	4,745	6.8%	4,745	4.0%
Total	**10,970,378**	**100.0%**	**1,748,692**	**100.0%**	**12,719,070**	**100.0%**	**48,970**	**100.0%**	**69,986**	**100.0%**	**118,956**	**100.0%**

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amounts in thousands of euros

Segment | Risk rating	Exposure						Impairment					
	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Total	%	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Total	%
Companies	**6,407,828**	**59.6%**	**973,064**	**51.6%**	**7,380,892**	**58.4%**	**40,179**	**92.5%**	**49,759**	**65.8%**	**89,938**	**75.5%**
Business	1,629,010	15.2%	319,923	17.0%	1,948,933	15.4%	9,703	22.3%	12,990	17.2%	22,693	19.1%
Reduced	443,656	4.1%	20,802	1.1%	464,458	3.7%	557	1.3%	250	0.3%	807	0.7%
Medium	1,178,244	11.0%	269,110	14.3%	1,447,354	11.5%	8,850	20.4%	10,346	13.7%	19,196	16.1%
High	7,110	0.1%	30,011	1.6%	37,121	0.3%	242	0.6%	2,394	3.2%	2,635	2.2%
Large and SME	3,264,034	30.4%	451,932	24.0%	3,715,966	29.4%	19,426	44.7%	27,920	36.9%	47,346	39.8%
Reduced	1,256,076	11.7%	60,858	3.2%	1,316,934	10.4%	1,533	3.5%	923	1.2%	2,456	2.1%
Medium	1,997,907	18.6%	346,209	18.4%	2,344,116	18.6%	17,465	40.2%	19,032	25.2%	36,497	30.6%
High	10,050	0.1%	44,866	2.4%	54,916	0.4%	428	1.0%	7,965	10.5%	8,393	7.0%
Construction and Real Estate Activities	1,514,784	14.1%	201,209	10.7%	1,715,993	13.6%	11,050	25.4%	8,850	11.7%	19,900	16.7%
Reduced	223,445	2.1%	14,726	0.8%	238,171	1.9%	408	0.9%	100	0.1%	508	0.4%
Medium	1,272,836	11.8%	163,347	8.7%	1,436,183	11.4%	8,594	19.8%	7,610	10.1%	16,204	13.6%
High	18,503	0.2%	23,136	1.2%	41,639	0.3%	2,047	4.7%	1,140	1.5%	3,187	2.7%
Individuals, of which:	**4,337,740**	**40.4%**	**913,105**	**48.4%**	**5,250,845**	**41.6%**	**3,279**	**7.5%**	**25,889**	**34.2%**	**29,168**	**24.5%**
Mortgage	3,148,935	29.3%	595,625	31.6%	3,744,560	29.6%	1,206	2.8%	13,938	18.4%	15,144	12.7%
Reduced	1,848,746	17.2%	49,048	2.6%	1,897,794	15.0%	498	1.1%	140	0.2%	638	0.5%
Medium	1,300,189	12.1%	222,518	11.8%	1,522,707	12.1%	708	1.6%	1,317	1.7%	2,024	1.7%
High	-	-	324,059	17.2%	324,059	2.6%	-	-	12,481	16.5%	12,481	10.5%
Consumer	565,249	5.3%	152,038	8.1%	717,286	5.7%	907	2.1%	6,366	8.4%	7,273	6.1%
Reduced	311,203	2.9%	20,567	1.1%	331,770	2.6%	196	0.5%	523	0.7%	720	0.6%
Medium	254,046	2.4%	77,634	4.1%	331,680	2.6%	711	1.6%	2,235	3.0%	2,945	2.5%
High	-	-	53,837	2.9%	53,837	0.4%	-	-	3,607	4.8%	3,607	3.0%
Total	**10,745,568**	**100.0%**	**1,886,169**	**100.0%**	**12,631,738**	**100.0%**	**43,458**	**100.0%**	**75,648**	**100.0%**	**119,106**	**100.0%**

Note - See reconciliation of balances above

Exposure and impairment by segment, level and probability of default – Collective analysis

31-Dec-23

Unit: thousand euros, except %

Segment | Probability of default	Exposure						Impairment					
	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Total	%	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Total	%
Corporate	**6,624,225**	**62.7%**	**697,829**	**49.6%**	**7,322,054**	**61.2%**	**19,583**	**0.2%**	**12,754**	**0.9%**	**32,337**	**0.3%**
Business	1,562,635	14.8%	239,015	17.0%	1,801,650	15.0%	7,944	0.1%	6,203	0.4%	14,148	0.1%
0% to 0.10%	2,481	0.0%	17	0.0%	2,498	0.0%	0	0.0%	0	0.0%	0	0.0%
0.11% to 0.40%	20,102	0.2%	1,531	0.1%	21,633	0.2%	5	0.0%	0	0.0%	5	0.0%
0.41% to 1.00%	440,818	4.2%	23,500	1.7%	464,317	3.9%	607	0.0%	210	0.0%	816	0.0%
1.01% to 3.00%	587,406	5.6%	82,124	5.8%	669,530	5.6%	1,913	0.0%	1,167	0.1%	3,080	0.0%
3.01% to 6.00%	12,558	0.1%	2,796	0.2%	15,354	0.1%	54	0.0%	9	0.0%	62	0.0%
6.01% to 11.00%	493,661	4.7%	106,322	7.6%	599,983	5.0%	5,149	0.0%	2,986	0.2%	8,135	0.1%
11.01% to 17.00%	115	0.0%	287	0.0%	403	0.0%	1	0.0%	5	0.0%	6	0.0%
17.01% to 25.00%	5,495	0.1%	13,773	1.0%	19,267	0.2%	216	0.0%	892	0.1%	1,108	0.0%
25.01% +	0	0.0%	8,666	0.6%	8,666	0.1%	0	0.0%	935	0.1%	935	0.0%
Large and SME	3,398,929	32.2%	292,752	20.8%	3,691,681	30.8%	8,295	0.1%	5,082	0.4%	13,377	0.1%
0% to 0.10%	170,862	1.6%	95	0.0%	170,956	1.4%	13	0.0%	0	0.0%	13	0.0%
0.11% to 0.40%	140,102	1.3%	792	0.1%	140,894	1.2%	35	0.0%	6	0.0%	41	0.0%
0.41% to 1.00%	1,826,307	17.3%	133,307	9.5%	1,959,614	16.4%	2,089	0.0%	1,291	0.1%	3,380	0.0%
1.01% to 3.00%	917,506	8.7%	77,554	5.5%	995,060	8.3%	2,418	0.0%	1,250	0.1%	3,667	0.0%
3.01% to 6.00%	5,828	0.1%	2,184	0.2%	8,012	0.1%	38	0.0%	17	0.0%	55	0.0%
6.01% to 11.00%	338,323	3.2%	75,032	5.3%	413,356	3.5%	3,702	0.0%	2,170	0.2%	5,872	0.0%
11.01% to 17.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
17.01% to 25.00%	0	0.0%	255	0.0%	255	0.0%	0	0.0%	6	0.0%	6	0.0%
25.01% +	0	0.0%	3,533	0.3%	3,533	0.0%	0	0.0%	342	0.0%	342	0.0%
Construction and real estate activities	1,662,661	15.7%	166,062	11.8%	1,828,723	15.3%	3,344	0.0%	1,468	0.1%	4,812	0.0%
0% to 0.10%	9,367	0.1%	527	0.0%	9,894	0.1%	1	0.0%	0	0.0%	1	0.0%
0.11% to 0.40%	198,564	1.9%	5,749	0.4%	204,314	1.7%	69	0.0%	30	0.0%	99	0.0%
0.41% to 1.00%	51,472	0.5%	7,159	0.5%	58,630	0.5%	55	0.0%	7	0.0%	62	0.0%
1.01% to 3.00%	1,153,447	10.9%	118,850	8.5%	1,272,297	10.6%	1,903	0.0%	771	0.1%	2,674	0.0%
3.01% to 6.00%	248,006	2.3%	26,998	1.9%	275,004	2.3%	1,273	0.0%	347	0.0%	1,620	0.0%
6.01% to 11.00%	0	0.0%	479	0.0%	479	0.0%	0	0.0%	7	0.0%	7	0.0%
11.01% to 17.00%	1,806	0.0%	3,033	0.2%	4,838	0.0%	43	0.0%	119	0.0%	162	0.0%
17.01% to 25.00%	0	0.0%	3,266	0.2%	3,266	0.0%	0	0.0%	188	0.0%	188	0.0%
25.01% +	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Individuals, of which:	**3,942,799**	**37.3%**	**708,613**	**50.4%**	**4,651,413**	**38.8%**	**1,627**	**0.0%**	**20,468**	**1.5%**	**22,095**	**0.2%**
Mortgage loans	2,796,260	26.5%	436,028	31.0%	3,232,288	27.0%	735	0.0%	11,971	0.9%	12,706	0.1%
0% to 0.10%	759	0.0%	15	0.0%	774	0.0%	0	0.0%	0	0.0%	0	0.0%
0.11% to 0.40%	2,795,501	26.5%	119,821	8.5%	2,915,321	24.3%	735	0.0%	469	0.0%	1,204	0.0%
0.41% to 1.00%	0	0.0%	35	0.0%	35	0.0%	0	0.0%	0	0.0%	0	0.0%
1.01% to 3.00%	0	0.0%	287,007	20.4%	287,007	2.4%	0	0.0%	7,904	0.6%	7,904	0.1%
3.01% to 6.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6.01% to 11.00%	0	0.0%	4	0.0%	4	0.0%	0	0.0%	0	0.0%	0	0.0%
11.01% to 17.00%	0	0.0%	4	0.0%	4	0.0%	0	0.0%	0	0.0%	0	0.0%
17.01% to 25.00%	0	0.0%	6	0.0%	6	0.0%	0	0.0%	0	0.0%	0	0.0%
25.01% +	0	0.0%	29,136	2.1%	29,136	0.2%	0	0.0%	3,598	0.3%	3,598	0.0%
Consumer credit	543,088	5.1%	128,813	9.2%	671,901	5.6%	475	0.0%	5,427	0.4%	5,902	0.0%
0% to 0.10%	30,632	0.3%	1,246	0.1%	31,878	0.3%	3	0.0%	1	0.0%	4	0.0%
0.11% to 0.40%	380,084	3.6%	20,298	1.4%	400,382	3.3%	257	0.0%	109	0.0%	366	0.0%
0.41% to 1.00%	108,339	1.0%	9,848	0.7%	118,187	1.0%	132	0.0%	112	0.0%	244	0.0%
1.01% to 3.00%	24,033	0.2%	42,694	3.0%	66,727	0.6%	84	0.0%	887	0.1%	971	0.0%
3.01% to 6.00%	0	0.0%	580	0.0%	580	0.0%	0	0.0%	4	0.0%	4	0.0%
6.01% to 11.00%	0	0.0%	33,912	2.4%	33,912	0.3%	0	0.0%	1,393	0.1%	1,393	0.0%
11.01% to 17.00%	0	0.0%	184	0.0%	184	0.0%	0	0.0%	3	0.0%	3	0.0%
17.01% to 25.00%	0	0.0%	78	0.0%	78	0.0%	0	0.0%	3	0.0%	3	0.0%
25.01% +	0	0.0%	19,974	1.4%	19,974	0.2%	0	0.0%	2,916	0.2%	2,916	0.0%
Total	**10,567,024**	**100.0%**	**1,406,443**	**100.0%**	**11,973,467**	**100.0%**	**21,210**	**0.2%**	**33,222**	**2.4%**	**54,432**	**0.5%**

31-Dec-22

amounts in thousands of euros

Segment | Probability of default	Maximum						Impairment					
	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Total	%	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Total	%
Companies	**6,230,930**	**59.0%**	**821,617**	**48.0%**	**7,052,547**	**57.4%**	**26,267**	**90.7%**	**17,503**	**45.8%**	**43,770**	**65.2%**
Business	1,567,195	14.8%	294,763	17.2%	1,861,958	15.2%	7,743	26.7%	7,714	20.2%	15,457	23.0%
<= 0.10%	5,198	0.0%	1,084	0.1%	6,281	0.1%	0	0.0%	0	0.0%	1	0.0%
>= 0.11% and <= 0.40%	23,066	0.2%	2,507	0.1%	25,573	0.2%	6	0.0%	4	0.0%	10	0.0%
>= 0.41% and <= 1.00%	403,636	3.8%	24,596	1.4%	428,232	3.5%	457	1.6%	237	0.6%	694	1.0%
>= 1.01% and <= 3.00%	669,961	6.3%	97,032	5.7%	766,994	6.2%	2,355	8.1%	1,380	3.6%	3,735	5.6%
>= 3.01% and <= 6.00%	458,536	4.3%	141,856	8.3%	600,391	4.9%	4,685	16.2%	3,906	10.2%	8,591	12.8%
>= 6.01% and <= 11.00%	12	0.0%	401	0.0%	413	0.0%	0	0.0%	12	0.0%	12	0.0%
>= 11.01% and <= 17.00%	6,786	0.1%	18,225	1.1%	25,012	0.2%	240	0.8%	1,225	3.2%	1,465	2.2%
>= 17.01% and <= 25.00%	-	-	57	0.0%	57	0.0%	-	-	2	0.0%	2	0.0%
> 25.01%	-	-	9,006	0.5%	9,006	0.1%	-	-	948	2.5%	948	1.4%
Large and SME	3,197,326	30.3%	347,414	20.3%	3,544,740	28.9%	11,588	40.0%	6,851	17.9%	18,439	27.5%
<= 0.10%	116,679	1.1%	2,126	0.1%	118,804	1.0%	11	0.0%	0	0.0%	11	0.0%
>= 0.11% and <= 0.40%	193,090	1.8%	22,931	1.3%	216,022	1.8%	63	0.2%	3	0.0%	66	0.1%
>= 0.41% and <= 1.00%	1,135,359	10.7%	61,437	3.6%	1,196,796	9.7%	1,334	4.6%	432	1.1%	1,766	2.6%
>= 1.01% and <= 3.00%	1,273,636	12.1%	156,570	9.1%	1,430,206	11.6%	4,889	16.9%	2,459	6.4%	7,347	10.9%
>= 3.01% and <= 6.00%	469,435	4.4%	91,962	5.4%	561,397	4.6%	4,958	17.1%	2,985	7.8%	7,944	11.8%
>= 6.01% and <= 11.00%	-	-	69	0.0%	69	0.0%	-	-	1	0.0%	1	0.0%
>= 11.01% and <= 17.00%	12	0.0%	416	0.0%	429	0.0%	0	0.0%	7	0.0%	7	0.0%
>= 17.01% and <= 25.00%	9,114	0.1%	8,343	0.5%	17,457	0.1%	334	1.2%	518	1.4%	852	1.3%
> 25.01%	-	-	3,560	0.2%	3,560	0.0%	-	-	446	1.2%	446	0.7%
Construction and Real Estate Activities	1,466,409	13.9%	179,440	10.5%	1,645,850	13.4%	6,936	24.0%	2,938	7.7%	9,873	14.7%
<= 0.10%	918	0.0%	204	0.0%	1,122	0.0%	0	0.0%	0	0.0%	0	0.0%
>= 0.11% and <= 0.40%	12,811	0.1%	2,754	0.2%	15,565	0.1%	5	0.0%	1	0.0%	6	0.0%
>= 0.41% and <= 1.00%	240,807	2.3%	14,138	0.8%	254,945	2.1%	351	1.2%	81	0.2%	431	0.6%
>= 1.01% and <= 3.00%	853,879	8.1%	93,350	5.5%	947,229	7.7%	3,259	11.3%	901	2.4%	4,160	6.2%
>= 3.01% and <= 6.00%	349,659	3.3%	52,243	3.1%	401,903	3.3%	3,057	10.6%	1,098	2.9%	4,154	6.2%
>= 6.01% and <= 11.00%	150	0.0%	608	0.0%	757	0.0%	2	0.0%	8	0.0%	11	0.0%
>= 11.01% and <= 17.00%	364	0.0%	4,772	0.3%	5,137	0.0%	13	0.0%	111	0.3%	124	0.2%
>= 17.01% and <= 25.00%	7,820	0.1%	7,349	0.4%	15,169	0.1%	249	0.9%	404	1.1%	653	1.0%
> 25.01%	-	-	4,024	0.2%	4,024	0.0%	-	-	335	0.9%	335	0.5%
Individuals, of which:	**4,334,980**	**41.0%**	**891,208**	**52.0%**	**5,226,188**	**42.6%**	**2,690**	**9.3%**	**20,692**	**54.2%**	**23,383**	**34.8%**
Mortgage	3,148,074	29.8%	590,357	34.5%	3,738,431	30.4%	1,143	3.9%	12,680	33.2%	13,823	20.6%
<= 0.10%	583	0.0%	167	0.0%	750	0.0%	0	0.0%	0	0.0%	0	0.0%
>= 0.11% and <= 0.40%	2,551,642	24.1%	67,314	3.9%	2,618,956	21.3%	656	2.3%	84	0.2%	740	1.1%
>= 0.41% and <= 1.00%	595,849	5.6%	201,607	11.8%	797,456	6.5%	487	1.7%	851	2.2%	1,338	2.0%
>= 1.01% and <= 3.00%	-	-	125	0.0%	125	0.0%	-	-	0	0.0%	0	0.0%
>= 3.01% and <= 6.00%	-	-	296,161	17.3%	296,161	2.4%	-	-	8,338	21.8%	8,338	12.4%
>= 6.01% and <= 11.00%	-	-	-	-	-	-	-	-	-	-	-	-
>= 11.01% and <= 17.00%	-	-	-	-	-	-	-	-	-	-	-	-
>= 17.01% and <= 25.00%	-	-	1	0.0%	1	0.0%	-	-	0	0.0%	0	0.0%
> 25.01%	-	-	24,981	1.5%	24,981	0.2%	-	-	3,406	8.9%	3,406	5.1%
Consumer	564,253	5.3%	142,856	8.3%	707,109	5.8%	536	1.8%	4,029	10.5%	4,565	6.8%
<= 0.10%	8,699	0.1%	745	0.0%	9,444	0.1%	1	0.0%	0	0.0%	1	0.0%
>= 0.11% and <= 0.40%	308,321	2.9%	18,579	1.1%	326,900	2.7%	137	0.5%	38	0.1%	176	0.3%
>= 0.41% and <= 1.00%	221,159	2.1%	31,666	1.8%	252,824	2.1%	291	1.0%	200	0.5%	491	0.7%
>= 1.01% and <= 3.00%	26,074	0.2%	40,905	2.4%	66,979	0.5%	107	0.4%	670	1.8%	777	1.2%
>= 3.01% and <= 6.00%	-	-	708	0.0%	708	0.0%	-	-	4	0.0%	4	0.0%
>= 6.01% and <= 11.00%	-	-	32,355	1.9%	32,355	0.3%	-	-	1,294	3.4%	1,294	1.9%
>= 11.01% and <= 17.00%	-	-	129	0.0%	129	0.0%	-	-	2	0.0%	2	0.0%
>= 17.01% and <= 25.00%	-	-	288	0.0%	288	0.0%	-	-	14	0.0%	14	0.0%
> 25.01%	-	-	17,481	1.0%	17,481	0.1%	-	-	1,807	4.7%	1,807	2.7%
Total	**10,565,910**	**100.0%**	**1,712,825**	**100.0%**	**12,278,735**	**100.0%**	**28,958**	**100.0%**	**38,195**	**100.0%**	**67,153**	**100.0%**

Exposure and impairment by segment, level and loss due to default – Collective analysis

31-Dec-23

Unit: thousand euros, except %

Segment | Loss due to default	Exposure						Impairment					
	Assets in default (Stage 1/ Stage 2)	%	Assets in default (Stage 3)	%	Total	%	Assets in default (Stage 1/ Stage 2)	%	Assets in default (Stage 3)	%	Total	%
Corporate	**7,322,054**	**61.2%**	**208,177**	**49.2%**	**7,530,231**	**60.7%**	**32,337**	**59.4%**	**62,435**	**46.3%**	**94,772**	**50.1%**
Business	1,801,650	15.0%	98,054	23.2%	1,899,704	15.3%	14,148	26.0%	35,093	26.0%	49,240	26.0%
Mortgage Guarantees	1,015,341	8.5%	64,016	15.1%	1,079,356	8.7%	9,135	16.8%	22,426	16.6%	31,562	16.7%
0% to 20%	797,639	6.7%	9,858	2.3%	807,497	6.5%	6,364	11.7%	1,569	1.2%	7,933	4.2%
21% to 40%	217,701	1.8%	33,531	7.9%	251,233	2.0%	2,772	5.1%	7,926	5.9%	10,697	5.7%
41% to 60%	0	0.0%	7,614	1.8%	7,614	0.1%	0	0.0%	3,484	2.6%	3,484	1.8%
61% to 80%	0	0.0%	3,584	0.8%	3,584	0.0%	0	0.0%	2,067	1.5%	2,067	1.1%
81% +	0	0.0%	9,429	2.2%	9,429	0.1%	0	0.0%	7,381	5.5%	7,381	3.9%
Non-mortgage guarantees	786,309	6.6%	34,038	8.0%	820,347	6.6%	5,012	9.2%	12,666	9.4%	17,679	9.3%
0% to 20%	463,253	3.9%	9,225	2.2%	472,478	3.8%	1,733	3.2%	1,126	0.8%	2,859	1.5%
21% to 40%	60,333.6	0.5%	7,780	1.8%	68,114	0.5%	401	0.7%	1,969	1.5%	2,370	1.3%
41% to 60%	262,723	2.2%	5,251	1.2%	267,974	2.2%	2,878	5.3%	1,858	1.4%	4,736	2.5%
61% to 80%	0	0.0%	5,254	1.2%	5,254	0.0%	0	0.0%	2,730	2.0%	2,730	1.4%
81% +	0	0.0%	6,529	1.5%	6,529	0.1%	0	0.0%	4,984	3.7%	4,984	2.6%
Large and SME	3,691,681	30.8%	65,970	15.6%	3,757,651	30.3%	13,377	24.6%	14,622	10.8%	27,999	14.8%
Mortgage Guarantees	1,854,728	15.5%	51,507	12.2%	1,906,235	15.4%	9,457	17.4%	10,196	7.6%	19,653	10.4%
0% to 20%	1,486,502	12.4%	5,848	1.4%	1,492,350	12.0%	6,343	11.7%	625	0.5%	6,968	3.7%
21% to 40%	368,226	3.1%	33,139	7.8%	401,365	3.2%	3,114	5.7%	7,131	5.3%	10,245	5.4%
41% to 60%	0	0.0%	892	0.2%	892	0.0%	0	0.0%	289	0.2%	289	0.2%
61% to 80%	0	0.0%	5,118	1.2%	5,118	0.0%	0	0.0%	1,024	0.8%	1,024	0.5%
81% +	0	0.0%	6,511	1.5%	6,511	0.1%	0	0.0%	1,127	0.8%	1,127	0.6%
Non-mortgage guarantees	1,836,953	15.3%	14,462	3.4%	1,851,415	14.9%	3,920	7.2%	4,426	3.3%	8,346	4.4%
0% to 20%	1,256,197	10.5%	3,821	0.9%	1,260,018	10.2%	1,465	2.7%	447	0.3%	1,912	1.0%
21% to 40%	234,422	2.0%	3,559	0.8%	237,981	1.9%	501	0.9%	675	0.5%	1,177	0.6%
41% to 60%	346,333	2.9%	1,824	0.4%	348,157	2.8%	1,953	3.6%	583	0.4%	2,536	1.3%
61% to 80%	0	0.0%	2,106	0.5%	2,106	0.0%	0	0.0%	931	0.7%	931	0.5%
81% +	0	0.0%	3,153	0.7%	3,153	0.0%	0	0.0%	1,790	1.3%	1,790	0.9%
Construction and real estate activities	1,828,723	15.3%	44,154	10.4%	1,872,877	15.1%	4,812	8.8%	12,720	9.4%	17,532	9.3%
Mortgage Guarantees	1,538,727	12.9%	27,567	6.5%	1,566,294	12.6%	4,023	7.4%	7,769	5.8%	11,792	6.2%
0% to 20%	1,265,217	10.6%	5,738	1.4%	1,270,955	10.3%	3,147	5.8%	798	0.6%	3,945	2.1%
21% to 40%	273,510	2.3%	14,257	3.4%	287,767	2.3%	876	1.6%	3,670	2.7%	4,546	2.4%
41% to 60%	0	0.0%	1,577	0.4%	1,577	0.0%	0	0.0%	551	0.4%	551	0.3%
61% to 80%	0	0.0%	2,437	0.6%	2,437	0.0%	0	0.0%	1,030	0.8%	1,030	0.5%
81% +	0	0.0%	3,557	0.8%	3,557	0.0%	0	0.0%	1,721	1.3%	1,721	0.9%
Non-mortgage guarantees	289,996	2.4%	16,587	3.9%	306,583	2.5%	789	1.4%	4,951	3.7%	5,740	3.0%
0% to 20%	166,257	1.4%	1,986	0.5%	168,243	1.4%	219	0.4%	209	0.2%	428	0.2%
21% to 40%	13,263	0.1%	2,034	0.5%	15,297	0.1%	38	0.1%	414	0.3%	452	0.2%
41% to 60%	110,476	0.9%	1,540	0.4%	112,016	0.9%	532	1.0%	633	0.5%	1,165	0.6%
61% to 80%	0	0.0%	1,686	0.4%	1,686	0.0%	0	0.0%	823	0.6%	823	0.4%
81% +	0	0.0%	9,341	2.2%	9,341	0.1%	0	0.0%	2,873	2.1%	2,873	1.5%
Individuals, of which:	**4,651,413**	**38.8%**	**215,264**	**50.8%**	**4,866,676**	**39.3%**	**22,095**	**40.6%**	**72,464**	**1**	**94,559**	**49.9%**
Mortgage loans	3,232,288	27.0%	152,127	35.9%	3,384,415	27.3%	12,706	23.3%	40,815	30.3%	53,521	28.3%
Mortgage Guarantees	3,228,960	27.0%	151,839	35.9%	3,380,798	27.3%	12,696	23.3%	40,618	30.1%	53,314	28.2%
0% to 20%	3,228,960	27.0%	0	0.0%	3,228,960	26.0%	12,696	23.3%	0	0.0%	12,696	6.7%
21% to 40%	0	0.0%	136,567	32.3%	136,567	1.1%	0	0.0%	31,844	23.6%	31,844	16.8%
41% to 60%	0	0.0%	8,521	2.0%	8,521	0.1%	0	0.0%	4,036	3.0%	4,036	2.1%
61% to 80%	0	0.0%	2,435	0.6%	2,435	0.0%	0	0.0%	1,663	1.2%	1,663	0.9%
81% +	0	0.0%	4,316	1.0%	4,316	0.0%	0	0.0%	3,075	2.3%	3,075	1.6%
Non-mortgage guarantees	3,328	0.0%	288	0.1%	3,616	0.0%	10	0.0%	197	0.1%	207	0.1%
0% to 20%	3,328	0.0%	0	0.0%	3,328	0.0%	10	0.0%	0	0.0%	10	0.0%
21% to 40%	0	0.0%	50	0.0%	50	0.0%	0	0.0%	15	0.0%	15	0.0%
41% to 60%	0	0.0%	81	0.0%	81	0.0%	0	0.0%	39	0.0%	39	0.0%
61% to 80%	0	0.0%	39	0.0%	39	0.0%	0	0.0%	26	0.0%	26	0.0%
81% +	0	0.0%	118	0.0%	118	0.0%	0	0.0%	117	0.1%	117	0.1%
Consumer credit	671,901	5.6%	41,136	9.7%	713,037	5.8%	5,902	10.8%	20,800	15.4%	26,702	14.1%
Mortgage Guarantees	353,701	3.0%	27,870	6.6%	381,571	3.1%	4,064	7.5%	13,582	10.1%	17,645	9.3%
0% to 20%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
21% to 40%	353,701	3.0%	13,854	3.3%	367,555	3.0%	4,064	7.5%	3,905	2.9%	7,968	4.2%
41% to 60%	0	0.0%	4,047	1.0%	4,047	0.0%	0	0.0%	1,818	1.3%	1,818	1.0%
61% to 80%	0	0.0%	2,693	0.6%	2,693	0.0%	0	0.0%	1,778	1.3%	1,778	0.9%
81% +	0	0.0%	7,277	1.7%	7,277	0.1%	0	0.0%	6,081	4.5%	6,081	3.2%
Non-mortgage guarantees	318,200	2.7%	13,266	3.1%	331,466	2.7%	1,838	3.4%	7,218	5.4%	9,057	4.8%
0% to 20%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
21% to 40%	317,301	2.7%	5,494	1.3%	322,795	2.6%	1,800	3.3%	1,753	1.3%	3,553	1.9%
41% to 60%	0	0.0%	2,649	0.6%	2,649	0.0%	0	0.0%	1,269	0.9%	1,269	0.7%
61% to 80%	899	0.0%	757	0.2%	1,657	0.0%	39	0.1%	495	0.4%	534	0.3%
81% +	0	0.0%	4,366	1.0%	4,366	0.0%	0	0.0%	3,700	2.7%	3,700	2.0%
Total	**11,973,467**	**100.0%**	**423,441**	**100.0%**	**12,396,907**	**100.0%**	**54,432**	**100.0%**	**134,899**	**100.0%**	**189,331**	**100.0%**

31-Dec-22

amounts in thousands of euros

Segment | Loss due to default	Maximum						Impairment					
	Assets in default (Stage 1/ Stage 2)	%	Assets in default (Stage 3)	%	Total	%	Assets in default (Stage 1/ Stage 2)	%	Assets in default (Stage 3)	%	Total	%
Companies	**7,052,547**	**57.4%**	**161,921**	**60.6%**	**7,214,468**	**57.5%**	**43,770**	**65.2%**	**53,407**	**50.6%**	**97,177**	**56.3%**
Business	1,861,958	15.2%	74,554	27.9%	1,936,511	15.4%	15,457	23.0%	29,948	28.4%	45,406	26.3%
Mortgage Guarantees	1,027,662	8.4%	45,659	17.1%	1,073,321	8.6%	10,376	15.5%	17,937	17.0%	28,313	16.4%
<= 20%	855,182	7.0%	5,654	2.1%	860,836	6.9%	8,238	12.3%	971	0.9%	9,209	5.3%
>= 21% and <= 40%	172,480	1.4%	16,002	6.0%	188,482	1.5%	2,137	3.2%	4,725	4.5%	6,863	4.0%
>= 41% and <= 60%	-	-	8,286	3.1%	8,286	0.1%	-	-	3,586	3.4%	3,586	2.1%
>= 61% and <= 80%	-	-	7,100	2.7%	7,100	0.1%	-	-	3,592	3.4%	3,592	2.1%
> =81%	-	-	8,617	3.2%	8,617	0.1%	-	-	5,062	4.8%	5,062	2.9%
Non-mortgage guarantees	834,296	6.8%	28,895	10.8%	863,190	6.9%	5,081	7.6%	12,011	11.4%	17,093	9.9%
<= 20%	519,780	4.2%	4,746	1.8%	524,526	4.2%	2,239	3.3%	508	0.5%	2,746	1.6%
>= 21% and <= 40%	51,799	0.4%	6,945	2.6%	58,744	0.5%	361	0.5%	1,376	1.3%	1,736	1.0%
>= 41% and <= 60%	-	-	4,127	1.5%	4,127	0.0%	-	-	1,460	1.4%	1,460	0.8%
>= 61% and <= 80%	262,716	2.1%	4,289	1.6%	267,005	2.1%	2,482	3.7%	1,952	1.9%	4,434	2.6%
> =81%	-	-	8,788	3.3%	8,788	0.1%	-	-	6,716	6.4%	6,716	3.9%
Large and SME	3,544,740	28.9%	45,843	17.1%	3,590,583	28.6%	18,439	27.5%	12,298	11.7%	30,738	17.8%
Mortgage Guarantees	1,879,960	15.3%	34,481	12.9%	1,914,441	15.3%	13,561	20.2%	8,001	7.6%	21,562	12.5%
<= 20%	1,562,737	12.7%	4,591	1.7%	1,567,328	12.5%	10,634	15.8%	807	0.8%	11,440	6.6%
>= 21% and <= 40%	317,224	2.6%	12,519	4.7%	329,742	2.6%	2,927	4.4%	1,338	1.3%	4,265	2.5%
>= 41% and <= 60%	-	-	9,239	3.5%	9,239	0.1%	-	-	3,707	3.5%	3,707	2.1%
>= 61% and <= 80%	-	-	3,289	1.2%	3,289	0.0%	-	-	1,421	1.3%	1,421	0.8%
> =81%	-	-	4,844	1.8%	4,844	0.0%	-	-	729	0.7%	729	0.4%
Non-mortgage guarantees	1,664,780	13.6%	11,362	4.2%	1,676,142	13.4%	4,878	7.3%	4,297	4.1%	9,175	5.3%
<= 20%	1,189,286	9.7%	2,048	0.8%	1,191,334	9.5%	1,986	3.0%	199	0.2%	2,185	1.3%
>= 21% and <= 40%	169,240	1.4%	1,769	0.7%	171,009	1.4%	587	0.9%	294	0.3%	881	0.5%
>= 41% and <= 60%	-	-	1,234	0.5%	1,234	0.0%	-	-	338	0.3%	338	0.2%
>= 61% and <= 80%	306,254	2.5%	2,427	0.9%	308,680	2.5%	2,305	3.4%	830	0.8%	3,135	1.8%
> =81%	-	-	3,885	1.5%	3,885	0.0%	-	-	2,636	2.5%	2,636	1.5%
Construction and Real Estate Activities	1,645,850	13.4%	41,524	15.5%	1,687,374	13.4%	9,873	14.7%	11,160	10.6%	21,033	12.2%
Mortgage Guarantees	1,362,847	11.1%	26,731	10.0%	1,389,579	11.1%	8,413	12.5%	7,000	6.6%	15,413	8.9%
<= 20%	1,195,092	9.7%	1,487	0.6%	1,196,580	9.5%	6,930	10.3%	296	0.3%	7,226	4.2%
>= 21% and <= 40%	167,755	1.4%	20,067	7.5%	187,822	1.5%	1,483	2.2%	4,699	4.5%	6,182	3.6%
>= 41% and <= 60%	-	-	1,375	0.5%	1,375	0.0%	-	-	463	0.4%	463	0.3%
>= 61% and <= 80%	-	-	894	0.3%	894	0.0%	-	-	598	0.6%	598	0.3%
> =81%	-	-	2,908	1.1%	2,908	0.0%	-	-	944	0.9%	944	0.5%
Non-mortgage guarantees	283,002	2.3%	14,793	5.5%	297,795	2.4%	1,460	2.2%	4,160	3.9%	5,620	3.3%
<= 20%	171,795	1.4%	1,222	0.5%	173,018	1.4%	581	0.9%	182	0.2%	762	0.4%
>= 21% and <= 40%	10,772	0.1%	809	0.3%	11,581	0.1%	75	0.1%	158	0.1%	233	0.1%
>= 41% and <= 60%	-	-	2,325	0.9%	2,325	0.0%	-	-	423	0.4%	423	0.2%
>= 61% and <= 80%	100,435	0.8%	893	0.3%	101,329	0.8%	804	1.2%	469	0.4%	1,273	0.7%
> =81%	-	-	9,543	3.6%	9,543	0.1%	-	-	2,929	2.8%	2,929	1.7%
Individuals, of which:	**5,226,188**	**42.6%**	**105,447**	**39.4%**	**5,331,635**	**42.5%**	**23,383**	**34.8%**	**52,100**	**49.4%**	**75,483**	**43.7%**
Mortgage	3,738,431	30.4%	41,511	15.5%	3,779,942	30.1%	13,823	20.6%	16,598	15.7%	30,421	17.6%
Mortgage Guarantees	3,733,628	30.4%	40,866	15.3%	3,774,494	30.1%	13,804	20.6%	16,150	15.3%	29,954	17.3%
<= 20%	3,733,628	30.4%	2,459	0.9%	3,736,087	29.8%	13,804	20.6%	498	0.5%	14,302	8.3%
>= 21% and <= 40%	-	-	21,904	8.2%	21,904	0.2%	-	-	6,038	5.7%	6,038	3.5%
>= 41% and <= 60%	-	-	7,400	2.8%	7,400	0.1%	-	-	3,614	3.4%	3,614	2.1%
>= 61% and <= 80%	-	-	4,252	1.6%	4,252	0.0%	-	-	2,556	2.4%	2,556	1.5%
> =81%	-	-	4,851	1.8%	4,851	0.0%	-	-	3,444	3.3%	3,444	2.0%
Non-mortgage guarantees	4,803	0.0%	645	0.2%	5,448	0.0%	19	0.0%	448	0.4%	467	0.3%
<= 20%	4,803	0.0%	-	-	4,803	0.0%	19	0.0%	-	-	19	0.0%
>= 21% and <= 40%	-	-	85	0.0%	85	0.0%	-	-	31	0.0%	31	0.0%
>= 41% and <= 60%	-	-	158	0.1%	158	0.0%	-	-	41	0.0%	41	0.0%
>= 61% and <= 80%	-	-	113	0.0%	113	0.0%	-	-	87	0.1%	87	0.1%
> =81%	-	-	290	0.1%	290	0.0%	-	-	289	0.3%	289	0.2%
Consumer	707,109	5.8%	41,155	15.4%	748,264	6.0%	4,565	6.8%	22,458	21.3%	27,023	15.7%
Mortgage Guarantees	378,371	3.1%	26,705	10.0%	405,076	3.2%	3,049	4.5%	13,627	12.9%	16,677	9.7%
<= 20%	-	-	-	-	-	-	-	-	-	-	-	-
>= 21% and <= 40%	378,371	3.1%	9,978	3.7%	388,349	3.1%	3,049	4.5%	3,013	2.9%	6,063	3.5%
>= 41% and <= 60%	-	-	5,307	2.0%	5,307	0.0%	-	-	2,594	2.5%	2,594	1.5%
>= 61% and <= 80%	-	-	3,484	1.3%	3,484	0.0%	-	-	2,137	2.0%	2,137	1.2%
> =81%	-	-	7,936	3.0%	7,936	0.1%	-	-	5,882	5.6%	5,882	3.4%
Non-mortgage guarantees	328,738	2.7%	14,450	5.4%	343,188	2.7%	1,516	2.3%	8,831	8.4%	10,347	6.0%
<= 20%	-	-	-	-	-	-	-	-	-	-	-	-
>= 21% and <= 40%	327,035	2.7%	4,593	1.7%	331,628	2.6%	1,505	2.2%	1,499	1.4%	3,004	1.7%
>= 41% and <= 60%	-	-	2,049	0.8%	2,049	0.0%	-	-	897	0.9%	897	0.5%
>= 61% and <= 80%	1,703	0.0%	939	0.4%	2,642	0.0%	11	0.0%	696	0.7%	707	0.4%
> =81%	-	-	6,869	2.6%	6,869	0.1%	-	-	5,740	5.4%	5,740	3.3%
Total	**12,278,735**	**100.0%**	**267,369**	**100.0%**	**12,546,104**	**100.0%**	**67,153**	**100.0%**	**105,507**	**100.0%**	**172,659**	**100.0%**

Exposure and impairment by segment, level and loan to value – Collective analysis

31-Dec-23

Unit: thousand euros, except %

Segment | loan to value	Exposure						Impairment					
	Assets in default (Stage 1/ Stage 2)	Average LTV	Assets in default (Stage 3)	Average LTV	Total	Average LTV	Assets in default (Stage 1/ Stage 2)	%	Assets in default (Stage 3)	%	Total	%
Corporate	**4,408,796**		**143,090**		**4,551,886**		**22,616**	**0.3%**	**40,392**	**11.9%**	**63,008**	**0.7%**
Business	1,015,341	50.7%	64,016	41.1%	1,079,356	50.1%	9,135	0.1%	22,426	6.6%	31,562	0.4%
Large and SME	1,854,728	50.9%	51,507	43.6%	1,906,235	50.5%	9,457	0.1%	10,196	3.0%	19,653	0.2%
Construction and real estate activities	1,538,727	56.2%	27,567	48.8%	1,566,294	55.8%	4,023	0.0%	7,769	2.3%	11,792	0.1%
Individuals, of which:	**3,867,185**		**195,812**		**4,062,996**		**19,339**	**0.2%**	**61,833**	**18.2%**	**81,172**	**0.9%**
Mortgage loans	3,228,960	46.9%	151,839	53.6%	3,380,798	47.2%	12,696	0.2%	40,618	12.0%	53,314	0.6%
Consumer credit	353,701	35.9%	27,870	47.3%	381,571	36.5%	4,064	0.0%	13,582	4.0%	17,645	0.2%
Total	**8,275,980**		**338,902**		**8,614,882**		**41,955**	**0.5%**	**102,225**	**30.2%**	**144,180**	**1.7%**

Notes: (a) Previous years' reports presented the concept of 'Loan to Value' in terms of the relationship between the loan and the lower of the appraised value of the property and the mortgage amount. This report presents the concept 'Loan to Value' which corresponds to the relationship between the loan and the appraised value of the property and is therefore not comparable.
(b) Exposure definition [outstanding principal + overdue principal (>1 day) + overdue interest (total) + accrued interest + off balance sheet].

31-Dec-22

Unit: thousand euros, except %

Segment | loan to value	Exposure						Impairment					
	Assets in default (Stage 1/ Stage 2)	Average LTV	Assets in default (Stage 3)	Average LTV	Total	Average LTV	Assets in default (Stage 1/ Stage 2)	%	Assets in default (Stage 3)	%	Total	%
Companies	**4,270,472**		**106,872**		**4,377,343**		**32,350**	**0.4%**	**32,938**	**17.3%**	**65,288**	**0.7%**
Business	1,027,664	51.3%	45,659	50.3%	1,073,323	51.3%	10,376	0.1%	17,937	9.4%	28,313	0.3%
Large and SME	1,879,960	57.0%	34,481	39.9%	1,914,441	56.4%	13,561	0.2%	8,001	4.2%	21,562	0.2%
Construction and real estate activities	1,362,847	56.8%	26,731	44.3%	1,389,579	56.3%	8,413	0.1%	7,000	3.7%	15,413	0.2%
Individuals, of which:	**4,421,466**		**83,989**		**4,505,455**		**20,545**	**0.2%**	**39,025**	**20.4%**	**59,570**	**0.7%**
Mortgage	3,733,637	49.5%	40,866	42.7%	3,774,502	49.4%	13,804	0.2%	16,150	8.5%	29,954	0.3%
Consumer	378,371	37.4%	26,705	44.8%	405,076	37.9%	3,049	0.0%	13,627	7.1%	16,677	0.2%
Total	**8,691,938**		**190,860**		**8,882,798**		**52,896**	**0.6%**	**71,963**	**37.7%**	**124,859**	**1.4%**

Notes: (a) Previous years' reports presented the concept of 'Loan to Value' in terms of the relationship between the loan and the lower of the appraised value of the property and the mortgage amount. This report presents the concept 'Loan to Value' which corresponds to the relationship between the loan and the appraised value of the property and is therefore not comparable.
(b) Exposure definition [outstanding principal + overdue principal (>1 day) + overdue interest (total) + accrued interest + off balance sheet].

Guarantees obtained by repossession and execution procedures

Unit: thousand euros

	31-Dec-23		31-Dec-22	
	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
Property, plant and equipment	-	-	-	-
Other, except Property, plant and equipment	**341,342**	**(166,628)**	**401,079**	**(122,515)**
Residential immovable property	84,558	(34,775)	99,805	(23,905)
Commercial immovable property	138,484	(63,529)	40,794	(10,008)
Movable property	3,849	(1,298)	3,682	(1,188)
Equity and debt instruments	-	-	-	-
Other	114,451	(67,026)	256,797	(87,413)
Total	**341,342**	**(166,628)**	**401,079**	**(122,515)**

Maximum exposure to credit risk

As at 31 December 2023 and 2022, the maximum exposure to credit risk by type of financial instrument, excluding the securities in portfolio, may be summarised as follows (values in thousand euros):

As at 31 December 2023	Maximum exposure	Collateral	Credit improvement	Total
Cash, cash balances at central banks and other demand deposits (Note 5)	1,615,303	-	-	1,615,303
Financial assets held for trading(Note 6):				
Derivatives	14,988	-	-	14,988
Debt securities	127,641	-	-	127,641
Non-trading financial assets mandatorily at fair value through profit or loss (Note 7):				
Equity instruments	88,068	-	-	88,068
Debt securities	61,787			
Financial assets at fair value through other comprehensive income(Note 8):				
Debt securities	905,800	-	-	905,800
Financial assets at amortised cost (Note 9):				
Debt securities	9,553,816	696,549	-	8,857,267
Loans and advances	11,314,071	8,337,293	1,321,241	1,655,536
Derivatives - Hedge accounting (Note 10)	686,290	-	-	686,290
	24,367,762	9,033,842	1,321,241	13,950,892
Off-balance sheet	2,235,946	669,834	-	1,566,112
	2,235,946	669,834	-	1,566,112

As at 31 December 2022	Maximum exposure	Collateral	Credit improvement	Total
Cash, cash balances at central banks and other demand deposits (Note 5)	1,356,383	-	-	1,356,383
Financial assets held for trading(Note 6):				
Derivatives	5,707	-	-	5,707
Debt securities	173,738	-	-	173,738
Non-trading financial assets mandatorily at fair value through profit or loss (Note 7):				
Equity instruments	78,217	-	-	78,217
Debt securities	65,579	-	-	65,579
Financial assets at fair value through other comprehensive income(Note 8):				
Debt securities	690,911	-	-	690,911
Financial assets at amortised cost (Note 9):				
Debt securities	9,422,131	561,150	-	8,860,981
Loans and advances	11,241,305	8,357,121	1,332,055	1,552,129
Derivatives - Hedge accounting (Note 10)	885,429	-	-	885,429
	23,919,398	8,918,271	1,332,055	13,669,072
Off-balance sheet	2,194,680	600,593	-	1,594,087
	2,194,680	600,593	-	1,594,087

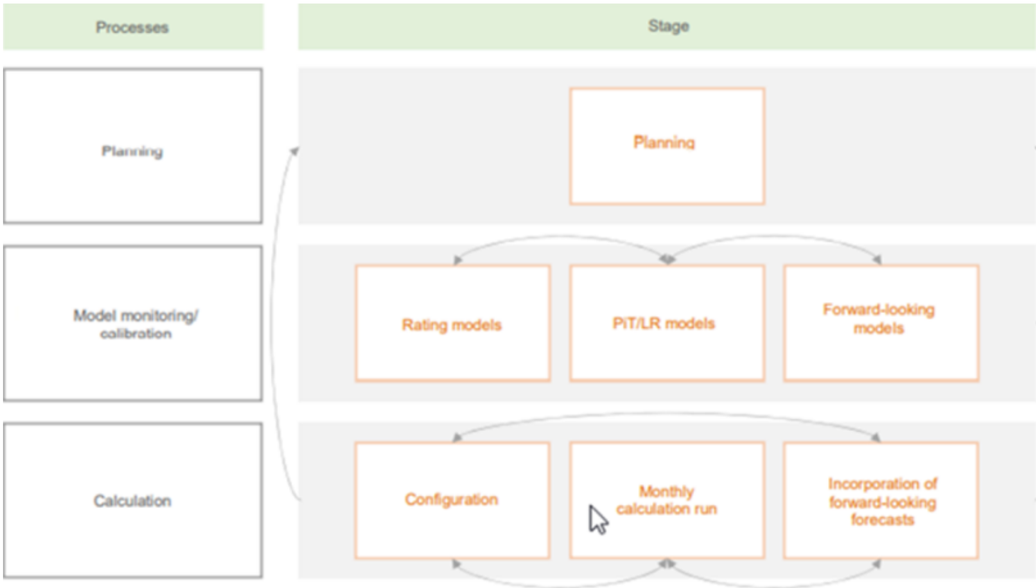
Governance and Control System

The Crédito Agrícola Group is a cooperative financial group, composed of the Sistema Integrado do Crédito Agrícola Mútuo (SICAM or Integrated System of Crédito Agrícola Mútuo) which, in turn, consists of Caixa Central de Crédito Agrícola Mútuo and the Caixas de Crédito Agrícola Mútuo, and a group of specialised companies. In this context, a governance model and control system were established that accommodate the Group's features.

In order to ensure the effective management of the impairment loss model, the cycle of activity foreseen in the governance model includes:

i) The definition, maintenance, and approval of the necessary models for calculation of impairment losses. This process presumes a periodic review of the model's reflection of reality. Whenever the calculations are made, their result is incorporated in the decision-making.

ii) The configuration and execution of the calculation of impairment losses is carried out on a monthly basis. When the calculation is made, a quarterly report is drawn up with the corresponding conclusions. Additionally, forward-looking forecasts of macroeconomic variables are periodically updated.



Investment Policy

The CA Group has established an Investment Policy with the concepts, principles, rules, and business model applicable to the control of the activity in financial markets in concordance with the Investment Policy of the Crédito Agrícola Group.

The main purpose of the Investment Policy, which embodies the essence of its mission, is to ensure that the remuneration of the available surplus structural liquidity is compatible with adequate risk control in its application, in particular, credit risk, loan-to-deposit risk (i.e., lack of alignment between the permanence of assets and liabilities) and interest rate risk. This is reflected in the following general criteria:

- Investment in securities with high credit risk quality, aimed at guaranteed repayment of capital upon maturity.
- Mitigation of the consumption of own funds.
- Maintenance of the risk of the portfolio under management at adequate levels and in accordance with the defined risk profile;
- Acquisition of issues that comply with the SPPI criteria.

Business models

In the context of the financial market activity, the following business models have been defined:

i) The business model called Base Coverage of Surplus Funds (CBRE) frames the management of an investment portfolio consisting solely of financial assets whose cash flows can be considered principal and interest (SPPI), particularly public debt bonds, but not necessarily exclusively, aimed at ensuring the profitability of the commercial resources of the CA Group (SICAM) not directly allocated to funding its lending activity. In terms of earnings, the critical aspect associated with the Base Coverage of Surplus Funds Business Model is the generation of a stable margin over the cost of the financial resources used in the financing of the portfolio. In this case, the evolution of the fair value of the financial assets is not a critical aspect in assessment of the earnings associated with the Base Coverage of Surplus Funds Business Model, and the remuneration of its managers does not depend primarily on the fair value of the portfolio. This business model aims at holding assets to receive contractual financial flows, where the assets associated with the Base Coverage of Surplus Funds Business Model should be measured at amortised cost.

ii) ii) The business model called Coverage of Targeted Longer-Term Refinancing Operation (CTLTRO) frames the management of an investment portfolio consisting exclusively of financial assets whose cash flows can be considered solely principal and interest (SPPI), particularly public debt bonds, but not necessarily exclusively, aimed at ensuring the profitability of funds obtained via participation in the Targeted Longer-Term Refinancing Operation (TLTROs) promoted by the ECB. In terms of earnings, the critical aspect associated with the Coverage of Targeted Longer-term Refinancing Operations Business Model is the generation of a stable margin over the cost of the financial resources used in the financing of the portfolio. In this case, the evolution of the fair value of the financial assets is not a critical aspect in the assessment of the earnings associated with the Coverage of Targeted Longer-term Refinancing Operations Business Model, and the remuneration of its managers does not depend primarily on the fair value of the portfolio. This business model aims at holding assets to receive contractual financial flows, where the assets associated with the Coverage of Targeted Longer-term Refinancing Operations Business Model should be measured at amortised cost.

iii) The business model called Dynamic Coverage of Surplus Funds (CDRE), complementing the Base Coverage of Surplus Funds business model, frames the management of an investment portfolio consisting exclusively of financial assets whose cash flows can be considered solely principal and interest (SPPI), particularly public debt bonds, but not necessarily exclusively. This business model aims to ensure profitability by combining the generation of net interest income as well as the net trading income of the commercial resources of the CA Group (SICAM) not directly allocated to funding its lending activity. In terms of earnings, the critical aspect associated with the Dynamic Coverage of Surplus Funds Business Model is the combination of the generation of a stable margin over the cost of the financial resources used in the financing of the portfolio with the potential achievement of net trading income associated with sales in the case of a particularly favourable evolution of the fair value of the financial assets. This is a relevant aspect in the assessment of the earnings associated with the Dynamic Coverage of Surplus Funds Business Model, although not primarily determinant in the remuneration of its managers. This business model aims at holding assets to receive contractual financial flows and/or sell. The assets associated with the Dynamic Coverage of Surplus Funds Business Model should be measured at fair value through other comprehensive income.

iv) The business model called Dynamic Management of Own Treasury Positions (GDPPT) frames the management of a trading book consisting of financial assets whose cash flows can or cannot be considered solely principal and interest (SPPI), including derivative instruments. This business model aims to ensure profitability of own treasury positions, in particular through the achievement of net trading income. The critical aspect associated with the Dynamic Management of Own Treasury Positions Business Model is the achievement of net trading income associated with financial asset purchase and sale operations. Therefore, the evolution of the fair value of the financial assets is particularly relevant in the assessment of the earnings associated with the Dynamic Management of Own Treasury Positions Business Model, although not primarily determinant in the remuneration of its managers. The objective of this business model is not sale; hence, the assets associated with the Dynamic Management of Own Treasury Positions Business Model should be measured at fair value through profit or loss.

v) The business model called Dynamic Management of Own Treasury Positions by Third Parties (GDPPTRT) frames the management of a trading book by external institutions consisting of financial assets whose cash flows can or cannot be considered solely principal and interest (SPPI), including derivative instruments. This business model aims to ensure profitability of own treasury positions, in particular through the achievement of net trading income. The critical aspect associated with the Dynamic Management of Own Treasury Positions by Third Parties Business Model is the achievement of net trading income associated with purchase and sale operations of financial assets. Therefore, the evolution of the fair value of the financial assets is particularly relevant in the assessment of the earnings associated with the Dynamic Management of Own Treasury Positions by Third Parties Business Model, although not primarily determinant in the remuneration of its managers. The objective of this business model is not sale; hence, the assets associated with the Dynamic Management of Own Treasury Positions by Third Parties Business Model should be measured at fair value through profit or loss.

vi) The business model called Short-Term Liquidity Management (GLCP) frames the management of a portfolio of financial assets with short-term maturity whose cash flows can be considered solely principal and interest (SPPI), particularly treasury bills or equivalent assets, aimed at permitting the maintenance at all times of a comfortable level of immediate liquidity. The generation of earnings, whether associated with the generation of net interest income or net trading income, is not particularly relevant in the Short-Term Liquidity Management Business Model. The evolution of the fair value of the financial assets is not a critical aspect of assessment of the earnings associated with the Short-Term Liquidity Management Business Model, and the remuneration of its managers does not primarily depend on the fair value of the portfolio. The assets associated with the Dynamic Management of Own Treasury Positions Business Model should be measured at fair value through other comprehensive income.

vii) The business model called Operations of the Corporate Area (OPAE) frames structured loans by Caixa Central's Corporate Department (DE) in the form of securitised loans, consisting of financial assets whose cash flows can be considered capital and interest ("SPPI"). In the case of operations that have their origin in the credit activity of the corporate area, they are allocated to the respective cost centre. In terms of earnings, the critical aspect associated with the Operations of the Corporate Area Business Model is the generation of a stable margin over the cost of the financial resources used in the financing of the portfolio. In this case, the evolution of the value of the financial assets is not a critical aspect in assessment of the earnings associated with the Operations of the Corporate Area Business Model, and the remuneration of its managers does not depend on the fair value of the portfolio. The generation of net trading income is not a relevant factor in the Operations of the Corporate Area Business Model. This business model aims at holding assets to receive contractual financial flows, where the assets associated with the Operations of the Corporate Area Business Model should be measured at amortised cost.

Management of the activity in financial markets

Considering the regulatory changes introduced by IFRS 9, it was decided that it was necessary to promote the internal development of an appropriate system for management of activity in financial markets, which incorporates processes of identification, measurement, analysis and monitoring of investments. To this end, under the previously mentioned Policy, organisational and control procedures were developed, which shall be reviewed and updated at least annually or whenever considered necessary, with a view to prudent risk management. In the process of acquisition of debt instruments, there are managers responsible for accomplishing the SPPI test, ensuring the correct classification of the securities in the appropriate business models, compliance with the limits presented in the Investment Policy, the correct justification of exclusion from sales of indicators on the frequency of sales, if applicable, and the annual process of monitoring the frequency and amount of sales to check compliance with the business model of each portfolio.

Credit quality of the financial assets without default or impairments

As at 31 December 2023 and 2022, the credit quality of the CA Group's financial assets with internal reference rating can be summarised as follows (in thousand euros):

	31-Dec-23								in thousand euros	
	Aaa	Aa1	Aa2	Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	C	Undetermined	Total
Financial assets held for trading	19,604	-	723	1,707	4,843	82,765	-	-	17,998	127,641
Non-trading financial assets mandatorily at fair value through profit or loss	141	-	-	2,431	3,496	29,065	17,725	-	8,929	61,787
Financial assets at fair value through other comprehensive income	109,761	-	2,539	36,747	436,006	241,561	3,194	-	75,992	905,800
Financial assets at amortised cost	481,151	-	11,657	82,914	6,209,377	1,098,327	4,999	-	1,217,150	9,105,575
	610,657	-	14,920	123,799	6,653,723	1,451,717	25,917	-	1,320,070	10,200,803

	31-Dec-22								in thousand euros	
	Aaa	Aa1	Aa2	Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	C	Undetermined	Total
Financial assets held for trading	-	-	158,806	1,421	4,076	5,158	833	-	3,443	173,738
Non-trading financial assets mandatorily at fair value through profit or loss	399	-	279	1,815	1,353	35,901	24,320	-	1,512	65,579
Financial assets at fair value through other comprehensive income	112,488	4,974	38,252	11,325	191,630	282,827	19,595	-	29,820	690,911
Financial assets at amortised cost	1,032,845	200,000	38,240	64,610	4,471,428	3,092,401	9,329	-	36,665	8,945,517
	1,145,731	204,974	235,578	79,171	4,668,488	3,416,286	54,077	-	71,440	9,875,744

The rating used by the CA Group, when there are ratings attributed by more than one External Credit Assessment Institution (ECAI), is the rating arising from the application of the following rules:

i. When only one credit assessment is available, relative to a given exposure, this assessment is used to determine the risk parameter.
ii. When there are two credit assessment, the lowest rating is applied.
iii. When there are more than two credit assessments, the two highest ratings serve as a reference, and if they are different, the lowest is applied; if they are the same, that rating is applied.

The main areas in which CA Vida is exposed to credit risk are:

- Amounts payable by reinsurers relative to indemnities that have already been paid;
- Credit risk of debt securities in portfolio;
- Counterpart risk due to transactions with derivatives.

The Company defines its acceptable credit risk levels by establishing limits to its exposure to a single counterpart or to the counterpart as a whole, and to geographic and sector segments. These risks are subject to an annual review or more frequent supervision. The limits of credit risk by category and geographic zone are approved annually by the Executive Board of Directors.

Exposures to institutions in an individual manner and to institutions of the same activity or geographic sector are attached to the continuous monitoring control associated to investments, with diversification limits being defined in the Company's investment policy. The credit risk of the institutions to which the Company is exposed through debt securities issued by these institutions is analysed using ratings of the independent external agencies Moody's, Standard & Poor's and Fitch. The adopted rating is the second best disclosed.

47.2 Fair value of financial and non-financial assets and liabilities

The comparison between the fair value and book value of the main assets and liabilities recorded as at 31 December 2023 and 2022, is presented in the table below (in thousand euros):

	31-Dec-23					
	Balances analysed					
	At acquisition cost net of impairment	At fair value through profit or loss	At fair value through reserves	Amortised cost	Book value	Fair value
Assets						
Cash, cash balances at central banks and other demand	-	-	-	1,615,303	1,615,303	1,615,303
Financial assets held for trading	-	142,628	-	-	142,628	142,628
Non-trading financial assets mandatorily at fair value through profit or loss	-	149,855	-	-	149,855	149,855
Financial assets at fair value through other comprehensive income	-	-	905,800	-	905,800	905,800
Financial assets at amortised cost	-	-	-	20,867,887	20,867,887	20,255,436
Derivatives - Hedge accounting	-	686,290	-	-	686,290	686,290
Other assets - real estate properties	-	166,584	-	-	166,584	265,202
Non-current assets held for sale	7,488	-	-	-	7,488	10,919
	7,488	1,145,357	905,800	22,483,189	24,541,835	24,031,433
Liabilities						
Financial liabilities held for trading	-	5,216	-	-	5,216	5,216
Financial liabilities measured at amortised cost	-	-	-	20,804,720	20,804,720	20,711,512
Financial liabilities from insurance contracts		4,489	-	55	4,544	4,544
Derivatives - Hedge accounting	-	27,415	-	-	27,415	27,415
	-	37,120	-	20,804,775	20,841,895	20,748,687

	31-Dec-22					
	Balances analysed					
	At acquisition cost net of impairment	At fair value through profit or loss	At fair value through reserves	Amortised cost	Book value	Fair value
Assets						
Cash, cash balances at central banks and other demand	-	-	-	1,356,383	1,356,383	1,356,383
Financial assets held for trading	-	179,445	-	-	179,445	179,445
Non-trading financial assets mandatorily at fair value through profit or loss	-	143,796	-	-	143,796	143,796
Financial assets at fair value through other comprehensive income	-	-	690,911	-	690,911	690,911
Financial assets at amortised cost	-	-	-	20,663,435	20,663,435	20,913,179
Derivatives - Hedge accounting	-	885,429	-	-	885,429	885,429
Non-current assets held for sale	260,079	-	-	-	260,079	302,822
	260,079	1,208,670	690,911	22,019,818	24,179,478	24,471,964
Liabilities						
Financial liabilities held for trading	-	5,216	-	-	5,216	5,216
Financial liabilities measured at amortised cost	-	-	-	20,804,720	20,804,720	19,142,194
Financial liabilities from insurance contracts	-	4,083	-	69	4,152	4,152
Derivatives - Hedge accounting	-	27,415	-	-	27,415	27,415
	-	36,714	-	20,804,789	20,841,503	19,178,977

* Restatement of the 2022 accounts in IAS 39 following the adoption of IFRS 9

The main considerations on the fair value of the financial assets and liabilities are as follows:

- For on demand balances, it was considered that the book value corresponds to fair value.
- The fair value of the remaining instruments was determined based on discounted cash flow models, considering the contractual conditions of the operations involved and using appropriate interest rates for the type of instruments, which included:
  a) Market interest rates;
  b) Interest rates applied in operations granted by the Group for comparable types of credit;
  c) Reference interest rates for issue of products for retail placement.
  d) Interest rates applied in intergroup operations conducted under the Legal Framework of Crédito Agrícola Mútuo, namely the taking of funds from the Associated Caixas for centralised investment at Caixa Central.

As established in IFRS 13, for purposes of presentation, the financial instruments recorded in the balance sheet at fair value are classified according to the following hierarchy:

Level 1 – Prices in active markets

This level includes financial instruments valued based on active market prices (executable bids), disclosed through trading platforms;

Level 2 – Valuation techniques based on market data

This level considers financial instruments valued by inhouse models which use observable market data, namely interest rate or exchange rate curves.

These are currency forwards valued in accordance with the future cash flows method which updates the contractual flows using the interest rate curves of each currency observable in the market.

Level 3 - Valuation techniques using inputs not based on observable market data

This level includes financial instruments valued based on in-house valuation methods essentially considering inputs not observable in markets with significant impact on the valuation of the instrument or valued based on indicative bids calculated by third parties through valuation models. Internal valuation is based on the net position of the institution.

As at 31 December 2023 and 2022, the method of calculation of the fair value of the financial instruments reflected in the financial statements can be summarised as follows (amounts in euros):

	31-Dec-23			
	Prices in active market (1)	Valuation Techniques		Total
		Market data (2)	Models (3)	
Financial assets held for trading	127,640,538	14,987,602	-	142,628,139
Non-trading financial assets mandatorily stated at FVTPL	61,786,923	-	88,067,586	149,854,509
Financial assets at fair value through other comprehensive income	905,800,150	-	-	905,800,150
Financial assets at amortised cost (excludes commercial paper)	9,170,674,020	-	-	9,170,674,020
Non-current assets and disposal groups classified as held for sale	-	-	7,488,058	7,488,058
Other assets (real estate properties)	-	-	166,584,416	166,584,416
	10,265,901,631	14,987,602	262,140,060	10,543,029,293
Financial liabilities held for trading	-	9,871,752	-	9,871,752
	-	9,871,752	-	9,871,752

	31-Dec-22			
	Prices in active market (1)	Valuation Techniques		Total
		Market data (2)	Models (3)	
Financial assets held for trading	173,737,574	5,706,993	-	179,444,567
Non-trading financial assets mandatorily stated at FVTPL	65,579,034	-	78,216,583	143,795,617
Financial assets at fair value through other comprehensive income	690,910,595	-	-	690,910,595
Financial assets at amortised cost (excludes commercial paper)	9,008,285,816	-	-	9,008,285,816
Non-current assets and disposal groups classified as held for sale	-	-	260,079,062	260,079,062
Other assets (real estate properties)	-	-	24,665,417	24,665,417
	9,938,513,019	5,706,993	362,961,062	10,307,181,074
Financial liabilities held for trading	-	5,215,793	-	5,215,793
	-	5,215,793	-	5,215,793

(1) Apart from the financial instruments listed on the stock exchange, this category includes securities valued based on active market prices, disclosed through trading platforms (Level 1).

(2) Valuation based on market interest rates, namely interest rate curves, swap curves and exchange rates (Level 2).

This category includes instruments valued using quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active, or other valuation techniques in which all inputs are directly or indirectly observable from market data;

(3) Corresponds to securities valued through indicative bids disclosed by the issuer (Level 3).

This category includes financial instruments where the valuation technique includes inputs not based on unobservable data and the unobservable inputs have a significant effect on the valuation of the instrument. This category includes instruments that are valued on the basis of similar income quotations where there is a need for significant unobservable adjustments or assumptions to reflect the differences between the instruments, such as units in funds and shares, for example:

(1) Financial instruments not admitted to trading on a regulated market, which are valued using valuation models and there is no generally accepted consensus in the market as to the criteria to be used, namely:

i. valuation prepared in accordance with the Net Asset Value of non-harmonised funds, updated and disclosed by the respective management companies;

ii. valuation prepared in accordance with the indicative prices published by the entities participating in the issue of certain financial instruments, without an active market; or

iii. valuation prepared in accordance with impairment tests, using performance indicators of the underlying operations (e.g., degree of subordination protection of the tranches held, delinquency rates of the underlying Assets evolution of ratings, etc.).

(2) Financial instruments valued through indicative purchase prices based on theoretical valuation models published by specialised third party entities.

The movement occurred in the financial instruments classified at Level 3 were as follows:

	31-Dec-22		2023							31-Dec-23	
Nature	Opening Balance		Additions		Disposals		Reimbursements		Changes in	Closing Balance	
	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	fair value	Quantity	Fair value
Capital instruments	15,764,558	78,216,583	2,538,037	15,113,502	(693,658)	(9,403,586)	(236,249)	(86,249)	4,227,336	17,372,688	88,067,586
Total - Non-trading financial assets mandatorily at FVTPL at Stage 3	**15,764,558**	**78,216,583**	**2,538,037**	**15,113,502**	**(693,658)**	**(9,403,586)**	**(236,249)**	**(86,249)**	**4,227,336**	**17,372,688**	**88,067,586**

	31-Dec-21		2022							31-Dec-22	
Nature	Opening Balance		Additions		Disposals		Reimbursements		Changes in	Closing Balance	
	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	fair value	Quantity	Fair value
Capital instruments	18,309,457	70,507,178	1,032,857	15,294,982	(911,206)	(916,134)	(2,666,550)	(3,322,866)	(3,346,578)	15,764,558	78,216,583
Total - Non-trading financial assets mandatorily at FVTPL at Stage 3	**18,309,457**	**70,507,178**	**1,032,857**	**15,294,982**	**(911,206)**	**(916,134)**	**(2,666,550)**	**(3,322,866)**	**(3,346,578)**	**15,764,558**	**78,216,583**

(3) Non-financial assets valued through valuations carried out by entities registered as "expert valuators", which incorporate various assumptions.

The following table shows the main valuation methods used for assets included in level 3 of the fair value hierarchy:

31-Dec-23			
Assets classified at stage 3	Valuation model	Analysed variable	Book Value
Non-trading financial assets mandatorily stated at FVTPL			
Investment fund units	Valuation of the holding company	Net Asset Value (b)	58,729,428
Shares	Market data	(c)	29,338,158
Non-current assets and disposal groups classified as held for sale			
Real estate properties (Note 16)	Valuation by expert valuators	Real State Property valuation (d)	6,853,937
Equipment and other assets	Valuation by expert valuators	(a)	634,121
Other assets			
Properties acquired through credit recovery (Note 15)	Valuation by expert valuators	Real State Property valuation (d)	164,681,206
Other properties (Note 15)	Valuation by expert valuators	Real State Property valuation (d)	1,903,209
Total			262,140,060

(a) No sensitivity analysis was carried out for this category as it includes assets of an individually immaterial value.

(b) In the specific case of the participation units valued in accordance with the quotation provided by the respective management company, it is not reasonable to carry out an analysis of the impact of changes of the variables underlying the determination of the quotation by that entity.

(c) In the specific case of shares, which are measured at fair value, it is therefore not reasonable to analyse the impact of changes in shareholders' equity underlying the determination of the fair value of those entities.

(d) No sensitivity analysis was carried out of the properties included in the portfolios of non-current (i) assets and disposal groups classified as held for sale and (ii) Other assets, as most of the properties are recorded at acquisition cost.

31-Dec-22			
Assets classified at stage 3	Valuation model	Analysed variable	Book Value
Non-trading financial assets mandatorily stated at FVTPL			
Investment fund units	Valuation of the holding company	Net Asset Value (b)	53,252,317
Shares	Market data	(c)	24,964,265
Non-current assets and disposal groups classified as held for sale			
Real estate properties (Note 16)	Valuation by expert valuators	Real State Property valuation (d)	259,165,444
Equipment and other assets	Valuation by expert valuators	(a)	913,618
Other assets			
Properties acquired through credit recovery (Note 15)	Valuation by expert valuators	Real State Property valuation (d)	23,614,718
Other properties (Note 15)	Valuation by expert valuators	Real State Property valuation (d)	1,050,699
Total			362,961,062

(a) No sensitivity analysis was carried out for this category as it includes assets of an individually immaterial value.

(b) In the specific case of the participation units valued in accordance with the quotation provided by the respective management company, it is not reasonable to carry out an analysis of the impact of changes of the variables underlying the determination of the quotation by that entity.

(c) In the specific case of shares, which are measured at fair value, it is therefore not reasonable to analyse the impact of changes in shareholders' equity underlying the determination of the fair value of those entities.

(d) No sensitivity analysis was carried out of the properties included in the portfolios of non-current (i) assets and disposal groups classified as held for sale and (ii) Other assets, as most of the properties are recorded at acquisition cost.

Concentration Risk

Concentration risk management principles and policies

1. Risk management at the CA Group

Risk management is one of the priority areas for the Group, in recognition of its decisive impact in the creation of value.

The Executive Board of Directors of Caixa Central is responsible for defining the overall strategy on risk-taking, incorporating measurable goals relative to the risk that is intended to be taken and the desired profitability.

The Global Risk Department (hereafter also referred to as DRG), the Assets, Liabilities and Capital Committee (ALCCO) and since July 2022 the Risk Committee, working closely with the other areas with responsibility in the field, play a crucial role in the definition of policies and procedures for risk management, subject to the approval of the Executive Board of Directors of Caixa Central.

1.1 Duties of the Risk Committee

The Risk Committee is responsible for the ongoing monitoring and control of the definition and implementation of the risk management strategy and the global risk management policy (and all the specific policies on management of material risks), including the respective methodologies and relevant processes, as well as the Crédito Agrícola Group's risk appetite, checking that they are compatible with a sustainable strategy in the medium and long term.

1.2 Duties of the Overall Risk Department

In terms of risk management, Caixa Central, through the Overall Risk Department, is responsible for defining the overall principles and policies on risk management. This is accomplished by the development and provision of instruments for analysis and support to decision-making, calculation of impairment on a consolidated basis, ICAAP (Internal Capital Adequacy Assessment Process), design of models and systems to support the risk function, creation of rules and establishment of guidelines for procedures and processes.

In January 2022, the Crédito Agrícola Group implemented the shared service model for the risk management function of the Associated Caixas, under a specific provision of Banco de Portugal Notice 3/2020. Thus, the risk management function of the Associated Caixas shifted to being carried out by the Shared Services Unit integrated in the Global Risk Department: of Caixa Central.

The Overall Risk Department is responsible for supervising credit risk management and coordinating the management of all the other risks, from a strategic perspective. On the other hand, the Credit Risk Department (DRC) is the body responsible for guaranteeing the operationalisation of the policies defined by the Overall Risk Department.

Concerning concentration risk, DRG is responsible for the execution of the Concentration Risk Management Model: identification of the relevant variables for the assessment, measurement of the associated concentration and preparation of in-house and external reporting.

In the process of identifying, assessing, and monitoring Concentration Risk, the Overall Risk Department is also responsible for drawing up the reporting established in Banco de Portugal Instruction 23/2007, so as to enable calculation of the Individual Concentration Index stipulated in Banco de Portugal Instruction 5/2011.

1.3 Duties of the Assets, Liabilities and Capital Committee (ALCCO)

ALCCO is chaired by Caixa Central and includes various departments and bureaus directly responsible for:

1) Control of the activities related to the Balance Sheet of Caixa Central and the CA Group.
2) Risk control by production of management, accounting and reporting information for Caixa Central and the CA Group.

Among the duties performed by the ALCCO, it is particular entrusted with the following in the context of risk management:

- Assessment and on-going monitoring of the different financial risks (namely, concentration risk) to which the CA Group and Caixa Central are subject, ensuring their measurement and control based on predefined methods and indicators.
- Proposal to the Executive Board of Directors on pertinent risk thresholds for asset and liability management.

With regard to Concentration Risk, ALCCO is responsible for supervising the management of concentration in financial risks (in particular, interest rate risk, exchange, liquidity, and market risk) with the contribution of the Financial Department, as well as monitoring overall concentration risk for the Group in coordination with the Overall Risk Department.

1.4 Duties of the Monitoring and Supervision Department

The duties of the Monitoring and Supervision Department (DAS), in the context of risk management, is to monitor and guide the management of the Associated Caixas, especially in terms of risk-taking policy.

Regarding the management of concentration risk, the Monitoring and Supervision Department is responsible for coordination between the bodies of Caixa Central (DRG and ALCCO) and the Associated Caixas, with the latter being responsible for local management of concentration risk.

2. Integration of best practices in concentration risk management

According to the guidelines of the Basel Committee, the Committee of European Banking Supervisors (CEBS), institutions should implement a systematic practice for management of concentration risk, including identification, assessment, adjustment, monitoring and control.

The Basel Committee presents two alternative approaches to the management of concentration risk: basic approach (one-dimensional methodologies for assessment of concentration risk) and an advanced approach (use of internal models of economic capital which should adequately measure concentration risk, but which are sometimes limited by lack of data).

2.1 Measurement of concentration risk: implemented approach

The CA Group has progressively been implementing the management of concentration risk, and this will continue to receive the Group's attention and effort in the medium term.

The assessment of concentration risk (under the responsibility of the Overall Risk Department) is based on an appraisal of the credit, investment, and funding portfolios, according to the different variables of relevance from a single and multi-dimensional point of view, using the Herfindahl and Gini indexes, as well as the Relative Weight of the Exposures. Where pertinent, a coefficient for the correlation of variables is also used in order to explore possible connections between variables at risk or to relate internal variables with the actual situation.

The CA Group aims to assure the permanent enhancement of the robustness of the methods use in concentration risk management.

2.2 Monitoring of concentration risk

The CA Group has established a Management Model to serve as a framework for monitoring and controlling concentration risk, by means of periodic review of the conducted concentration analyses and the implementation of risk prevention or corrective measures.

3. Common features that identify each concentration

Analysis of credit risk concentration

The concentration risk was analysed in the Portfolio of Loans and Advances to Customers of the CA Group (SICAM), as considered for the Group's prudential reporting (concerning loans and advances to customers). The concept of exposure considered for the concentration analysis was the balance of the operation that has been used (which means the sum of the outstanding and overdue principal). This differs from the concept considered in the Annex to Instruction 5/2011 (in the calculation of the Index of Sectorial Concentration and the Index of Individual Concentration): Total Amount (sum of the balance used and the unused credit limits).

Single dimension analyses are conducted ((Region, Product Group, Rate, Guarantee, Customer, Activity Sector, Total Period, Residual Period) as well as multi-dimensional analyses (Product Group by Region, Activity Sector by Region and Guarantee by Product Group) of exposure to concentration risk. The multi-dimensional analysis by Product Group and Region aims to assess the level of concentration of the portfolio of loans and advances to customers based in each region of the country in terms of distribution by Product Group. The multi-dimensional analysis by Activity Sector and Region aims to assess the level of concentration of the portfolio of loans and advances to customers based in each region of the country in terms of distribution by Activity Sector (classification of economic activity - CAE). Within each multi-dimensional analysis mentioned, three regions were especially selected for concentration analysis. On a final note, the multi-dimensional analysis by Guarantee and Product Group aims to assess the level of concentration of the portfolio of loans and advances to customers of a specific product group in terms of distribution by type of guarantee involved. For this last analysis, two product groups were chosen for concentration analysis.

3.1 Analysis by region

The “Region” variable was chosen to analyse the geographic concentration risk in Portugal, with the Domicile Branch having been considered as a reference for the region of the operation. The regions follow the classification in NUTS III, of the National Statistical Institute (INE).

An analysis was made of the correlation between the distribution of the portfolio of loans and advances to customers by region and the GDP variable by region.

Another correlation analysis was made between the weight of the number of the CA Group Branches per region and the distribution of the CA Group (SICAM) credit portfolio by region.

A further correlation analysis was made between the weight of customer credit and the proportion of impairment, by region.

It was also considered pertinent to compare the distribution of the credit portfolio of the CA Group (SICAM) with the Portuguese banking sector.

3.2 Analysis by product group

The concentration of the distribution of the customer credit portfolio was analysed by type of Product Group.

The correlation was analysed between the weight of Customer Credit and the proportion of Impairment by Product Group.

3.3 Analysis by type of rate

A distribution of the Portfolio was drawn up (Weight by type of Rate: Balance Used and Production of Credit in the current year) and compared with the profit or loss of the analysis of Balance Used, Overdue Credit and Total Amount.

3.4 Analysis by guarantees

The customer credit portfolio concentration was analysed by type of guarantee, considering just one of the Guarantees available and recorded in the system, selected according to its relevance in a conceptually established hierarchy. The distribution of the Portfolio was drawn up and analysed (Weight by type of Guarantee: Balance Used and Production of Credit in the current year) and compared with the profit or loss of the analysis of Balance Used, Overdue Credit and Total Amount.

The correlation was analysed between the weight of Customer Credit and the proportion of Impairment by Guarantee.

3.5 Analysis by type of customer

The distribution of the Portfolio was drawn up (Weight by type of customer: Balance Used and Production of Credit in the current year) and compared with the profit or loss of the analysis of Balance Used, Overdue Credit and Total Amount.

The correlation was analysed between the weight of Customer Credit and the proportion of Impairment by Customer.

It was considered pertinent to compare the distribution of credit by type of customer at the CA Group (SICAM) with the Portuguese banking sector.

3.6 Analysis by economic activity sector (CAE)

The distribution of the Portfolio was drawn up (Weight by economic activity classification: Balance Used and Production of Credit in the current year) and compared with the profit or loss of the analysis of Balance Used, Overdue Credit and Total Amount.

The correlation was analysed between the weight of Customer Credit to Non-financial Companies in the Banking Sector and Credit Portfolio of the CA Group (SICAM).

3.7 Analysis by total period

The distribution of the Portfolio was drawn up (Weight by Total Period bracket: Balance Used and Production of Credit in the current year) and compared with the profit or loss of the analysis of Balance Used, Overdue Credit and Total Amount.

It was considered pertinent to compare the distribution of credit by operation period at the CA Group (SICAM) with the Portuguese banking sector.

3.8 Analysis by residual period

The distribution of the Portfolio was drawn up (Weight by Residual Period bracket: Balance Used and Production of Credit in the current year) and compared with the profit or loss of the analysis of Balance Used, Overdue Credit and Total Amount.

3.9 Analysis by company size

The analysis by company size sought to investigate the concentration of credit granted by type of "Company" customer at Crédito Agrícola. In this study, the companies are distributed by turnover. “Large companies” have a turnover of more than 50 million euros, “Medium-sized companies” between 10 and 50 million euros, “Small” between 2 and 10 million euros, and “Micro companies” less than 2 million euros.

The distribution of the Portfolio was drawn up (Weight by Company Size: Balance Used and Production of Credit in the current year) and compared with the profit or loss of the analysis of Balance Used, Overdue Credit and Total Amount.

3.10 Analysis by product group in the Greater Lisbon Region

The multi-dimensional analysis by Product Group in the Greater Lisbon Region aims to assess the level of concentration of the credit portfolio based in this region in terms of its distribution by Product Group.

The regions of Lisbon, the West and the Algarve were selected due to showing highest concentration in the single dimension analysis of the credit portfolio of the CA Group (SICAM) by region.

The distribution of the Portfolio was drawn up (Weight by Product Group in Lisbon: Balance Used and Production of Credit in the current year) and compared with the profit or loss of the analysis of Balance Used, Overdue Credit and Total Amount.

3.11 Analysis by product group in the West Region

The multi-dimensional analysis by Product Group in the West Region aims to assess the level of concentration of the credit portfolio based in this region in terms of its distribution by Product Group.

The distribution of the Portfolio was drawn up (Weight by Product Group in the West: Balance Used and Production of Credit in the current year) and compared with the profit or loss of the analysis of Balance Used, Overdue Credit and Total Amount.

3.12 Analysis by product group in the Algarve Region

The multi-dimensional analysis by Product Group in the Algarve Region aims to assess the level of concentration of the credit portfolio based in this region in terms of its distribution by Product Group.

The distribution of the Portfolio was drawn up (Weight by Product Group in the West: Balance Used and Production of Credit in the current year) and compared with the profit or loss of the analysis of Balance Used, Overdue Credit and Total Amount.

3.13 Analysis by activity sector in the Lisbon Region

The multi-dimensional analysis by Activity Sector in Lisbon aims to assess the level of concentration of the credit portfolio based in the Lisbon region in terms of its distribution by Activity Sector.

The distribution of the Portfolio was drawn up (Weight by Activity Sector in Lisbon: Balance Used and Production of Credit in the current year) and compared with the profit or loss of the analysis of Balance Used, Overdue Credit and Total Amount.

3.14 Analysis by activity sector in the West Region

The multi-dimensional analysis by Activity Sector in the West aims to assess the level of concentration of the credit portfolio based in the West region in terms of its distribution by Activity Sector.

The distribution of the Portfolio was drawn up (Weight by Activity Sector in the region: Balance Used and Production of Credit in the current year) and compared with the profit or loss of the analysis of Balance Used, Overdue Credit and Total Amount.

3.15 Analysis by activity sector in the Algarve Region

The multi-dimensional analysis by Activity Sector in the Algarve aims to assess the level of concentration of the credit portfolio based in the West region in terms of its distribution by Activity Sector.

The distribution of the Portfolio was drawn up (Weight by Activity Sector in the region: Balance Used and Production of Credit in the current year) and compared with the profit or loss of the analysis of Balance Used, Overdue Credit and Total Amount.

3.16 Analysis by type of guarantee for credit for business activity

The multi-dimensional analysis by Type of Guarantee for credit granted to companies to finance their business aims to assess the level of concentration of the credit portfolio of this product group in terms of its distribution by Type of Guarantee.

The distribution of the Portfolio was drawn up (Weight by Type of Guarantee for Credit for Business Activity: Balance Used and Production of Credit in the current year) and compared with the profit or loss of the analysis of Balance Used, Overdue Credit and Total Amount.

3.17 Analysis by type of guarantee for credit for business investments

The multi-dimensional analysis by Type of Guarantee for credit granted to companies for investment purposes aims to assess the level of concentration of the credit portfolio of this product group in terms of its distribution by Type of Guarantee.

The distribution of the Portfolio was drawn up (Weight by Type of Guarantee for Credit for Business Investment: Balance Used and Production of Credit in the current year) and compared with the profit or loss of the analysis of Balance Used, Overdue Credit and Total Amount.

Analysis of credit risk concentration of the portfolio of funds

4.1 Analysis by region

The “Region” variable was chosen to analyse the geographic concentration risk of the portfolio of funds in Portugal.

The correlation was analysed between the weight of the number of Branches per region and the distribution of the CA Group's (SICAM) portfolio of funds per region.

The correlation was also analysed between the Distribution of Deposits and Equivalent by District in Portugal (Banking Sector) and the CA Group (SICAM).

4.2 Analysis by product group

The concentration of the distribution of the portfolio of funds was analysed by type of Product Group.

4.3 Analysis by customer

The concentration of the distribution of the portfolio of funds was analysed by type of Customer, between individuals and companies, with the latter being divided by type of economic activity.

The correlation was also analysed between the weight of each type of Customer in Portugal (Banking Sector) and at the CA Group (SICAM).

The correlation was also analysed between the types of customers of funds at other credit institutions and in the CA Group (SICAM) Portfolio of Funds by Institutional Sector.

4.4 Analysis by activity sector

The concentration of the distribution of the portfolio of funds was analysed by Activity Sector.

4.5 Analysis by residual period

The concentration of the distribution of the portfolio of funds was analysed by Residual Period.

4.6 Analysis by amount

The concentration of the distribution of the portfolio of funds was analysed by category of Amount.

4.7 Analysis by residual period for category of amount: 5 to 25 thousand euros

A multi-dimensional analysis was made of the concentration of the distribution of the portfolio of funds associated to the category of Amount of 5 to 25 thousand euros by residual period.

The categories of amount with significant concentration were selected, following their single dimension analysis.

4.8 Analysis by residual period for category of amount: 25 to 50 thousand euros

A multi-dimensional analysis was made of the concentration of the distribution of the portfolio of funds associated to the category of Amount of 25 to 50 thousand euros by Residual Period.

The categories of amount with significant concentration were selected, following their single dimension analysis.

Analysis of liquidity risk concentration

Concentration Risk was analysed for the SICAM Balance Sheet headings. The concept of exposure considered for the analysis of concentration was the cash flow as at the reporting date.

The analysis is made according to the residual maturity of the Asset and Liability headings and Liquidity Gap.

1. ANALYSIS OF THE ASSETS

Total Assets were analysed from the perspective of their residual maturity. The same was done for the most representative/concentrated headings.

2. ANALYSIS OF THE LIABILITIES

The Total Liabilities were analysed from the perspective of their residual maturity. The same was done for the most representative/concentrated headings.

3. LIQUIDITY GAP ANALYSIS

The Liquidity Gap was analysed from the perspective of its residual maturity (Positive Gap and Negative Gap).

Specific risks of insurance activity

Insurance companies incur risks through insurance contracts, which are classified in the category of specific insurance risk.

Type of specific insurance risk

Specific insurance risk includes the risks inherent to the marketing of insurance contracts, associated to product design and pricing, the process of subscription and provisioning for liabilities, and the management of claims and reinsurance. These risks are applicable to all activity branches and can be subdivided into different sub-risks:

a) Product design risk: risk of an insurance company taking on risky exposure derived from features of products that had not been anticipated during the phase of design and definition of the price of the contract.

b) Premium risk: related to claims to occur in the future, relative to policies currently in force, whose premiums have already been charged or are fixed. The risk is that the premiums that have already been charged or are fixed may prove insufficient to cover all the future liabilities derived from these contracts (under-pricing).

c) Subscription risk: risk of exposure to financial loss related to selection and approval of the risks to be insured.

d) Provisioning risk: this is the risk that the constituted provisions for claims prove insufficient to meet costs related to claims that have already been submitted.

e) Claims rate risk: this is the risk that more claims may be submitted than expected, or that some claims have costs that are much higher than expected, leading to unexpected losses.

f) Retention risk: this is the risk that a higher retention of risks (less reinsurance protection) may cause losses due to the occurrence of catastrophic events or higher claim rate.

There is also catastrophic risk, derived from extreme events which imply the devastation of property, or the death/injury of people, generally due to natural disasters (earthquakes, hurricanes, floods). This is the risk that a single event, or series of enormous events, normally in a short period (up to 72 hours), implies a significant deviation in the number and cost of claims, in relation to what had been expected.

Management of specific insurance risk

Specific insurance risk is managed by the Companies through operating procedures with embedded preventive control and detection, highly automated, run by skilled staff and with clear responsibilities for senior management:

a) Product design (new products and changes to existing products) and pricing, which identifies the risks derived from the coverage and sums insured, defines systems to determine premiums, checks the adequacy of the reinsurance programme associated to new products, verifies compliance with legal rules and standards and in-house regulations, conducts a full test programme, and defines the training plan and outsourcing of services associated to the new product. The prices applied to risks are adjusted according to pricing factors, which enables assessing the risk level associated to each insurance contract, determined on the basis of technical actuarial studies.

b) Distribution and management of the risk portfolio, which includes definition of the subscription policies, levels of delegation of power in acceptance of risk, incentive schemes for sales and the subscription of new insurance, and the procedures for portfolio management and review of premiums. The rules for accepting risk are stipulated in the supporting IT systems and blocking and warning mechanisms are established whenever any of these rules are broken. In cases where there are conditions attached to risk acceptance, the subscription is made centrally, with written evidence of the conditions and the person responsible for the decision.

c) Provisioning, under which the technical provisions are defined and managed, assuring coverage of the Company's obligations towards insured persons and claimants, based on studies assessing the adequacy of provisions prepared regularly by the appointed actuary.

d) Claims management, under which payments are made to claimants, assuring: (i) the treatment and management of claims in a timely fashion; (ii) rigorous compliance with the law, regulations, and in-house rules; (iii) minimisation of the average cost of claims, without compromising the fair treatment of all claimants and injured persons.

e) Reinsurance management, which carries out the specification, implementation, monitoring, reporting and control of treaties and other conditions agreed with the reinsurers. The reinsurance policy plays a crucial role in mitigating specific insurance risks, enabling greater stabilisation of net income and solvency levels, the more efficient use of the available capital and an increase in the Company’s capacity to take on risks.

The management of specific insurance risk is also backed by a variety of studies carried out by the technical office and by the actuaries in charge, analysing the adequacy of the pricing, identifying the types of risk and the most profitable segments, and determining suitable value for the technical provisions.

48. Assets and liabilities of insurance and reinsurance contracts

48.1 Assets and liabilities of life insurance contracts

Liabilities of **direct life insurance contracts relating to future services** are broken down as follows as at 31 December 2023:

	31-Dec-23							
	Insurance contract assets				Insurance contract liabilities			
	From future services	Loss Component (equity)	From future services - excluding equity	From past services	From future services	Loss Component (equity)	From future services - excluding equity	From past services
Measured using the premium approach	-	-	-	-	-	-	-	-
Risk (CA Pension Fund protection)	-	-	-	-	-	-	-	-
Measured using the general model approach	42,957,552	(89,604)	43,047,155	(11,644,536)	527,699,654	1,960,181	525,739,472	3,785,240
Savings	-	-	-	-	527,699,654	1,960,181	525,739,472	3,785,240
Risk	42,957,552	(89,604)	43,047,155	(11,644,536)	-	-	-	-
Measured using the variable fee approach	-	-	-	-	90,690,621	-	90,690,621	3,152,278
Savings	-	-	-	-	90,690,621	-	90,690,621	3,152,278
Total	**42,957,552**	**(89,604)**	**43,047,155**	**(11,644,536)**	**618,390,275**	**1,960,181**	**616,430,094**	**6,937,519**

Liabilities of **direct life insurance contracts relating to future services** are broken down as follows as at 31 December 2022 (restated in accordance with IFRS 17):

	31-Dec-22							
	Insurance contract assets				Insurance contract liabilities			
	From future services	Loss Component (equity)	From future services - excluding equity	From past services	From future services	Loss Component (equity)	From future services - excluding equity	From past services
Measured using the premium approach	-	-	-	-	-	-	-	-
Risk (CA Pension Fund protection)	-	-	-	-	-	-	-	-
Measured using the general model approach	23,963,157	(3,356,717)	27,319,874	(10,551,005)	450,834,131	1,927,354	448,906,777	4,899,163
Savings	-	-	-	-	450,834,131	1,927,354	448,906,777	4,899,163
Risk	23,963,157	(3,356,717)	27,319,874	(10,551,005)	-	-	-	-
Measured using the variable fee approach	-	-	-	-	142,093,180	-	142,093,180	1,151,429
Savings	-	-	-	-	142,093,180	-	142,093,180	1,151,429
Total	**23,963,157**	**(3,356,717)**	**27,319,874**	**(10,551,005)**	**592,927,310**	**1,927,354**	**590,999,957**	**6,050,592**

The evolution of **liabilities** for **future services and past services** for the Life contract groups measured by the **general model** during 2023 and 2022 was as follows:

	31-Dec-23			
	Liabilities of insurance contracts relating to future services		Liabilities of insurance contracts relating to past services	Total
	Excluding loss component	Loss component		
Opening balance of insurance contract assets	(32,572,724)	1,107	7,413,338	(25,158,279)
Opening balance of insurance contract liabilities	454,159,627	5,282,964	10,294,148	469,736,739
Opening balance as at 31-Dec-2022	421,586,903	5,284,071	17,707,486	444,578,460
Revenues from insurance contracts - Fair value approach	(47,551,701)			(47,551,701)
Contractual service margin recognised for the supply of services	(7,112,227)			(7,112,227)
Variation in risk adjustment for expired service	(1,591,918)			(1,591,918)
Release of estimated cash flows:	(38,847,556)			(38,847,556)
Claims	(38,049,246)			(38,049,246)
Expenses	(798,309)			(798,309)
Recovery of acquisition cash flows				
Adjustment of experience not related to future services				
Other variations				
Revenues from insurance contracts - Post-transition	(30,598,526)			(30,598,526)
Contractual service margin recognised for the supply of services	(4,957,580)			(4,957,580)
Variation in risk adjustment for expired service	(3,286,691)			(3,286,691)
Release of estimated cash flows:	(14,401,789)			(14,401,789)
Claims	(11,427,763)			(11,427,763)
Expenses	(2,974,025)			(2,974,025)
Recovery of acquisition cash flows	(7,952,466)			(7,952,466)
Adjustment of experience not related to future services				
Other variations				
Total revenue from insurance contracts	(78,150,227)			(78,150,227)
Insurance contract expenses				
Claims incurred in the period and other expenses		(3,165,993)	66,816,419	63,650,426
Claims		(2,771,174)	58,036,773	55,265,599
Expenses		(394,819)	9,743,051	9,348,232
Other movements			(963,406)	(963,406)
Amortisation of acquisition cash flows	7,952,466			7,952,466
Changes in cash flows from past services				
Changes to future services		(127,636)		(127,636)
Losses recognised at the beginning of the contract		2,939,168		2,939,168
Changes in estimates relating to losses or reversal of losses on onerous contracts - subsequent measurement		(3,066,804)		(3,066,804)
Total insurance contract expenses	7,952,466	(3,293,629)	66,816,419	71,475,257
Investment components	-	-	-	-
Total result of the insurance contract	(70,197,761)	(3,293,629)	66,816,419	(6,674,971)
Result of the financial component				
Effect of changes in the time value of money and financial risk	(4,905,406)	59,343		(4,846,063)
Exchange rate differences				-
Total result of the financial component	(4,905,406)	59,343	-	(4,846,063)
Financial component reserve	10,297,297	-	-	10,297,297
Total changes in the financial statement position	(64,805,870)	(3,234,286)	66,816,419	(1,223,737)
Current cash flows for the period				
Premiums	133,863,317			133,863,317
Claims and other attributable non-acquisition expenses, including investment components	(32,829)		(67,647,527)	(67,680,356)
Attributable acquisition cash flows	(7,919,203)			(7,919,203)
Total cash flows	125,911,285		(67,647,527)	58,263,758
Closing balance	482,692,317	2,049,785	16,876,379	501,618,481
Closing balance of insurance contract assets	(48,284,965)	1,107	8,333,430	(39,950,428)
Closing balance of insurance contract liabilities	530,977,282	2,048,678	8,542,949	541,568,909
Closing balance as as at 31-Dec-2023	**482,692,317**	**2,049,785**	**16,876,379**	**501,618,481**

	31-Dec-22			
	assets and liabilities of insurance contracts relating to future services		assets and liabilities of insurance contracts relating to past services	Total
	Excluding loss component	Loss component		
Opening balance of insurance contract assets	(80,525,367)	7,448	8,437,496	(72,080,424)
Opening balance of insurance contract liabilities	420,558,125	5,032,265	7,837,419	433,427,809
Opening balance as at 31-Dec-2021	340,032,757	5,039,713	15,422,949	360,495,419
Revenues from insurance contracts - Fair value approach	(71,539,320)			(71,539,320)
Contractual service margin recognised for the supply of services	(11,096,160)			(11,096,160)
Variation in risk adjustment for expired service	(3,010,022)			(3,010,022)
Release of estimated cash flows:	(57,433,138)			(57,433,138)
Claims	(56,349,211)			(56,349,211)
Expenses	(1,083,928)			(1,083,928)
Recovery of acquisition cash flows				
Adjustment of experience not related to future services				
Other variations				
Revenues from insurance contracts - Post-transition	(15,485,216)			(15,485,216)
Contractual service margin recognised for the supply of services	(4,702,025)			(4,702,025)
Variation in risk adjustment for expired service	(1,583,172)			(1,583,172)
Release of estimated cash flows:	(3,932,681)			(3,932,681)
Claims	(3,549,686)			(3,549,686)
Expenses	(382,995)			(382,995)
Recovery of acquisition cash flows	(5,267,339)			(5,267,339)
Adjustment of experience not related to future services				
Other variations				
Total revenue from insurance contracts	(87,024,536)			(87,024,536)
Insurance contract expenses				
Claims incurred in the period and other expenses		(7,662,317)	75,672,111	68,009,795
Claims		(7,402,041)	63,013,111	55,611,070
Expenses		(260,276)	11,695,595	11,435,320
Other movements			963,406	963,406
Amortisation of acquisition cash flows	5,267,339			5,267,339
Changes in cash flows from past services				
Changes to future services		8,514,419		8,514,419
Losses recognised at the beginning of the contract		6,859,667		6,859,667
Changes in estimates relating to losses or reversal of losses on onerous contracts - subsequent measurement		1,654,753		1,654,753
Total insurance contract expenses	5,267,339	852,103	75,672,111	81,791,553
Investment components	-	-	-	-
Total result of the insurance contract	(81,757,197)	852,103	75,672,111	(5,232,983)
Result of the financial component				
Effect of changes in the time value of money and financial risk	(2,291,252)	(607,744)		(2,898,997)
Exchange rate differences				-
Total result of the financial component	(2,291,252)	(607,744)	-	(2,898,997)
Financial component reserve	(70,187,347)	-	-	(70,187,347)
Total changes in the financial statement position	(154,235,797)	244,358	75,672,111	(78,319,327)
Current cash flows for the period				
Premiums	241,057,926			241,057,926
Claims and other attributable non-acquisition expenses, including investment components			(73,387,574)	(73,387,574)
Attributable acquisition cash flows	(5,267,984)			(5,267,984)
Total cash flows	235,789,942		(73,387,574)	162,402,368
Closing balance	421,586,903	5,284,071	17,707,486	444,578,460
Closing balance of insurance contract assets	(32,572,724)	1,107	7,413,338	(25,158,279)
Closing balance of insurance contract liabilities	454,159,627	5,282,964	10,294,148	469,736,739
Closing balance as as at 31-Dec-2022	**421,586,903**	**5,284,071**	**17,707,486**	**444,578,460**

The evolution of **liabilities relating to future services and past services** for the groups of life contracts measured using the **variable fee approach** during 2023 and 2022 was as follows:

	31-Dec-23			
	Liabilities of insurance contracts relating to future services		Reinsurance contract liabilities relating to past services	Total
	Excluding loss component	Loss component		
Opening balance of insurance contract assets				
Opening balance of insurance contract liabilities	142,093,180		1,151,429	143,244,609
Opening balance as at 31-Dec-2022	142,093,180		1,151,429	143,244,609
Revenues from insurance contracts - Fair value approach	(5,033,021)			(5,033,021)
CSM recognised for providing the service	(3,925,724)			(3,925,724)
Variation in risk adjustment for expired service	(41,158)			(41,158)
Release of estimated cash flows:	(867,993)			(867,993)
Claims	(743,870)			(743,870)
Expenses	(124,122)			(124,122)
Recovery of acquisition cash flows	(198,147)			(198,147)
Experience adjustment not related to future service				
Other variations				
Revenues from insurance contracts - Post-transition				
CSM recognised for providing the service				
Variation in risk adjustment for expired service				
Release of estimated cash flows:				
Claims				
Expenses				
Recovery of acquisition cash flows				
Experience adjustment not related to future service				
Other variations				
Total revenue from insurance contracts	(5,033,021)			(5,033,021)
Insurance contract expenses				
Claims incurred in the period and other expenses			54,872,987	54,872,987
Claims			54,630,225	54,630,225
Expenses			242,762	242,762
Other movements				
Amortisation of acquisition cash flows	198,147			
Changes in cash flows from past services				
Changes to future services				
Losses recognised at the beginning of the contract				
Changes in estimates relating to losses or reversal of losses on onerous contracts - subsequent measurement				
Total insurance contract expenses	198,147	-	54,872,987	54,872,987
Investment components	(52,057,991)	-	-	(52,057,991)
Total result of the insurance contract	(56,892,866)	-	54,872,987	(2,019,878)
Result of the financial component				
Effect of changes in the time value of money and financial risk	2,978,256			2,978,256
Exchange rate differences				
Total result of the financial component	2,978,256			2,978,256
Financial component reserve	-	-	-	-
Total changes in the financial statement position	(53,914,609)	-	54,872,987	715,616
Current cash flows for the period				
Premiums	2,710,198			2,710,198
Claims and other attributable expenses paid other than acquisition costs, including investment components			(52,872,139)	(52,872,139)
Attributable acquisition cash flows	(198,147)			(198,147)
Total cash flows	2,512,051	-	(52,872,139)	(50,360,088)
Closing balance	90,690,621	-	3,152,278	93,842,900
Closing balance of insurance contract assets				
Closing balance of insurance contract liabilities	90,690,621	-	3,152,278	93,842,900
Closing balance as at 31-Dec-2023	**90,690,621**	**-**	**3,152,278**	**93,842,900**

	31-Dec-22			
	Liabilities of insurance contracts relating to future services		Reinsurance contract liabilities relating to past services	Total
	Excluding loss component	Loss component		
Opening balance of insurance contract assets				
Opening balance of insurance contract liabilities	153,307,662	-	1,778,200	155,085,861
Opening balance as at 01-Jan-2022	153,307,662		1,778,200	155,085,861
Revenues from insurance contracts - Fair value approach	(13,665,610)			(13,665,610)
CSM recognised for providing the service	(6,069,058)			(6,069,058)
Variation in risk adjustment for expired service	(2,573)			(2,573)
Release of estimated cash flows:	(7,328,305)			(7,328,305)
Claims	(7,206,587)			(7,206,587)
Expenses	(121,718)			(121,718)
Recovery of acquisition cash flows	(265,674)			(265,674)
Experience adjustment not related to future service				
Other variations				
Revenues from insurance contracts - Post-transition				
CSM recognised for providing the service				
Variation in risk adjustment for expired service				
Release of estimated cash flows:				
Claims				
Expenses				
Recovery of acquisition cash flows				
Experience adjustment not related to future service				
Other variations				
Total revenue from insurance contracts	(13,665,610)			(13,665,610)
Insurance contract expenses				
Claims incurred in the period and other expenses			12,094,419	12,094,419
Claims			11,504,517	11,504,517
Expenses			589,902	589,902
Other movements				
Amortisation of acquisition cash flows	265,674			265,674
Changes in cash flows from past services				
Changes to future services				
Losses recognised at the beginning of the contract				
Changes in estimates relating to losses or reversal of losses on onerous contracts - subsequent measurement				
Total insurance contract expenses	265,674	-	12,094,419	12,360,093
Investment components	(3,254,365)	-	-	(3,254,365)
Total result of the insurance contract	(16,654,301)	-	12,094,419	(4,559,882)
Result of the financial component				
Effect of changes in the time value of money and financial risk	2,689,240			2,689,240
Exchange rate differences				
Total result of the financial component	2,689,240			2,689,240
Financial component reserve	-	-	-	-
Total changes in the financial statement position	(13,965,060)	-	12,094,419	(1,870,642)
Current cash flows for the period				
Premiums	3,015,038			3,015,038
Claims and other attributable expenses paid other than acquisition costs, including investment components			(12,721,189)	(12,721,189)
Attributable acquisition cash flows	(264,460)			(264,460)
Total cash flows	2,750,579	-	(12,721,189)	(9,970,610)
Closing balance	142,093,180	-	1,151,429	143,244,609
Closing balance of insurance contract assets				
Closing balance of insurance contract liabilities	142,093,180	-	1,151,429	143,244,609
Closing balance as as at 31-Dec-2022	**142,093,180**	**-**	**1,151,429**	**143,244,609**

The evolution of **liabilities** for **future services and past services** for the groups of life contracts measured using the **simplified model** during 2023 and 2022 was as follows:

	31-Dec-23				
	assets and liabilities of insurance contracts relating to future services		assets and liabilities of insurance contracts relating to past services		Total
	Excluding loss component	Loss component	Present value of cash flows	Risk adjustment	
Opening balance of insurance contract assets					
Opening balance of insurance contract liabilities					
Opening balance as at 31-Dec-2022					
Revenue from insurance contracts					
Fair value approach					
Post-transition	(1,830,943)				(1,830,943)
Total revenue from insurance contracts	(1,830,943)				(1,830,943)
Insurance contract expenses					
Claims incurred in the period and other expenses			1,752,577		1,752,577
Claims			305,974		305,974
Expenses					
Other movements			1,446,603		1,446,603
Amortisation of acquisition cash flows	434				434
Changes in cash flows from past services					
Changes to future services					
Losses recognised at the beginning of the contract					
Changes in estimates relating to losses or reversal of losses on onerous contracts - subsequent measurement					
Total insurance contract expenses	434		1,752,577		1,753,011
Investment components	-	-	-	-	-
Total result of the insurance contract	(1,830,509)	-	1,752,577	-	(77,932)
Result of the financial component					
Effect of changes in the time value of money and financial risk					
Exchange rate differences					
Total result of the financial component	-	-	-	-	-
Financial component reserve	-	-	-	-	-
Total changes in the financial statement position	(1,830,509)	-	1,752,577	-	(77,932)
Current cash flows for the period					
Premiums	1,830,943				1,830,943
Claims and other attributable expenses paid other than acquisition costs, including investment components			(1,752,577)		(1,752,577)
Attributable acquisition cash flows	(434)				(434)
Total cash flows	1,830,509	-	(1,752,577)	-	77,932
Closing balance	-	-	-	-	-
Closing balance of insurance contract assets					
Closing balance of insurance contract liabilities					
Closing balance as as at 31-Dec-2023	**-**	**-**	**-**	**-**	**-**

	31-Dec-22				
	assets and liabilities of insurance contracts relating to future services		assets and liabilities of insurance contracts relating to past services		Total
	Excluding loss component	Loss component	Present value of cash flows	Risk adjustment	
Opening balance of insurance contract assets					
Opening balance of insurance contract liabilities					
Opening balance as at 01-Jan-2022					
Revenue from insurance contracts					
Fair value approach					
Post-transition	(2,189,838)				(2,189,838)
Total revenue from insurance contracts	(2,189,838)				(2,189,838)
Insurance contract expenses					
Claims incurred in the period and other expenses			2,118,553		2,118,553
Claims			1,676,606		1,676,606
Expenses					
Other movements			441,947		441,947
Amortisation of acquisition cash flows	568				568
Changes in cash flows from past services					
Changes to future services					
Losses recognised at the beginning of the contract					
Changes in estimates relating to losses or reversal of losses on onerous contracts - subsequent measurement					
Total insurance contract expenses	568		2,118,553		2,119,121
Investment components	-	-	-	-	-
Total result of the insurance contract	(2,189,270)	-	2,118,553	-	(70,717)
Result of the financial component					
Effect of changes in the time value of money and financial risk					
Exchange rate differences					
Total result of the financial component	-	-	-	-	-
Financial component reserve	-	-	-	-	-
Total changes in the financial statement position	(2,189,270)	-	2,118,553	-	(70,717)
Current cash flows for the period					
Premiums	2,189,838				2,189,838
Claims and other attributable expenses paid other than acquisition costs, including investment components			(2,118,553)		(2,118,553)
Attributable acquisition cash flows	(568)				(568)
Total cash flows	2,189,270	-	(2,118,553)	-	70,717
Closing balance	-	-	-	-	-
Closing balance of insurance contract assets					
Closing balance of insurance contract liabilities					
Closing balance as as at 31-Dec-2022	**-**	**-**	**-**	**-**	**-**

In terms of the development of claims, by year of occurrence, the liabilities for life insurance contracts relating to past services as at 31 December 2023 were as follows:

Year of occurrence	Until the end of the year in which the claim occurred	1 year later	2 years later	3 years later	4 years later	Total
2019	2,165,348	1,120	-	-	183,065	2,349,533
2020	632,258	38,593	-	2,159	-	673,010
2021	940,689	5,000	77,611	-	-	1,023,301
2022	2,154,051	151,156	-	-	-	2,305,207
2023	12,285,724	-	-	-	-	12,285,724
Total	**18,178,070**	**195,869**	**77,611**	**2,159**	**183,065**	**18,636,774**

The development of claims, by year of occurrence, for liabilities under life insurance contracts relating to past services as at 31 December 2022 was as follows:

Year of occurrence	Until the end of the year in which the claim occurred	1 year later	2 years later	3 years later	4 years later	Total
2018	1,179,684	96,556	299	5,000	-	1,281,539
2019	1,077,614	19,114	-	-	-	1,096,728
2020	1,357,150	192,169	5,000	-	-	1,554,318
2021	1,545,675	212,155	-	-	-	1,757,830
2022	9,873,190	-	-	-	-	9,873,190
Total	**15,033,313**	**519,993**	**5,299**	**5,000**	-	**15,563,604**

The evolution of **liabilities** for **future services**, by calculation component, for the groups of life contracts **measured by the general model**, during 2023 and 2022, was as follows:

	31-Dec-23				
	Estimated present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin		Total
			Fair value approach	Post-transition	
Opening balance of insurance contract assets	(135,576,273)	18,536,603	91,881,390	-	(25,158,279)
Opening balance of insurance contract liabilities	424,103,963	2,515,840	38,251,920	4,865,016	469,736,739
Opening balance as at 31-Dec-2022	288,527,691	21,052,443	130,133,310	4,865,016	444,578,460
Changes to current services	11,232,312	(5,709,839)	(7,112,227)	(4,957,580)	(6,547,335)
Contractual service margin recognised for the provision of the service			(7,112,227)	(4,957,580)	(12,069,808)
Variation in risk adjustment for expired service		(5,709,839)			(5,709,839)
Experience adjustment not related to future service	2,419,837				2,419,837
Other variations	8,812,475				8,812,475
Variations relating to future services	36,809,487	(1,177,260)	(44,120,385)	8,360,522	(127,636)
contracts initially recognised in the year	(9,596,401)	4,970,790		7,564,778	2,939,168
Changes in estimates that adjust the CSM	48,693,772	(5,369,130)	(44,120,385)	795,744	-
Changes in estimates relating to losses or reversal of losses on onerous contracts	(2,287,884)	(778,920)			(3,066,804)
Changes to past services					
Changes in cash flows from past services					
Adjustments to claims experience or other expenses					
Total income from insurance contracts	48,041,799	(6,887,099)	(51,232,613)	3,402,942	(6,674,971)
Result of the financial component					
Effect of changes in the time value of money and financial risk	(4,939,659)	466,847	(601,774)	228,524	(4,846,063)
Exchange rate differences					
Total result of the financial component	(4,939,659)	466,847	(601,774)	228,524	(4,846,063)
Financial component reserve	8,752,897	1,544,400	-	-	10,297,297
Total changes in the financial statement position	43,042,562	(4,875,853)	(51,834,387)	3,631,465	(10,036,212)
Current cash flows for the period					
Premiums	133,863,317				133,863,317
Claims and other attributable expenses paid other than acquisition costs, including investment components	(67,680,356)				(67,680,356)
Attributable acquisition cash flows	(7,919,203)				(7,919,203)
Total cash flows	58,263,758	-	-	-	58,263,758
Closing balance	398,646,486	16,176,591	78,298,923	8,496,481	501,618,481
Closing balance of insurance contract assets	(98,280,780)	11,699,390	46,630,962	-	(39,950,428)
Closing balance of insurance contract liabilities	496,927,266	4,477,201	31,667,961	8,496,481	541,568,909
Closing balance as as at 31-Dec-2023	**398,646,486**	**16,176,591**	**78,298,923**	**8,496,481**	**501,618,481**

	31-Dec-22				
	Estimated present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin		Total
			Fair value approach	Post-transition	
Opening balance of insurance contract assets	(209,793,886)	28,777,586	108,935,876	-	(72,080,424)
Opening balance of insurance contract liabilities	390,183,813	2,415,662	40,828,334	-	433,427,809
Opening balance as at 01-Jan-2022	180,389,927	31,193,248	149,764,210	-	361,347,385
Changes to current services	7,975,840	(5,925,058)	(11,096,160)	(4,702,025)	(13,747,403)
Contractual service margin recognised for the provision of the service			(11,096,160)	(4,702,025)	(15,798,185)
Variation in risk adjustment for expired service		(5,925,058)			(5,925,058)
Experience adjustment not related to future service	(4,683,161)				(4,683,161)
Other variations	12,659,001				12,659,001
Variations relating to future services	3,987,132	2,782,555	(7,845,723)	9,590,456	8,514,419
contracts initially recognised in the year	(2,730,472)	4,737,894		4,852,245	6,859,667
Changes in estimates that adjust the CSM	5,081,926	(1,974,415)	(7,845,723)	4,738,211	-
Changes in estimates relating to losses or reversal of losses on onerous contracts	1,635,677	19,076			1,654,753
Changes to past services					
Changes in cash flows from past services					
Adjustments to claims experience or other expenses					
Total income from insurance contracts	11,962,972	(3,142,503)	(18,941,883)	4,888,430	(5,232,983)
Result of the financial component					
Effect of changes in the time value of money and financial risk	(2,373,868)	187,303	(689,018)	(23,415)	(2,898,997)
Exchange rate differences					
Total result of the financial component	(2,373,868)	187,303	(689,018)	(23,415)	(2,898,997)
Financial component reserve	(63,001,742)	(7,185,605)	-	-	(70,187,347)
Total changes in the financial statement position	(66,071,638)	(10,140,805)	(19,630,900)	4,865,016	(90,978,328)
Current cash flows for the period					
Premiums	241,057,926				241,057,926
Claims and other attributable expenses paid other than acquisition costs, including investment components	(74,239,540)				(74,239,540)
Attributable acquisition cash flows	(5,267,984)				(5,267,984)
Total cash flows	161,550,402	-	-	-	161,550,402
Closing balance	288,527,691	21,052,443	130,133,310	4,865,016	444,578,460
Closing balance of insurance contract assets	(135,576,273)	18,536,603	91,881,390	-	(25,158,279)
Closing balance of insurance contract liabilities	424,103,963	2,515,840	38,251,920	4,865,016	469,736,739
Closing balance as as at 31-Dec-2022	**288,527,691**	**21,052,443**	**130,133,310**	**4,865,016**	**444,578,460**

The evolution of **liabilities** for **future services**, by calculation component, for the groups of life contracts measured using the **variable fee approach**, during 2023 and 2022, was as follows:

	31-Dec-23				
	Estimated present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin		Total
			Fair value approach	Post-transition	
Opening balance of insurance contract assets					
Opening balance of insurance contract liabilities	112,197,024	31,500	31,016,086		143,244,610
Opening balance as at 31-Dec-2022	112,197,024	31,500	31,016,086	-	143,244,610
Changes to current services	1,947,004	(41,158)	(3,925,724)		(2,019,878)
Contractual service margin recognised for the provision of the service			(3,925,724)		(3,925,724)
Variation in risk adjustment for expired service		(41,158)			(41,158)
Experience adjustment not related to future service	1,704,242				1,704,242
Other variations	242,762				242,762
Variations relating to future services	7,976,416	153,332	(8,129,747)		-
contracts initially recognised in the year					
Changes in estimates that adjust the CSM	7,976,416	153,332	(8,129,747)		-
Changes in estimates relating to losses or reversal of losses on onerous contracts					
Changes to past services					
Changes in cash flows from past services					
Adjustments to claims experience or other expenses					
Total income from insurance contracts	9,923,420	112,174	(12,055,471)	-	(2,019,877)
Result of the financial component					
Effect of changes in the time value of money and financial risk	2,978,256				2,978,256
Exchange rate differences					
Total result of the financial component	2,978,256	-	-	-	2,978,256
Financial component reserve	-	-	-	-	-
Total changes in the financial statement position	12,658,914	112,174	(12,055,471)	-	715,617
Current cash flows for the period					
Premiums	2,710,198				2,710,198
Claims and other attributable expenses paid other than acquisition costs, including investment components	(52,872,139)				(52,872,139)
Attributable acquisition cash flows	(198,147)				(198,147)
Total cash flows	(50,360,088)	-	-	-	(50,360,088)
Closing balance	74,738,611	143,674	18,960,615	-	93,842,900
Closing balance of insurance contract assets					
Closing balance of insurance contract liabilities	74,738,611	143,674	18,960,615	-	93,842,900
Closing balance as as at 31-Dec-2023	**74,738,611**	**143,674**	**18,960,615**	**-**	**93,842,900**

	31-Dec-22				
	Estimated present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin		Total
			Fair value approach	Post-transition	
Opening balance of insurance contract assets					
Opening balance of insurance contract liabilities	143,597,272	34,333	11,454,257		155,085,861
Opening balance as at 01-Jan-2022	143,597,272	34,333	11,454,257	-	155,085,861
Changes to current services	1,511,749	(2,573)	(6,069,058)		(4,559,882)
Contractual service margin recognised for the provision of the service			(6,069,058)		(6,069,058)
Variation in risk adjustment for expired service		(2,573)			(2,573)
Experience adjustment not related to future service	921,847				921,847
Other variations	589,902				589,902
Variations relating to future services	(25,630,627)	(260)	25,630,887		-
contracts initially recognised in the year					
Changes in estimates that adjust the CSM	(25,630,627)	(260)	25,630,887		-
Changes in estimates relating to losses or reversal of losses on onerous contracts					
Changes to past services					
Changes in cash flows from past services					
Adjustments to claims experience or other expenses					
Total income from insurance contracts	(24,118,878)	(2,833)	19,561,829	-	(4,559,882)
Result of the financial component					
Effect of changes in the time value of money and financial risk	2,689,240				2,689,240
Exchange rate differences					
Total result of the financial component	2,689,240	-	-	-	2,689,240
Financial component reserve	-	-	-	-	-
Total changes in the financial statement position	(22,019,539)	(2,833)	19,561,829	-	(2,460,543)
Current cash flows for the period					
Premiums	3,015,038				3,015,038
Claims and other attributable expenses paid other than acquisition costs, including investment components	(12,721,189)				(12,721,189)
Attributable acquisition cash flows	(264,460)				(264,460)
Total cash flows	(9,970,610)	-	-	-	(9,970,610)
Closing balance	112,197,024	31,500	31,016,086	-	143,244,609
Closing balance of insurance contract assets					
Closing balance of insurance contract liabilities	112,197,024	31,500	31,016,086	-	143,244,609
Closing balance as as at 31-Dec-2023	**112,197,024**	**31,500**	**31,016,086**	**-**	**143,244,609**

With regard to contracts with direct participation features, which were measured using the variable fee approach as required by the standard, the fair value of the investment portfolio allocated to these products amounted to 122 million euros and 161 million euros respectively at the end of 2023 and 2022, respectively. The investment portfolio consists mainly of public and private debt securities.

	Fair value of underlying assets	
Portfolios measured using the variable fee approach	**31-Dec-23**	**31-Dec-22**
Capitalisation with profit sharing	32,699,214	103,743,643
PPR with profit sharing	89,443,309	56,911,731
Total	**122,142,523**	**160,655,374**

Guaranteed rate contracts without discretionary profit-sharing and contracts in which the policyholder bears the investment risk are classified and recorded under "Other liabilities", see Note 20. In accordance with the requirements of IFRS 17(106) and (107), the details of the initial recognition of life insurance contracts relating to new business as at 31 December 2023 and 31 December 2022 are presented below:

31-Dec-23

	non-onerous contracts			onerous contracts		
insurance contracts issued	contracts acquired from other entities	Other contracts	Total	contracts acquired from other entities	Other contracts	Total
Estimated present value of future cash outflows		82,441,111	82,441,111		5,864,976	5,864,976
Cash flows from insurance purchases		1,275,821	1,275,821		1,174,065	1,174,065
Cash flows from claims and other expenses		81,165,290	81,165,290		4,690,912	4,690,912
Estimated present value of future cash inflows		(93,186,894)	(93,186,894)		(4,715,593)	(4,715,593)
Risk adjustment for non-financial risk		3,181,005	3,181,005		1,789,785	1,789,785
Contractual service margin		7,564,778	7,564,778		-	-
Loss recognised at the beginning of the period	**-**	**-**	**-**	**-**	**2,939,168**	**2,939,168**

31-Dec-22

	non-onerous contracts			onerous contracts		
insurance contracts issued	contracts acquired from other entities	Other contracts	Total	contracts acquired from other entities	Other contracts	Total
Estimated present value of future cash outflows		7,417,157	7,417,157		187,614,999	187,614,999
Cash flows from insurance purchases		1,484,254	1,484,254		3,887,770	3,887,770
Cash flows from claims and other expenses		5,932,903	5,932,903		183,727,229	183,727,229
Estimated present value of future cash inflows		(15,473,468)	(15,473,468)		(182,289,160)	(182,289,160)
Risk adjustment for non-financial risk		3,204,066	3,204,066		1,533,827	1,533,827
Contractual service margin		4,852,245	4,852,245		-	-
Loss recognised at the beginning of the period	**-**	**-**	**-**	**-**	**6,859,667**	**6,859,667**

With regard to the expected future recognition of the value of the contractual services margin for groups of life contracts not measured by the premium allocation approach, the Group estimated the following contractual service margin values, by business segment, as at 31 December 2023 and 31 December 2022:

	31-Dec-23			31-Dec-22		
Expected number of years for recognition of the contractual service margin	Savings	Risk	Total	Savings	Risk	Total
< 1 year	5,892,153	6,274,781	12,166,934	8,430,959	11,189,764	19,620,723
1 to 2 years	5,451,941	3,217,163	8,669,104	5,723,514	6,078,462	11,801,976
2 to 3 years	4,792,048	3,042,997	7,835,045	5,252,807	5,760,611	11,013,418
3 to 4 years	3,912,817	2,875,387	6,788,203	4,604,848	5,458,241	10,063,088
4 to 5 years	3,634,170	2,720,142	6,354,311	3,953,768	5,165,838	9,119,605
5 to 10 years	13,563,359	11,462,135	25,025,494	16,056,567	21,972,418	38,028,985
> 10 years	18,237,500	20,679,428	38,916,928	24,925,093	41,441,523	66,366,616
Total	**55,483,988**	**50,272,031**	**105,756,019**	**68,947,554**	**97,066,857**	**166,014,411**

48.2 Non-Life insurance contract liabilities

As at 31 December 2023 and 2022, Non-Life insurance contract liabilities, by branch, are analysed as follows:

	31-Dec-23				
Technical Business Lines	Future services - Premiums	Future services - Attributable costs	Past services - Present value of cash flows	Past services - Risk adjustment	Total
Accident & sickness:					
Accidents at work	2,249,427	(307,343)	64,360,099	4,698,287	71,000,469
Personal accidents	3,166,310	(1,496,382)	1,415,021	174,408	3,259,357
Sickness	689,772	(169,114)	2,303,100	78,305	2,902,064
Fire and other damage	10,866,612	(3,177,626)	10,938,302	1,688,631	20,315,919
Motor:					
Civil liability	8,547,552	(1,504,401)	37,573,579	2,179,268	46,795,999
Other coverage	5,670,613	(1,015,779)	3,323,040	285,781	8,263,655
Maritime, air and transport	43,428	(14,506)	27,050	1,704	57,676
General civil liability	1,558,031	(447,478)	2,674,535	331,642	4,116,731
Other	3,245,462	(1,054,698)	5,327,281	651,409	8,169,454
Total	**36,037,206**	**(9,187,327)**	**127,942,009**	**10,089,436**	**164,881,324**

Technical Business Lines	Future services - Premiums	Future services - Attributable costs	Past services - Present value of cash flows	Past services - Risk adjustment	Total
			31-Dec-22		
Accident & sickness:					
Accidents at work	2,138,598	(366,104)	57,077,123	4,052,476	62,902,092
Personal accidents	3,058,432	(1,602,464)	1,650,339	215,290	3,321,597
Sickness	567,632	(132,930)	1,787,040	58,972	2,280,714
Fire and other damage	10,263,804	(3,594,676)	12,910,705	1,974,689	21,554,523
Motor:					
Civil liability	7,811,862	(1,289,210)	38,044,511	2,701,160	47,268,323
Other coverage	4,778,293	(799,161)	2,832,572	263,429	7,075,134
Maritime, air and transport	45,755	(15,139)	13,955	851	45,422
General civil liability	1,500,314	(400,985)	2,403,626	372,562	3,875,517
Other	2,955,383	(1,153,331)	4,955,989	610,819	7,368,860
Total	**33,120,073**	**(9,354,000)**	**121,675,860**	**10,250,249**	**155,692,181**

Regarding the variation in provisions for non-life insurance contract liabilities by branch, these are shown in detail in the table below.

Technical Business Lines	Variation in Insurance contract liabilities - PAA	Variation in Insurance contract liabilities - Attributable costs	Variation in Insurance contract liabilities - Discounted	Variation in Insurance contract liabilities - Risk adjustment	Total Variation in Insurance contract liabilities
			31-Dec-23		
Accident & sickness:					
Accidents at work	110,829	58,761	7,282,976	645,811	8,098,377
Personal accidents	107,878	106,082	(235,318)	(40,882)	(62,240)
Sickness	122,140	(36,184)	516,060	19,333	621,349
Fire and other damage	602,807	417,050	(1,972,403)	(286,058)	(1,238,604)
Motor:					
Civil liability	735,691	(215,191)	(470,932)	(521,893)	(472,324)
Other coverage	892,319	(216,618)	490,468	22,352	1,188,522
Maritime, air and transport	(2,327)	633	13,095	853	12,254
General civil liability	57,717	(46,493)	270,910	(40,920)	241,214
Other	290,080	98,632	371,292	40,590	800,594
Total	**2,917,133**	**166,673**	**6,266,149**	**(160,813)**	**9,189,143**

It should be noted that the variation in the provision for claims does not coincide with the difference between the values of the provisions for claims as at 31 December 2023 and 2022, due to the fact that the variation in the provision for claims is also affected by the variation in the financial component reserve constituted in equity.

48.2.1. Liabilities of insurance contracts relating to future services

Non-Life insurance contract liabilities relating to future services, by class, as at 31 December 2023 and 2022, are as follows:

	31-Dec-23		
Technical Business Lines	Insurance contract liabilities - Future services - Premiums (1)	Insurance contract liabilities - Future services - Attributable costs (2)	Insurance contract liabilities - Future services (3) = (1) + (2)
Accident & sickness:			
Accidents at work	2,249,427	(307,343)	1,942,083
Personal accidents	3,166,310	(1,496,382)	1,669,928
Sickness	689,772	(169,114)	520,658
Fire and other damage	10,866,612	(3,177,626)	7,688,986
Motor:			
Civil liability	8,547,552	(1,504,401)	7,043,152
Other coverage	5,670,613	(1,015,779)	4,654,834
Maritime, air and transport	43,428	(14,506)	28,922
General civil liability	1,558,031	(447,478)	1,110,553
Other	3,245,462	(1,054,698)	2,190,764
Total	**36,037,206**	**(9,187,327)**	**26,849,879**

	31-Dec-22		
Technical Business Lines	Insurance contract liabilities - Future services - Premiums (1)	Insurance contract liabilities - Future services - Attributable costs (2)	Insurance contract liabilities - Future services (3) = (1) + (2)
Accident & sickness:			
Accidents at work	2,138,598	(366,104)	1,772,494
Personal accidents	3,058,432	(1,602,464)	1,455,968
Sickness	567,632	(132,930)	434,702
Fire and other damage	10,263,804	(3,594,676)	6,669,128
Motor:			
Civil liability	7,811,862	(1,289,210)	6,522,652
Other coverage	4,778,293	(799,161)	3,979,132
Maritime, air and transport	45,755	(15,139)	30,616
General civil liability	1,500,314	(400,985)	1,099,329
Other	2,955,383	(1,153,331)	1,802,052
Total	**33,120,073**	**(9,354,000)**	**23,766,073**

48.2.2. Liabilities of insurance contracts relating to past services

48.2.2.1. Provision for incurred claims

The liabilities for non-life insurance contracts relating to past services or provisions for incurred claims by line of business, as at 31 December 2023 and 2022, are as follows:

31-Dec-23

Technical Business Lines	Insurance contract liabilities - Past services	Reinsurance contract assets - Past services	Net
Accident & sickness:			
Accidents at work	69,058,386	-	69,058,386
Personal accidents	1,589,429	-	1,589,429
Sickness	2,381,405	(4,001,329)	(1,619,923)
Fire and other damage	12,626,933	(7,403,262)	5,223,671
Motor:			
Civil liability	39,752,847	(1,619,952)	38,132,894
Other coverage	3,608,822	(8,725)	3,600,096
Maritime, air and transport	28,754	(90)	28,664
General civil liability	3,006,178	(81,051)	2,925,126
Other	5,978,690	(5,815,178)	163,512
Total	**138,031,444**	**(18,929,588)**	**119,101,856**

31-Dec-22

Technical Business Lines	Insurance contract liabilities - Past services	Reinsurance contract assets - Past services	Net
Accident & sickness:			
Accidents at work	61,129,598	-	61,129,598
Personal accidents	1,865,629	-	1,865,629
Sickness	1,846,012	(3,609,990)	(1,763,978)
Fire and other damage	14,885,395	(7,309,432)	7,575,962
Motor:			
Civil liability	40,745,671	(1,622,942)	39,122,729
Other coverage	3,096,002	(12,632)	3,083,370
Maritime, air and transport	14,806	(90)	14,716
General civil liability	2,776,187	(23,491)	2,752,696
Other	5,566,808	(5,415,141)	151,666
Total	**131,926,109**	**(17,993,720)**	**113,932,389**

48.2.2.2. Provision for incurred claims by year in which the claims occurred

The breakdown of Non-Life insurance contract liabilities for past services by year of occurrence is as follows:

31-Dec-23

Claims Occurrence Year	Accidents at work	Motor	Other	Total
2023	7,599,174	9,684,166	7,107,754	24,391,093
2022	7,075,987	3,940,121	1,544,575	12,560,684
2021	4,832,358	4,801,522	3,221,790	12,855,670
2020	3,789,103	6,358,634	745,412	10,893,149
2019	4,087,088	2,801,652	296,502	7,185,243
2018	5,110,610	2,632,661	5,216,066	12,959,337
2017	2,698,431	2,085,933	557,084	5,341,448
2016	1,970,335	1,311,238	269,484	3,551,057
2015	1,821,443	430,744	124,386	2,376,573
2014	1,566,994	86,623	(180,906)	1,472,711
2013	1,094,047	152,700	46,524	1,293,272
2012	990,733	15,002	382	1,006,117
2011	1,386,086	219,734	0	1,605,820
2010	10,812,236	87,282	70,980	10,970,498
Total	**54,834,626**	**34,608,013**	**19,020,035**	**108,462,673**

31-Dec-22

Claims Occurrence Year	Accidents at work	Motor	Other	Total
2022	8,804,044	9,951,836	7,288,196	26,044,076
2021	6,104,509	5,460,148	3,332,422	14,897,078
2020	4,042,125	6,290,983	1,085,871	11,418,979
2019	4,343,514	3,247,264	684,254	8,275,031
2018	4,364,595	3,449,693	6,451,445	14,265,733
2017	2,829,361	2,439,445	752,235	6,021,041
2016	2,059,990	2,982,975	1,072,191	6,115,156
2015	1,954,051	1,613,044	81,509	3,648,604
2014	1,788,376	1,278,199	(177,804)	2,888,771
2013	1,140,253	473,667	44,487	1,658,408
2012	1,023,640	1,088,634	382	2,112,656
2011	1,434,396	470,967	0	1,905,364
2010	11,038,602	7,081,186	71,013	18,190,801
Total	**50,927,457**	**45,828,041**	**20,686,200**	**117,441,698**

48.2.2.3. Provision for incurred claims - cash flows

The present value of cash flows in 2023 and 2022 can be found in the tables below:

31-Dec-23			
Technical Business Lines	Insurance contract liabilities - Past services	Reinsurance contract assets - Past services	Net
Accident & sickness:			
Accidents at work	64,360,099	-	64,360,099
Personal accidents	1,415,021	-	1,415,021
Sickness	2,303,100	(3,923,167)	(1,620,067)
Fire and other damage	10,938,302	(6,406,155)	4,532,147
Motor:			
Civil liability	37,573,579	(1,531,146)	36,042,433
Other coverage	3,323,040	(8,035)	3,315,006
Maritime, air and transport	27,050	(85)	26,965
General civil liability	2,674,535	(72,110)	2,602,426
Other	5,327,281	(5,174,791)	152,490
Total	**127,942,009**	**(17,115,489)**	**110,826,520**

31-Dec-22			
Technical Business Lines	Insurance contract liabilities - Past services	Reinsurance contract assets - Past services	Net
Accident & sickness:			
Accidents at work	57,077,123	-	57,077,123
Personal accidents	1,650,339	-	1,650,339
Sickness	1,787,040	(3,551,145)	(1,764,105)
Fire and other damage	12,910,705	(6,394,324)	6,516,382
Motor:			
Civil liability	38,044,511	(1,515,352)	36,529,159
Other coverage	2,832,572	(11,557)	2,821,015
Maritime, air and transport	13,955	(85)	13,870
General civil liability	2,403,626	(20,339)	2,383,287
Other	4,955,989	(4,815,571)	140,418
Total	**121,675,860**	**(16,308,373)**	**105,367,487**

Actuarial studies have revealed a good level of provisioning for the liabilities assumed by the Group, in line with the conservative policy that has been followed. A provision for IBNR claims was set up for the non-life lines with the highest volume of costs in 2023, taking into account the Group's historical experience.

The provision for IBNR claims was based on the distribution by Solvency II lines of business.

48.2.2.4. Risk adjustment

Past service insurance contract liabilities include the following risk adjustment in 2023 and 2022:

	31-Dec-23	
Technical Business Lines	Insurance contract liabilities - Past services	Reinsurance contract assets - Past services
Accident & sickness:		
Accidents at work	4,698,287	-
Personal accidents	174,408	-
Sickness	78,305	(78,305)
Fire and other damage	1,688,631	(997,218)
Motor:		
Civil liability	2,179,268	(88,816)
Other coverage	285,781	(691)
Maritime, air and transport	1,704	(5)
General civil liability	331,642	(8,942)
Other	651,409	(640,934)
Total	**10,089,435**	**(1,814,913)**

	31-Dec-22	
Technical Business Lines	Insurance contract liabilities - Past services	Reinsurance contract assets - Past services
Accident & sickness:		
Accidents at work	4,052,476	-
Personal accidents	215,290	-
Sickness	58,972	(58,972)
Fire and other damage	1,974,689	(915,209)
Motor:		
Civil liability	2,701,160	(107,602)
Other coverage	263,429	(1,075)
Maritime, air and transport	851	(5)
General civil liability	372,562	(3,153)
Other	610,819	(600,042)
Total	**10,250,249**	**(1,686,059)**

Liabilities arising from non-life insurance contracts are recorded under "Other liabilities - Non-Life insurance contract liabilities". The main liability item for Non-Life insurance contracts is the liability for past services or provision for incurred claims (LIC). This provision is made up of cash flows from past services, which in 2023 amounted to 127,942,009 euros (2022: 121.675,860 euros); and by the risk adjustment which in 2023 amounted to 10,089,435 euros (2022: 10,250,249 euros).

48.2.2.5. Effects of changes in interest rate assumptions on provisions for claims

The following is an analysis of the sensitivity of this mathematical provision for accidents at work, excluding compulsorily redeemable pensions and excluding claims that have been incurred but not reported (IBNR) and those incurred but not enough reported (IBNER), to changes in the interest rate used to update future cash flows.

	base -0.50%	base -0.25%	Base interest rate	base + 0.25%	base + 0.50%
Mathematical provision (except compulsorily redeemable)	39,558,822	38,281,999	37,073,484	35,928,567	34,842,921
Impact	2,485,338	1,208,515	-	(1,144,917)	(2,230,563)

The following table shows an analysis of the sensitivity of the mathematical provision for accidents at work (only the part relating to compulsorily redeemable pensions), excluding IBNR, to changes in the interest rate for updating future cash flows.

	base -0.50%	base -0.25%	Base interest rate	base + 0.25%	base + 0.50%
Mathematical provision (only compulsorily redeemable)	7,167,101	6,973,199	6,788,589	6,612,820	6,445,200
Impact	378,512	184,610	-	(175,769)	(343,389)

With regard to the provision for life assistance, the impacts resulting from changes in the interest rate assumption are shown in the following table:

	base -0.50%	base -0.25%	Base interest rate	base + 0.25%	base + 0.50%
Provision for lifelong assistance	13,593,824	13,013,970	12,471,707	11,964,029	11,488,210
Impact	1,122,117	542,264	-	(507,678)	(983,497)

The impacts on non-life liabilities resulting from changes in the interest rate assumption are shown in the following table:

	base -0.50%	base -0.25%	Base interest rate	base + 0.25%	base + 0.50%
Non-Life Liabilities	72,356,157	71,979,652	71,608,230	71,241,794	70,880,251
Impact	747,927	371,422	-	(366,436)	(727,978)

48.3 Assets from life and non-life reinsurance contracts

Life insurance business

Direct reinsurance contract liabilities of the Life business relating to future services are broken down as follows as at 31 December 2022 and 2023:

	31-Dec-23		31-Dec-22	
Reinsurance contract assets	**Future future services**	**From past services**	**From future services**	**From past services**
Measured using the premium allocation approach				
Measured using the general model				
Risk		5,052,714		3,562,419
Total		**5,052,714**		**3,562,419**

The movements during the year in the provision for future and past services of reinsurance ceded in the Life business are as follows:

	31-Dec-23			
	Estimated present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin - Post-transition	Total
Opening balance of reinsurance contract assets	3,562,419			3,562,419
Opening balance of liabilities from reinsurance contracts				
Opening balance as at 31-Dec-2022	3,562,419	-	-	3,562,419
Changes to current services	(1,598,722)	(3,531,791)	3,570,461	(1,560,052)
Contractual service margin recognised for the provision of the service			3,570,461	3,570,461
Variation in risk adjustment for expired service		(3,531,791)		(3,531,791)
Experience adjustment not related to future service	(1,544,722)			(1,544,722)
Other variations	(54,000)			(54,000)
Variations relating to future services	14,352	3,468,066	(3,482,418)	-
Contracts initially recognised in the year	(882,691)	3,468,066	(2,585,374)	-
Changes in estimates that adjust the contractual service margin	855,246	(441)	(854,804)	-
Changes in estimates relating to the recovery of losses on onerous contracts	41,798	441		42,239
Changes in estimates relating to the recovery of losses on onerous contracts that adjust the contractual service margin			(42,239)	(42,239)
Changes to past services				
Changes in cash flows from past services				
Adjustments to claims experience or other expenses				
Effect of changes in reinsurance default risk				
Total income from reinsurance contracts	(1,584,370)	(63,726)	88,043	(1,560,052)
Result of the financial component				
Effect of changes in the time value of money and financial risk	(8,469)	63,726	(88,043)	(32,787)
Exchange rate differences				
Total result of the financial component	(8,469)	63,726	(88,043)	(32,787)
Financial component reserve	-	-	-	-
Total changes in the financial statement position	(1,592,839)	-	-	(1,592,839)
Cash flows				
Premiums	8,304,536			8,304,536
Amounts recovered	(5,221,401)			(5,221,401)
Total cash flows	3,083,134	-	-	3,083,134
Closing balance	5,052,714	-	-	5,052,714
Closing balance of reinsurance contract assets	5,052,714			5,052,714
Closing balance of reinsurance contract liabilities				
Closing balance as as at 31-Dec-2023	**5,052,714**	**-**	**-**	**5,052,714**

	31-Dec-22			
	Estimated present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin - Post-transition	Total
Opening balance of reinsurance contract assets	4,269,138			4,269,138
Opening balance of liabilities from reinsurance contracts				
Opening balance as at 01-Jan-2022	4,269,138	-	-	4,269,138
Changes to current services	(1,538,112)	(4,339,129)	3,958,872	(1,918,369)
Contractual service margin recognised for the provision of the service			3,958,872	3,958,872
Variation in risk adjustment for expired service		(4,339,129)		(4,339,129)
Experience adjustment not related to future service	(4,455,817)			(4,455,817)
Other variations	2,917,705			2,917,705
Variations relating to future services	(374,609)	4,350,648	(3,976,039)	-
Contracts initially recognised in the year	(800,709)	4,350,648	(3,549,938)	-
Changes in estimates that adjust the contractual service margin	(874,113)	(461)	874,574	-
Changes in estimates relating to the recovery of losses on onerous contracts	1,300,214	461		1,300,675
Changes in estimates relating to the recovery of losses on onerous contracts that adjust the contractual service margin			(1,300,675)	(1,300,675)
Changes to past services				
Changes in cash flows from past services				
Adjustments to claims experience or other expenses				
Effect of changes in reinsurance default risk				
Total income from reinsurance contracts	(1,912,720)	11,519	(17,167)	(1,918,369)
Result of the financial component				
Effect of changes in the time value of money and financial risk	1,151	(11,519)	17,167	6,799
Exchange rate differences				
Total result of the financial component	1,151	(11,519)	17,167	6,799
Financial component reserve	-	-	-	-
Total changes in the financial statement position	(1,911,570)	-	-	(1,911,570)
Cash flows				
Premiums	5,233,867			5,233,867
Amounts recovered	(4,029,017)			(4,029,017)
Total cash flows	1,204,850	-	-	1,204,850
Closing balance	3,562,419	-	-	3,562,419
Closing balance of reinsurance contract assets	3,562,419			3,562,419
Closing balance of reinsurance contract liabilities				
Closing balance as at 31.Dec.2022	**3,562,419**	**-**	**-**	**3,562,419**

Non-Life insurance business

Non-Life reinsurance contract assets as at 31 December 2023 and 2022 are analysed as follows:

31-Dec-23			
Technical Business Lines	Reinsurance contract assets - Future services - Premiums ceded	Reinsurance contract assets - Future services - Fees and commissions	Reinsurance contract assets - Past services
Accident & sickness:			
Accidents at work	-	-	-
Personal accidents	1,558	(17)	-
Sickness	689,772	-	4,001,329
Fire and other damage	4,117,676	(880,524)	7,403,262
Motor:			
Civil liability	4,459	27	1,619,952
Other coverage	9,303	207	8,725
Maritime, air and transport	1,856	(325)	90
General civil liability	142,303	-	81,051
Other	3,906,430	(6,340)	5,815,178
Total	**8,873,358**	**(886,971)**	**18,929,588**

31-Dec-22			
Technical Business Lines	Reinsurance contract assets - Future services - Premiums ceded	Reinsurance contract assets - Future services - Fees and commissions	Reinsurance contract assets - Past services
Accident & sickness:			
Accidents at work	-	-	-
Personal accidents	-	-	-
Sickness	567,632	-	3,609,990
Fire and other damage	3,710,937	(694,245)	7,309,432
Motor:			
Civil liability	19,472	(209)	1,622,942
Other coverage	40,773	(1,309)	12,632
Maritime, air and transport	2,576	(415)	90
General civil liability	220,658	-	23,491
Other	3,598,652	(6,453)	5,415,141
Total	**8,160,700**	**(702,631)**	**17,993,720**

The following map details a roll forward of the ARC and AIC justifying the variation between December 2022 and December 2023:

Technical Business Lines	31-Dec-23 Reinsurance contract assets - Future services - Premiums ceded	Reinsurance contract assets - Future services - Fees and commissions	Reinsurance contract assets - Past services
Balance as at 31-Dec-2022	8,160,700	(702,631)	17,993,720
Revenues from reinsurance contracts			
Claims incurred and other expenses attributable to insurance contracts			
Present value of cash flows	-	(184,340)	5,936,939
Risk adjustment	-	-	482,359
Changes to past services			
Present value of cash flows	-	-	(3,336,871)
Risk adjustment	-	-	(353,505)
Reinsurance contract expenses			
Measured using the premium allocation approach	712,658	-	-
Settlement of the 2022 profit sharing	-	-	(1,781,817)
Reserve for the financial component of reinsurance contracts	-	-	(11,235)
Balance as at 31-Dec-2023	**8,873,358**	**(886,971)**	**18,929,588**

48.4 Insurance contract liabilities

Liabilities from insurance contracts, as at 31 December 2023 and 2022, are presented as follows:

	31-Dec-23			31-Dec-22		
Technical Business Lines	Insurance contract liabilities - Future services - Premiums	Insurance contract liabilities - Future services - Attributable costs	Insurance contract liabilities - Past services	Insurance contract liabilities - Future services - Premiums	Insurance contract liabilities - Future services - Attributable costs	Insurance contract liabilities - Past services
Accident & sickness:						
Accidents at work	2,249,427	(307,343)	69,058,386	2,138,598	(366,104)	61,129,598
Personal accidents	3,166,310	(1,496,382)	1,589,429	3,058,432	(1,602,464)	1,865,629
Sickness	689,772	(169,114)	2,381,405	567,632	(132,930)	1,846,012
Fire and other damage	10,866,612	(3,177,626)	12,626,934	10,263,804	(3,594,676)	14,885,395
Motor:						
Civil liability	8,547,552	(1,504,401)	39,752,847	7,811,862	(1,289,210)	40,745,671
Other coverage	5,670,613	(1,015,779)	3,608,822	4,778,293	(799,161)	3,096,002
Maritime, air and transport	43,428	(14,506)	28,754	45,755	(15,139)	14,806
General civil liability	1,558,031	(447,478)	3,006,178	1,500,314	(400,985)	2,776,187
Other	3,245,462	(1,054,698)	5,978,690	2,955,383	(1,153,331)	5,566,808
Total	**36,037,206**	**(9,187,327)**	**138,031,444**	**33,120,073**	**(9,354,000)**	**131,926,109**

48.5 LRC and LIC roll forward

The following map details a roll forward of the liabilities for remaining coverage (LRC) and the liabilities for incurred claims (LIC) justifying the variation between December 2022 and December 2023:

	31-Dec-23		
Technical Business Lines	Insurance contract liabilities - Future services - Premiums	Insurance contract liabilities - Future services - Attributable costs	Insurance contract liabilities - Past services
Balance as at 31-Dec-2022	33,120,073	(9,354,000)	131,926,109
Revenue from insurance contracts			
Measured using the premium allocation approach - Revenues	2,917,133	-	-
Insurance contract expenses			
Claims incurred and other expenses attributable to insurance contracts			
Present value of cash flows	-	-	35,354,785
Risk adjustment	-	-	3,140,672
Attributable non-acquisition costs	-	166,673	-
Acquisition costs attributable to insurance contracts	-	-	-
Changes to past services			
Present value of cash flows	-	-	(36,113,796)
Risk adjustment	-	-	(3,301,486)
Result of the financial component of insurance contracts	-	-	374,913
Reserve for the financial component of insurance contracts	-	-	6,650,247
Balance as at 31-Dec-2023	**36,037,206**	**(9,187,327)**	**138,031,444**

49. Prudential ratios

From 1 January 2014 onwards, European banking solvency has been assessed through the Common Equity Tier 1 (CET1) ratio, under the Basel III Agreement.

As at 31 December 2023, considering the net income generated, the Common Equity Tier 1 stood at 22.3%, as did the Tier 1. Overall, the total capital ratio was at the same percentage 22.3%, clearly meeting the minimum requirements set by the regulator.

Thousand euros, except %	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Δ Set23/Dez23
Total Own Funds	**1,950,221**	**2,053,585**	**2,127,608**	**2,168,930**	**2,358,532**	**8.74%**
Common Equity Tier 1	1,950,221	2,053,585	2,127,608	2,168,930	2,358,532	8.74%
Tier 1	1,950,221	2,053,585	2,127,608	2,168,930	2,358,532	8.74%
Tier 2	0	0	0	0	0	0.00%
Exposure value [b]	**24,463,664**	**24,064,090**	**23,566,137**	**23,931,244**	**24,206,711**	**1.15%**
Risk weighted exposure amounts	**9,797,944**	**10,081,824**	**10,020,848**	**10,030,112**	**10,569,172**	**5.37%**
Loans and advances	8,786,966	9,065,206	8,989,990	9,002,492	9,255,763	2.81%
Market	3,961	9,623	23,862	20,558	0	-100.00%
Operational	979,301	979,282	979,282	979,282	1,288,389	31.56%
Credit valuation adjustment (CVA)	27,716	27,714	27,714	27,780	25,020	-9.94%
RWA Density	38.25%	42.48%	41.82%	41.30%	43.23%	**4.67%**
Solvency ratios [a]						
Common Equity Tier 1	19.90%	20.37%	21.23%	21.62%	22.32%	0.69 p.p.
Tier 1	19.90%	20.37%	21.23%	21.62%	22.32%	0.69 p.p.
Total	19.90%	20.37%	21.23%	21.62%	22.32%	0.69 p.p.
Leverage ratio	7.61%	8.65%	8.88%	8.93%	9.65%	**0.71 p.p.**
Liquidity coverage ratio (LCR)	499.95%	526.33%	632.13%	605.93%	644.06%	**38.13 p.p.**
Texas Ratio [c]	25.48%	24.03%	25.08%	28.20%	26.53%	**-1.67 p.p.**

Note: Unaudited information

(a) Includes on-balance-sheet and off-balance-sheet positions and derivatives, net of impairment.

(b) The ratios are calculated in accordance with the rules of Directive 2013/36/EU (CRD IV - Capital Requirements Directive) and Regulation (EU) 575/2013 (CRR - Capital Requirements Regulation).

(b) Determined by: NPL / (Tangible common equity + Stock of impairments)

The metrics and indicators used by the Crédito Agrícola Group to monitor Capital are as follows:

Type	Indicator	Risk Profile	Alert Limit
Capital	Common Equity Tier 1	> 14%	12%
Capital	Total Own Funds	> 16%	15%
Capital	Leverage Ratio	> 6%	4%

50. Resolution Fund

Under the banking resolution mechanisms implemented over the last few years at a European level, the credit institutions of the Crédito Agrícola Group, like most of the credit institutions operating in Portugal, are participants in the Portuguese Resolution Fund and in the European Single Resolution Fund.

a) Portuguese Resolution Fund

The Resolution Fund is a legal person governed by public law with administrative and financial autonomy, created by Decree-Law 31-A/2012 of 10 February, which is ruled by the Legal Framework of Credit Institutions and Financial Companies (“RGICSF”) and by its regulation. Its mission is to provide financial support to the resolution measures applied by Banco de Portugal, as the national resolution authority, and to perform all other duties entrusted by the law concerning the execution of these measures.

The Crédito Agrícola Group’s credit institutions make contributions to the Resolution Fund which result from the application of a rate defined annually by Banco de Portugal based essentially on the value of their liabilities. In 2023 the periodic contribution made by the Crédito Agrícola Group (SICAM) came to 1,780,002 euros.

Under its responsibility as the supervisory and resolution authority of the Portuguese financial sector, Banco de Portugal, on 3 August 2014, decided to apply a resolution measure to Banco Espírito Santo, S.A. (“BES”), under Article 145-G(5) of the Legal Framework of Credit Institutions and Financial Companies (“RGICSF”), which consisted of the transfer of most of its assets to a transition bank, named Novo Banco, S.A. (“Novo Banco”), created especially for the purpose.

The Resolution Fund provided 4,900 million euros for the payment of the share capital of Novo Banco, of which 377 million euros corresponded to its own financial resources. A loan of 700 million euros was also granted by a banking syndicate to the Resolution Fund, with the participation of each credit institution having weighted according to various factors, including its size. The remaining amount (3,823 million euros) came from a repayable loan granted by the Portuguese State.

In December 2015, the national authorities decided to sell the majority of the assets and liabilities associated with the activity of Banif – Banco Internacional do Funchal, S.A. (“Banif”) to Banco Santander Totta, S.A. (“Santander Totta”), for 150 million euros, also in the context of the application of a resolution measure. This operation involved an estimated public support of 2,255 million euros, aimed at covering future contingencies, with 489 million euros financed by the Resolution Fund and 1,766 million euros directly by the Portuguese State. In the context of this resolution measure, the assets of Banif which were identified as problematic were transferred to an asset management vehicle, created for the purpose – Oitante, S.A., with the Resolution Fund being the sole holder of its share capital, through the issue of bonds representing the debt of this vehicle, of the value of 746 million euros, backed by the Resolution Fund and counter-backed by the Portuguese State.

The resolution measures applied in 2014 to BES (a process that gave rise to the creation of Novo Banco) and in 2015 to Banif generated uncertainties related to the risk of litigation involving the Resolution Fund, which is significant, as well as the risk of a possible insufficiency of funds to ensure compliance with the liabilities, in particular the repayment in the short-term of the contracted loans.

It was in this scenario that, in the second semester of 2016, the Portuguese Government reached an agreement with the European Commission to change the conditions of the loans granted by the Portuguese State and banks participating in the Resolution Fund, so as to preserve financial stability via the promotion of conditions conferring predictability and stability to the effort of contributing to the Resolution Fund. To this end, a formal amendment was made to the financing contracts of the Resolution Fund which introduced a series of alterations to the repayment plans, remuneration rates and other terms and conditions associated with these loans so that they should be adjusted to the Resolution Fund's capacity to fully comply with its obligations based on its own regular income. This means, without requiring that the banks participating in the Resolution Fund should be charged special contributions or any other type of exceptional contribution.

According to the press release of the Resolution Fund dated 31 March 2017, the review of the conditions of the loans granted by the Portuguese State and participant banks sought to ensure the sustainability and financial balance of the Resolution Fund, based on a stable, predictable, and affordable charge for the banking sector. Based on this review, the Resolution Fund assumed that the full payment of the Resolution Fund's liabilities is assured, as well as the respective remuneration, without requiring special contributions or any other type of exceptional contributions by the banking sector.

On 31 March 2017, Banco de Portugal also disclosed that the Lone Star Fund had been selected to purchase Novo Banco. This purchase was completed on 17 October 2017, with the new shareholder having injected 750 million euros, which will be followed by a new capital entry of 250 million euros, to be paid up over the next three years. The Lone Star Fund now holds 75% of the share capital of Novo Banco and the Resolution Fund holds the remaining 25%. Moreover, the approved conditions include a contingent capitalisation mechanism, under the terms of which the Resolution Fund, as shareholder, can be called upon to inject capital in the event of certain cumulative conditions materialising, related to: (i) the performance of a restrictive set of assets of Novo Banco, and (ii) the evolution of the bank's capitalisation levels, namely the foreseen issue on the market of 400 million euros of Tier 2 equity instruments. Any capital injections that may be made pursuant to this contingent mechanism are subject to an absolute maximum limit.

On 31 May 2021, the banks granted a loan to the Resolution Fund, in the form of a simple loan opening, up to the maximum amount of 475 million euros, exclusively intended to endow the Fund with the necessary financial resources to comply with obligations arising from the Contingent Capitalisation Agreement during 2021 and 2022. Caixa Central granted 4,275 million euros.

Notwithstanding the possibility established in the applicable legislation of charging special contributions, in view of the renegotiation of the conditions of the loans granted by the Portuguese State and by a banking syndicate, in which Caixa Central is included, and the press releases made by the Resolution Fund and by the Office of the Minister of Finance which refer to this possibility not being used, the present financial statements reflect the Executive Board of Directors' expectation that the CA Group (SICAM) will not be required to make special contributions or any other type of exceptional contributions to finance the Resolution Fund. Any significant changes in relation to this matter could have relevant implications for the CA Group's financial statements.

b) European Single Resolution Fund

In addition to the Portuguese Resolution Fund, as mentioned above, Crédito Agrícola also participates in the European Single Resolution Fund.

The European Single Resolution Fund, financed by the European banking sector, is intended to support the resolution of banks at risk or situations of insolvency, after having depleted other options such as the internal recapitalisation of the institutions.

The European Single Resolution Fund is an integral part of the Single Resolution Mechanism, which is the European system for resolution of non-viable banks. In the Single Resolution Mechanism, the responsibility for the resolution of credit institutions is shared between the Single Resolution Board and the national resolution authorities of the Member States of the eurozone, among which Banco de Portugal, and other countries of the European Union that decide to join the Banking Union. The Single Resolution Mechanism seeks to ensure the orderly resolution of banks in situations of insolvency at minimum costs for taxpayers and the real economy.

The Single Resolution Mechanism became fully operational on 1 January 2016.

In 2023 the periodic contribution made by Crédito Agrícola (SICAM) to the European Single Resolution Fund came to 4,954,523 euros.

51. Segmental reporting

The CA Group conducted an analysis of its business lines, having identified the materially relevant segments, as described below:

	2023					
			Insurance activity			
	Commercial/ Retail banking	Investment fund and wealth management	Life business	Non-life business	Other	Total
Net interest income	742,169,792	(6,277)	7,832,546	2,409,855	(2,927,143)	749,478,773
Dividend income	1,396,382	-	151,860	-	(720,409)	827,833
Net fees and commission income	201,567,757	201,894	(12,816,453)	(33,809,829)	(2,115,794)	153,027,576
Net trading income	6,710,225	14,900	3,513,002	844,411	16,617,922	27,700,460
Technical margin of insurance activity	-	-	26,556,642	63,972,850	-	90,529,493
Other operating earnings and expenses	11,300,559	763,777	(819,660)	1,930,824	(19,502,778)	(6,327,278)
TOTAL OPERATING INCOME, NET	963,144,715	974,294	24,417,938	35,348,112	(8,648,203)	1,015,236,856
Staff costs and general administrative expenses	(383,786,560)	(3,228,001)	(14,713,811)	(22,293,784)	39,095,610	(384,926,546)
Cash contributions to resolution funds and deposit guarantee schemes	(6,964,036)	-	-	-	-	(6,964,036)
Amortisations and depreciations for the year	(17,603,617)	(204,532)	(1,066,004)	(2,817,802)	(14,589,686)	(36,281,641)
Modification Gains or (-) Losses	(2,139,432)	-	-	-	-	(2,139,432)
Provisions and impairment	(136,473,893)	(100,596)	72,453	67,535	7,323,949	(129,110,552)
Share of the profit or (-) loss of investments in joint ventures and associates accounted for using the equity method	-	-	-	-	553,223	553,223
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	(17,050,506)	(12,004,353)	-	-	(14,670,201)	(43,725,059)
PROFIT OR (-) LOSS BEFORE TAXES	399,126,671	(14,563,188)	8,710,576	10,304,062	9,064,692	412,642,813
(Tax expenses or income (-))	(108,999,891)	181,905	(2,135,070)	(2,434,948)	(1,801,151)	(115,189,155)
PROFIT OR (-) LOSS AFTER TAX DEDUCTION	290,126,780	(14,381,283)	6,575,506	7,869,114	7,263,541	297,453,658
Attributable to non-controlling interests	-	-	-	-	(229,222)	(229,222)
Attributable to owners of the parent company	290,126,780	(14,381,283)	6,575,506	7,869,114	7,034,319	297,224,436

	2022					
			Insurance business			
	Commercial/ retail banking	Investment fund and wealth management	Life business	Non-life business	Other	Total
Net interest income	360,268,746	(9,180)	7,186,421	1,704,987	(1,350,733)	367,800,241
Dividend income	378,495	-	95,612	240,000	11,627	725,734
Net fees and commission income	186,091,358	(1,045,618)	(12,786,633)	(31,926,555)	(2,067,510)	138,265,044
Net trading income	(5,959,051)	2,687	(15,252,582)	(521,332)	6,279,164	(15,451,114)
Technical margin of insurance activity	-	-	25,353,395	62,975,866	-	88,329,262
Other operating earnings and expenses	14,904,908	(186,190)	(915,688)	5,682,925	(16,678,226)	2,807,729
TOTAL OPERATING INCOME, NET	555,684,456	(1,238,301)	3,680,526	38,155,891	(13,805,679)	582,476,896
Staff costs and general administrative expenses	(232,098,975)	(2,730,567)	(9,993,479)	(15,707,119)	(105,560,815)	(366,090,954)
Cash contributions to resolution funds and deposit guarantee schemes	(9,675,111)	-	-	-	-	(9,675,111)
Amortisations and depreciations for the year	(16,362,738)	(219,030)	(992,540)	(2,922,404)	(14,324,746)	(34,821,459)
Modification Gains or (-) Losses	5,855,318	-	-	-	-	5,855,318
Provisions and impairment	(53,625,341)	321,970	1,405	(2,891,989)	(1,191,278)	(57,385,233)
Share of the profit or (-) loss of investments in joint ventures and associates accounted for using the equity method	-	-	-	-	569,318	569,318
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	5,391,999	(2,495,758)	-	-	299,421	3,195,663
PROFIT OR (-) LOSS BEFORE TAXES	255,169,608	(6,361,685)	(7,304,089)	16,634,380	(134,013,778)	124,124,436
(Tax expenses or income (-))	(35,450,085)	(43,241)	2,744,992	(2,967,808)	(392,547)	(36,108,689)
PROFIT OR (-) LOSS AFTER TAX DEDUCTION	219,719,523	(6,404,926)	(4,559,097)	13,666,572	(134,406,325)	88,015,748
Attributable to non-controlling interests	-	-	-	-	(243,671)	(243,671)
Attributable to owners of the parent company	219,719,523	(6,404,926)	(4,559,097)	13,666,572	(134,649,996)	87,772,077

	2023					
			Insurance activity			
	Commercial/ retail banking	Investment fund and wealth management	Life business	Non-life business	Other	Total
Cash, cash balances at central banks and other demand deposits	1,615,278,564	16,570,150	16,218,580	14,431,828	1,615,302,740	1,615,302,740
Financial assets held for trading	122,189,344	-	-	-	142,628,139	142,628,139
Non-trading financial assets mandatorily stated at fair value through profit or loss	139,536,064	13,309,237	89,908,748	18,991,076	149,854,509	149,854,509
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	320,057,098	22,964	401,174,260	192,361,338	905,800,150	905,800,150
Financial assets at amortised cost	20,670,069,037	-	307,935,925	-	20,867,886,651	20,867,886,651
Derivatives - Hedge accounting	686,290,248	-	-	-	686,290,248	686,290,248
Investments in subsidiaries, joint ventures and associates	90,970,180	-	-	3,123,066	3,041,258	3,041,258
Non-current assets and disposal groups classified as held for sale	3,083,302	82,812,866	-	-	7,488,058	7,488,058
Other	747,305,167	1,790,778	63,176,774	64,486,935	923,749,107	923,749,107
Total assets	**24,394,779,005**	**114,505,994**	**878,414,287**	**293,394,243**	**25,302,040,861**	**25,302,040,861**
Financial liabilities held for trading	9,871,752	-	-	-	9,871,752	9,871,752
Financial liabilities measured at amortised cost	20,881,101,333	-	40,070,722	-	20,810,313,091	20,810,313,091
Derivatives - Hedge accounting	97,297,073	-	-	-	97,297,073	97,297,073
Provisions	47,984,189	168,151	-	-	50,335,939	50,335,939
Other	994,528,555	3,415,725	681,917,899	225,712,113	1,896,690,914	1,896,690,914
Total liabilities	**22,030,782,901**	**3,583,875**	**721,988,621**	**225,712,113**	**22,864,508,768**	**22,864,508,768**

	2022					
			Insurance business			
	Commercial/ retail banking	Investment fund and wealth management	Life business	Non-life business	Other	Total
Cash, cash balances at central banks and other demand deposits	1,356,001,557	376,874	308	2,075	1,751	1,356,382,565
Financial assets held for trading	163,144,052	15,279,977	-	-	1,020,539	179,444,567
Non-trading financial assets mandatorily stated at fair value through profit or loss	28,849,916	10,319,782		-	10,061,730	49,231,427
Financial assets at fair value through other comprehensive income	129,085,382	22,604	364,876,064	198,633,007	-	692,617,058
Financial assets at amortised cost	20,355,716,406	-	307,718,961	-	-	20,663,435,367
Derivatives - Hedge accounting	885,429,290	-	-	-	-	885,429,290
Investments in subsidiaries, joint ventures and associates	-	-	-	2,829,626	-	2,829,626
Non-current assets and disposal groups classified as held for sale	145,159,000	114,920,063	-	-	-	260,079,062
Other	684,834,435	1,782,014	26,953,600	30,550,780	-	744,120,830
Total assets	**23,748,220,038**	**142,701,314**	**699,548,933**	**232,015,488**	**11,084,020**	**24,833,569,792**
Financial liabilities held for trading	5,215,793	-	-	-	-	5,215,793
Financial liabilities measured at amortised cost	20,804,719,787	-	-	-	-	20,804,719,787
Derivatives - Hedge accounting	27,415,374	-	-	-	-	27,415,374
Provisions	33,630,480	68,722	-	-	7,443,467	41,142,669
Other	1,107,900,302	4,255,797	670,881,456	211,851,922	-	1,994,889,477
Total liabilities	**21,978,881,736**	**4,324,519**	**670,881,456**	**211,851,922**	**7,443,467**	**22,873,383,100**

52. Environmental Matters

Awareness of the impact of exposure to environmental, social and governance risks on the business viability of companies in general (i.e. from the impact on the financial performance reported in the accounts to the opportunity costs/benefits incurred or not taken advantage of) and, consequently, on the performance and robustness of the financial sector itself has been reinforced by pressure from regulators, legislators and other institutional actors (e.g. investors, rating agencies and global forums, among others).

It is important to mention that in the latest annual report of the World Economic Forum[28], on risk perception, of the 10 risks identified for the next 10 years, regarding the severity of the potential impact on the world economy and on humanity, 6 of them are environmental (namely: 1. failure to combat climate change, 2. failure to adapt to climate change, 3. natural disasters and extreme weather events, 4. biodiversity loss and ecosystem collapse, 6. crisis in natural resources, and 10. large-scale environmental accidents and damage), two are social (namely: 5. large-scale involuntary migration and 7. erosion of social cohesion and social polarisation) and of the remaining two one is technological (namely: 8. increased crime and cyber insecurity) and one is geopolitical (namely: 9. geo-economic confrontations) with potential and relevant social and environmental impacts.

The analysis / assessment of asset exposure to physical risks arising from extreme climate events (e.g. droughts, fires, floods) or medium-long term climate trends (e.g. coastal erosion, scarcity of drinking water, soil degradation) and to transition risks related to the weak/ineffective monitoring of the transformation process of the economy and society, driven by institutional actors (e.g. regulatory fines, need to reinforce capital) and by society itself (e.g. difficulty in attracting new customers, new business opportunities and new talent), are relevant to the Risk Management Strategy of the Crédito Agrícola Group and, consequently, to the adaptation of its own offer and business model.

In this sense, the Crédito Agrícola Group presents a management of environmental matters based on:

i) Existence of a Sustainability Office, reporting directly to the Chairman of the Executive Board of Directors, responsible for planning and supporting the implementation of the Sustainability Strategy, as well as conceptual and technical support to the structures whose activity is impacted by it, namely the risk, marketing and product areas;

ii) Existence of a Sustainability Board involving the participation of the Executive Board of Directors and representatives of the relevant Caixa Central structures for the execution of the Strategy;

iii) Implementation of a Sustainability Policy laying down the main guidelines to be followed by the Group’s different institutions;

iv) Inclusion of a series of environmental, social and governance risks in the risk matrix;

v) Collection and processing of environmental and social information from corporate customers and sole proprietorships when opening credit operations, in accordance with the guidelines of the European Banking Authority (EBA) on the inclusion of ESG issues in the granting and monitoring of loans, with 10 questionnaires available to date that assign a rating to the customer-company and/or the credit operation in sectors such as agriculture, real estate, tourism and restaurants;

vi) Anticipation, albeit vaguely, of regulatory exercises such as climate stress testing and/or the inclusion of ESG risks in ICAAP reporting;

vii) There is an ESG Risk Policy which formalises the general framework for managing GCA's environmental, social and governance risks and which was prepared taking into account Banco de Portugal's guidelines, namely

[28] World Economic Forum, Global Risks Perception Survey 2022-2023.

Circular Letter no. CC/2021/00000010 and the European Central Bank's "Guide on climate and environmental risks (prudential expectations related to risk management and disclosure)". In addition to the applicable prudential regulations, the ESG Risk Policy also takes into account accepted and internationally recognised risk management practices, such as the OECD guidelines for multinational companies, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the information on climate scenarios disclosed by the Network for Greening the Financial System (NGFS);

viii) Updating the Regulatory Reference on loan origination, including the principles of exclusion and/or restriction of bank financing, including to sectors such as mining and energy production based on coal, hard coal and lignite, uranium or oil extraction, among various other sectors, activities or institutions that are not aligned with the values of a more sustainable and inclusive society.

53. Subsequent events

On the date of preparation and conclusion of these Financial Statements of the Crédito Agrícola Group, events subsequent to 31 December 2023, the reference date for these Financial Statements, did not require adjustments or changes to the values of assets and liabilities, under the terms of IAS 10 - Events after the reporting date.

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EXTERNAL AUDITORS' REPORT OF THE CA GROUP

Statutory Audit Report and Auditors' Report

(Free translation from the original in Portuguese)

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Crédito Agrícola Group (composed by Caixa Central – Caixa Central de Crédito Agrícola Mútuo, CRL (Caixa Central), associated Caixas de Crédito Agrícola Mútuo and subsidiaries) (the Group), which comprise the consolidated balance sheet as at 31 December 2023 (which shows total assets of Euros 25.302.041 thousand and total shareholders' equity of Euros 2.437.532 thousand, including a net profit attributable to owners of the parent of Euros 297.224 thousand), the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of Crédito Agrícola Group as at 31 December 2023, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. In accordance with the law we are independent of the entities that are included in the Group and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Tel: +351 213 599 000, Fax: +351 213 599 999, www.pwc.pt
Matriculada na CRC sob o NIPC 506 628 752, Capital Social Euros 314.000
Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485

Key Audit Matter	*Summary of the Audit Approach*
Impairment losses on financial assets at amortized cost - Loans and advances to customers *Measurement and disclosures related to impairment losses on loans and advances to customers presented in Notes 2.4 c), 9.3, 18 and 47.1 attached to the consolidated financial statements*	
The significant amount of loans and advances to customers and associated impairment losses, which require a set of complex assumptions and judgments from the Crédito Agrícola Group management regarding the identification of clients with a significant increase in credit risk or in default, as well as the corresponding amount of impairment losses, justify that these constitute key matter for the purposes of our audit. As of 31 December 2023, the gross amount of credit to customers amounts to Euros 11.670.428 thousand and the corresponding impairment losses recognized at that date amounts to Euros 389.138 thousand. Impairment losses on loans and advances to customers are determined by management on an individual basis, through a case-by-case analysis of a significant component of the total loan portfolio, and for the remaining portfolio impairment is determined through a collective analysis. For the most significant exposures, evaluated in terms of the total amount of responsibilities within Crédito Agrícola Group and the possible existence of signs of default, the Group develops an individual analysis process that includes an individual analysis of staging, in order to corroborate the allocation of automatic staging (stages 1, 2 and 3) and an individual impairment measurement analysis. In the latter case, analysis is performed only for exposures classified in stage 3, in which the amount of impairment is determined through a detailed analysis of the economic and financial position of each individual customer, with reference to (i) the estimated cash flows that may be generated in the future for the fulfilment of their responsibilities – going concern; or (ii) the evaluation attributed to the collateral received for the loan granted, whenever the recovery is anticipated through foreclosure, execution	The audit procedures undertaken included the identification, understanding and assessment of policies and procedures established by the Crédito Agrícola Group to measure credit impairment losses on loans and advances to customers, as well as its key controls regarding approval, registration and credit risk monitoring, and timely identification, measurement and recording of impairment losses. On a sample basis, we analyzed a group of clients within the Crédito Agrícola Group's individual analysis perimeter, based on the criteria defined in internal regulations, with the objective of: (i) reviewing the conclusions and results obtained by the Crédito Agrícola Group in the individual analysis of staging and in the individual analysis of impairment measurement; (ii) obtaining our own judgment on the existence of situations of significant increase in credit risk and default; and (iii) assessing how the impairment losses were timely identified, measured and recognized by management. In this process, it was also confirmed that the perimeter of individual analysis included all the exposures that met the criteria defined by the Crédito Agrícola Group in its methodology. For a sample of exposures, extracted from the credit population subject to individual analysis by the Crédito Agrícola Group as at 31 December 2023, the procedures we have developed consisted of: (i) reviewing the available documentation on credit processes; (ii) verifying the adequacy of the cash flows used to determine impairment with those reflected in the contractual support; (iii) analyzing the contractual support and the most relevant collaterals and confirm the registration of them in favor of the Crédito Agrícola Group; (iv) analyzing the latest valuations of these collaterals (stage 3); (v) examining the criteria for determining a significant increase in credit risk (stage 2) and for classification under impairment (stage 3) on an individual basis; (vi)

Key Audit Matter	*Summary of the Audit Approach*
and/or sale of the collateral, less the costs inherent to its recovery and sale – gone concern. For exposures not covered by the individual analysis, the Crédito Agrícola Group developed collective analysis models to calculate expected impairment losses, in light of the requirements of IFRS 9, which include, namely the classification of exposures by different stages according to the evolution of their credit risk since the date of its concession, and not according to the credit risk at the reporting date (stages 1, 2 or 3). These models are based on the internal historical information of defaults and recoveries and, in order to be representative of the current economic context, but also to incorporate a perspective of future economic evolution, these also use available forward looking prospective information such as (i) the GDP growth rate; (ii) the unemployment rate; (iii) the evolution of Euribor and/or (iv) the projections for the real estate market. Based on these macroeconomic data, potential scenarios are developed that allow estimating the expected loss in each segment based on a probability of occurrence. In this context, changes in the assumptions or methodologies used by the Crédito Agrícola Group in the analysis and quantification of impairment losses of the credit to customers, as well as different recovery strategies, may condition the estimation of recovery flows and timing of their receipt may have a material impact on the determination of the amount of impairment losses recognized at each moment.	reviewing the incorporation of forward looking information; (vii) a critical analysis of the discounted cash flows underlying the calculation of impairment (stage 3); (viii) assessing the evolution of exposures; and (ix) understanding the views of the responsible for Caixa Central and Caixas Associadas regarding the economic and financial situation of the clients, as to the predictability of expected cash flows of the respective businesses, as well as the prospects of collectability of credits. Whenever we concluded for the need to review some assumption used by management, we recalculated the estimated amount of impairment and compared the results obtained with those calculated by the Group, to assess the existence of possible material divergences. For the portfolio whose impairment is assessed through the collective analysis model, a set of specific procedures were developed with the objective of evaluating how the assumptions considered by management include all the risk variables by comparison to the available historic performance and recoveries of the Crédito Agrícola Group's loans and advances portfolio, namely: (i) review of the methodological documentation for the development and validation of the models; (ii) analysis of the documentation of the backtesting exercise of the risk parameters and its results; (iii) review and testing of portfolio segmentation; (iv) analysis of the Crédito Agrícola Group's definition of default and the criteria applied in the classification of staging, on a sample basis; (v) review and testing of the main risk parameters, as well as the available forward looking information and its update through the estimated economic effects; (vi) critical analysis of the main assumptions and sources of information used in the future recoveries incorporated in the LGD "(Loss Given Default"), including the test of historical recoveries incorporated in this calculation, on a sampling basis; and (vii) recalculation of Expected Credit Loss ("ECL") for the loan and advances portfolio, with reference to 31 December 2023. Our auditing procedures also included a review of the disclosures for loans and advances to customers, as well as the related impairment losses, presented on the Crédito Agrícola Group accompanying notes to

Key Audit Matter	*Summary of the Audit Approach*
	the consolidated financial statements, considering the applicable accounting standards.
Impairment losses on securitized loans – sovereign debt *Measurement and disclosures related with impairment losses on securitized loans – sovereign debt portfolio presented in Notes 2.4 d), 8, 9.1, 18, 23 and 47.1 attached to the consolidated financial statements* The significant expression of the securitized loans portfolio – sovereign debt and associated impairment losses, which require a set of complex assumptions and judgments from the Crédito Agrícola Group management in relation to the identification of securities with a significant increase in credit risk, as well as the corresponding amount of impairment losses, justify that these constitute a key matter for the purposes of our audit. As of 31 December 2023, the gross amount of the securitized loans portfolio related to sovereign debt amounted to Euros 8.137.859 thousand (of which Euros 7.360.619 thousand classified as financial assets carried out at amortized cost, as described in Note 9.1 and Euros 777.240 thousand classified as financial assets at fair value through other comprehensive income, as described in Note 8). The corresponding impairment losses recognized at that date amounted to Euros 4.027 thousand. The measurement of credit losses expected from these exposures, as well as the respective significant increase in credit risk, are determined through an analysis model developed by Crédito Agrícola Group, in line with the requirements of IFRS 9, which classifies exposures by different stages depending on the evolution of the credit risk since the date of its initial recognition (stages 1, 2 or 3), being these securities with external rating and investment grade rating at the time of acquisition. These models are based on historical information on defaults and recoveries, complemented with market information, which is made available by external reference suppliers. In this context, changes in the assumptions or methodologies or information provided by external	The audit procedures developed included the identification, understanding and evaluation of policies and procedures established by Crédito Agrícola Group regarding the approval, recording and monitoring the credit risk of securitized loans, as well as the Group's key controls underlying the timely identification, recording and correct measurement of expected impairment losses. In the specific scope of our work, we have developed, among others, the following procedures: • Understanding of the Group's governance process, namely regarding the controls implemented on the review and approval of the main assumptions, judgments and future economic perspectives used in the models defined for the measurement of impairment losses; and • Reading and analysis of the methodological documents prepared by the Group and reviewing their adherence to the principles of the said standard. Regarding the models used by the Group, a set of specific procedures were developed in order to assess whether the assumptions considered by the Group's management meet the requirements of IFRS 9, namely: (i) review of the methodological documentation underlying the model used; (ii) portfolio segmentation reviewing and testing; (iii) analysis of the Group's definition of default and the criteria applied in the classification of staging, on a sampling basis; (iv) review and test of the main risk parameters; (v) critical analysis of the main assumptions and sources of information used in future recoveries incorporated in the calculation of

Key Audit Matter	*Summary of the Audit Approach*
suppliers used by the Group in the analysis and quantification of credit losses expected from these exposures, may have a relevant impact on the estimation of recovery flows and the timing of their receipt, and consequently on the determination of the amount of expected credit losses recognized as impairment in the consolidated financial statements as of 31 December 2023.	LGD (Loss Given Default); and (vi) recalculation of ECL (Expected Credit Loss). Our audit procedures also included a review of the disclosures about the securitized loan portfolio where these assets are included, as well as the respective impairments, presented on the Group's attached notes to the financial statements, considering the applicable accounting standards.
Valuation of real estate properties received as recovery of loans *<u>Measurement and disclosures related with valuation of real estate properties received as recovery of loans presented in Notes 2.4 i), 15 and 16 attached to the consolidated financial statements</u>* As of 31 December 2023, the net value of real estate properties received as recovery of loans and included in the captions Other Assets ("OA") and Non-current assets held for sale ("NCAHS") amounts to Euros 164.681 thousand and Euros 6.854 thousand, respectively. In accordance with the policies in force in the Crédito Agrícola Group, the properties are subject to periodic valuations, carried out by expert appraisers registered at the CMVM, which incorporate a set of assumptions, and which give rise to the recording of impairment losses whenever the valuation amount, net of selling costs, is lower than its book value. Additionally, and following the provisions of Circular Letter n.º 21/2023 of the Bank of Portugal, the Crédito Agrícola Group defined in 2023 additional haircuts to be applied to this type of property, through which impairment may be increased due to the age of the property in the portfolio. Given the expression of these assets in the consolidated balance sheet of the Crédito Agrícola Group and taking into consideration that their valuation requires the application of a set of assumptions and judgments by the management for the purpose of determining the amount and the moment of recognition of the corresponding losses due to impairment, this was considered a key matter for the purposes of our audit.	The audit procedures we have undertaken included the identification and understanding of the key controls established by the Crédito Agrícola Group to identify real estate properties with signs of impairment, classified as OA and NCAHS, to determine the corresponding amounts of impairment losses and ensure the corresponding accounting treatment in an appropriate and timely manner. Our procedures also included performing tests of details. For a sample of real estate properties, we conducted analyses on its valuation and, if applicable, the subsequent impairment loss recorded on the basis of the valuations prepared by external independent experts, complemented, when applicable, by the application of the haircuts resulting from the age of the properties in the portfolio, in accordance with the Circular Letter n.º 21/2023 of the Bank of Portugal. This analysis also included an assessment of the reasonableness of the methodology applied and the assumptions used by the expert appraisers in determining the appraised value of the selected properties. Whenever necessary, we held meetings to understand and challenge the judgments and assumptions adopted in preparing the valuations. The qualifications of the expert appraisers contracted by the Crédito Agrícola Group were duly analyzed, including the confirmation of their registration with the CMVM.

Key Audit Matter	*Summary of the Audit Approach*
	For a sample of properties that were sold during 2023, we compared the sale value with the last valuation obtained, to assess the reasonableness of the valuations previously obtained by the Crédito Agrícola Group. Our auditing procedures also included a review of the disclosures about OA and NCAHS included in the accompanying notes to the consolidated financial statements considering applicable and current accounting standards.
First adoption of IFRS 17 - Insurance contracts and IFRS 9 - Financial instruments on 1 January 2023 *Measurement and disclosures related to the first adoption of IFRS 17 - Insurance contracts (IFRS 17) and IFRS 9 - Financial instruments (IFRS 9) on 1 January 2023, presented in Notes 2.5 and 48 attached to the consolidated financial statements* On 1 January 2023 IFRS 17 became effective, replacing IFRS 4 – Insurance Contracts. Also from 1 January 2023, Crédito Agrícola Vida – Companhia de Seguros SA (CA Vida) and Crédito Agrícola Seguros – Companhia de Seguros de Ramos Reais, SA (CA Seguros), insurance entities of the Crédito Agrícola Group (Companies) no longer apply the temporary exemption from applying IFRS 9,which replaced IAS 39 - Financial Instruments, modifying the classification and measurement of financial assets and liabilities in the individual accounts of the Companies and consolidated accounts of Crédito Agrícola Group. The Companies applied IFRS 9 retrospectively on January 1st, 2022, consistent with the adoption of IFRS 17. IFRS 17 substantially modifies the measurement models of insurance and reinsurance contracts in relation to IFRS 4, meaning that its implementation on the transition date required the adoption of certain judgments and estimates by the Companies' management, as follows: • Selection of transition method for evaluating insurance contracts in force on the transition date. In the life business, CA Vida adopted the fair value approach for the entire insurance business, measured by applying the general	We obtained an understanding of the financial reporting processes relating to the first application of IFRS 17 and IFRS 9. The audit procedures we have undertaken, with the support of our actuarial, IT systems and financial instruments specialists, included: • Assessing the compliance of accounting policies adopted with IFRS 17 and IFRS 9; • Analysis of the homogeneity of groups of insurance contracts defined by the Companies; • Verifying the methodology and significant assumptions used for calculations made by the Companies within the scope of IFRS 17, related to the present value of fulfillment cash flows (PVFCF), non-financial risk adjustment and contractual services margin (CSM) / loss component on the transition date, whenever applicable; • Verifying the recognition and measurement method of insurance contracts, namely, in the life business the application of the variable fee approach (VFA) for contracts with discretionary participation, and in the non-life business the application of the premium allocation approach (PAA) when it does not differs significantly from

Key Audit Matter	Summary of the Audit Approach
measurement model (GMM), under the variable fee approach (VFA) and under the premium allocation approach (PAA). In the non-life business, CA Seguros adopted the comprehensive retrospective approach for the entire insurance business under the premium allocation approach (PAA); • Definition of groups of insurance contracts to group them taking into account that they are contracts subject to similar risks and managed together (called portfolios), their onerosity and the date of issue; • Definition of the method of recognition and measurement of insurance contracts, according to their characteristics and coverage period. In the life business, CA Vida adopted the general measurement model (GMM) for the majority of its responsibilities, applying the premium allocation approach (PAA) only for a product whose coverage period does not exceed one year and the variable fee approach (VFA) for investment contracts with discretionary participation characteristics eligible as insurance contracts with direct participation characteristics based on the criterias defined in the standard. In non-life business CA Seguros adopted the premium allocation approach (PAA) for all contracts; and • Determination of "locked-in" discount rates for non-life insurance contracts, with the aim of retrospectively determining the accumulated amount of income or financial expenses recognized in other comprehensive income on the transition date. The impact of adopting these standards is significant in the consolidated financial statements of the Crédito Agrícola Group, the reason why this is a key matter for the purposes of our audit.	that produced by the application of the general measurement model; and • Analysis of the classification and presentation of financial instruments in accordance with the requirements of IFRS 9. Our audit procedures also included the review of disclosures regarding the first adoption of IFRS 17 and IFRS 9 in the Companies on 1 January 2023, contained in the notes attached to the consolidated financial statements of the Crédito Agrícola Group, considering the applicable and current accounting standards.
Insurance contract liabilities *Measurement and disclosures related to insurance contract liabilities presented in Notes 2.4 paragraphs t) and u), 20 and 48 attached to the consolidated financial statements* Liabilities from life and non-life insurance contracts amount to Euros 634.699 thousand and Euros 163.911 thousand on 31 December 2023,	We obtained an understanding of the process of estimating and recording insurance contract liabilities, which included an assessment of the internal control

Key Audit Matter	Summary of the Audit Approach
respectively, which are measured in accordance with IFRS 17. ***Life insurance business*** CA Vida develops its activity through five segments: savings, risk, investment contracts with a guaranteed rate and without profit sharing, investment contracts in which the investment risk lies with the policyholder (unit linked) and fund pensions management. In activities related to the insurance businesses, as understood within the scope of IFRS 17, a liability for insurance contracts is generated, which is presented in the balance sheet in the caption Other Liabilities - Liabilities of insurance contracts in the Life insurance business. CA Vida records in this caption the insurance contracts in accordance with the three measurement models established in the applicable standards, which include: the general measurement model (GMM), the premium allocation approach (PAA) and the variable fee approach (VFA). The model applicable to each approach is determined based on the characteristics of these contracts. The GMM and VFA measurement models, in particular, incorporate components of some judgment and estimation from CA Vida in determining the estimated present value of fulfillment cash flows (PVFCF), in determining the non-financial risk adjustment and in the contractual services margin (CSM). Determining the value of insurance contract liabilities includes a high component of actuarial estimation, including complex calculation methodologies and assumptions determined by CA Vida's management, such as the discount rate, expenses, redemptions, mortality, expected loss rates or definition of coverage units, among others. ***Non-life insurance business*** The liabilities of non-life insurance contracts include liabilities for past services in the amount of Euros 138.031 thousand, corresponding to estimates of accounts payable for claims already incurred, but not yet settled/paid. Such responsibilities for past	environment, including the information systems controls. The audit procedures we have undertaken on the life and non-life liabilities insurance contracts, with the support of actuarial and information systems specialists, included: ***Life insurance business*** • Verification of the integrity, accuracy and reconciliation of the data used in the calculation engines of the responsibilities at the end of the year; • Verification of the variation in the estimated present value of cash fulfillment flows (PVFCF) and hypotheses applied to the selected products in the different groups of contracts and the analysis of their variation throughout the year; • Verification of the methodology and reasonableness of the non-financial risk adjustment for the selected products; • Verification of the contractual services margin (CSM) initially recorded for the selected groups of contracts; and • Analysis of the variation and release of the CSM based on the coverage units defined for the selected contract groups. ***Non-life insurance business*** • Assessment of the adequacy of current actuarial methodologies, as well as the processes associated with determining assumptions and estimates for measuring liabilities for past services under non-life insurance contracts; • Verification of the integrity, accuracy and reconciliation of the data used in the calculation engines of the responsibilities at the end of the year; and • The recalculation of the liabilities amount for past services for certain lines of business, taking into account their respective relevance. As part of this substantive audit test, we compare the amounts

Key Audit Matter	Summary of the Audit Approach
services accommodate CA Seguros' expectations regarding future payments for known and unknown claims, at this time, as well as the respective expenses associated with their management. CA Seguros adopts several methods to estimate such obligations. The measurement of these responsibilities requires a significant level of judgment by CA Seguros' management regarding the assumptions assumed, such as the impact of changes in the inflation rate, expected developments in the implementation of claims and regulatory changes. There is also significant judgment on the part of CA Seguros' management regarding the determination of the discount rates considered to estimate such liabilities. In particular, real businesses with low accident rates, significant amounts from individuals claims or with long claims settlement periods, are subject to greater uncertainty regarding the determination of the respective estimated liability. In this way, insurance contract liabilities accommodate a complex accounting estimate with a relevant uncertainty component in its determination. Therefore, we consider insurance contract liabilities to be a key matter for the purposes of our audit.	calculated by us with those determined by the Group. Our audit procedures also included the review of disclosures about insurance contract liabilities, included in the accompanying notes to the consolidated financial statements considering applicable and current accounting standards.
Employees post-employment benefits *Measurement and disclosures related with employees post-employment benefits presented in Notes 2.4 o) and 46 attached to the consolidated financial statements* As of 31 December 2023 the liabilities for past services of Crédito Agrícola Group with employees and pensioners' post-employment benefits amounted to Euros 112.661 thousand, mainly covering retirement and survival pensions, health care and death benefit, namely those predicted in the Collective Labour Agreement ("Acordo Coletivo de Trabalho" - "ACT") for Crédito Agrícola, known as Collective Labour Agreement for Credit Institutions of Crédito Agrícola Mútuo. These liabilities are estimated based on actuarial valuations developed by an actuary of the Crédito Agrícola Group, certified by the Insurance and Pension Funds Supervisory Authority ("ASF"). These valuations incorporate a set of financial and actuarial	The audit procedures we have undertaken included the identification and understanding of the key controls implemented by the Crédito Agrícola Group to ensure the information compiled and provided to the actuary is correct and complete to calculate the liabilities and future financing needs of the plan, as well as the adequacy of the process of calculating the fair value of the Fund's assets. The audit work included the analysis of the actuarial study prepared by the independent actuary with reference to 31 December 2023 and the meetings held with the management and the independent actuary in order to identify the methodologies and options considered in the definition of the main actuarial and financial assumptions adopted. Given

Key Audit Matter	*Summary of the Audit Approach*
assumptions, such as the discount rate, the inflation rate, the mortality and disability tables, the growth rates of pensions and wages, among others, which correspond to the best estimation of the management concerning characteristics of the benefits and the population of employees and the current and future behavior of these variables. In the specific case of the discount rate used in actuarial studies, it is determined based on the market rates for high-quality corporate bonds in terms of credit risk, denominated in the currency in which the benefits will be paid (Euros) and similar maturity to the benefits plan expiration date. In this context, future changes in the assumed financial and actuarial assumptions may give rise to material impacts on net liabilities as well as assets held to meet these liabilities, and for that reason this issue was considered a key matter for the purposes of our audit.	the relevance of the required management judgments, we proceeded to evaluate the reasonableness of the main assumptions by comparing them with the data that we were independently able to obtain. We reviewed the compliance of (i) the historic information of the employees used for the purposes of calculating responsibilities; (ii) the accounting recognition of costs related to past services and other changes in assumptions and estimates that occurred during the year; (iii) the fair value of the fund's assets, independently calculating its value for a sample of assets; and (iv) the variation over the year of the pension fund's surplus and the analysis of the respective conclusions obtained by Caixa Central for the recognition of this value. The audit procedures included the review of the employees and pensioners' post-employment benefits disclosures included in the accompanying notes to the consolidated financial statements considering applicable and current accounting standards.

Responsibilities of management and supervisory board for the consolidated financial statements

Management is responsible for:

a) the preparation of the consolidated financial statements, which present fairly the consolidated financial position, the consolidated financial performance and cash flows of the Group in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;

b) the preparation of the Directors' report, corporate governance report and the non-financial statement in accordance with the applicable law and regulations;

c) the creation and maintenance of an appropriate system of internal control to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;

d) the adoption of appropriate accounting policies and criteria; and

e) the assessment of the Group's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Group's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Group's financial information.

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 on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) identify and assess the risks of material misstatement of the 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;

b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 consolidated 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;

e) 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;

f) obtain sufficient 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;

g) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

h) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the consolidated financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure; and

i) confirm to the supervisory board that we comply with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the consolidated financial statements, and the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law on corporate governance matters and verifying that the consolidated non-financial statement was presented.

Report on other legal and regulatory requirements

Directors' report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the Directors' report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors' report is consistent with the audited consolidated financial statements and, taking into account the knowledge and assessment about the Group, no material misstatements were identified. As mentioned in paragraph 7) of article no 451.º of the Portuguese Company Law, this opinion is not applicable to the non-financial statement included in the Directors' Report.

Corporate governance report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the corporate governance report includes the information required under article No. 29-H of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs 1 c), d), f), h), i) and l) of that article.

Consolidated non-financial statement

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the Group included in its Directors' report the consolidated non-financial statement set forth in article No. 508-G of the Portuguese Company Law.

Additional information required in article No. 10 of the Regulation (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters referred to above, we also provide the following information:

a) We were first appointed auditors of Crédito Agrícola Group in the Shareholders' General Meeting of 30 May 2015 for the period having remained in functions until the current period. Our last appointment was in the Shareholders' General Meeting of 28 May 2022 for the period from 2022 to 2024;

b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the consolidated financial statements. Based on the work performed, we have not identified any material misstatement in the consolidated financial statements due to fraud;

c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Group's supervisory board as of this date; and

d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 1 of article No. 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014 and that we remain independent of the Group in conducting our audit.

30 April 2024

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

[Original in Portuguese signed by]

Carlos José Figueiredo Rodrigues, ROC no. 1737
Registered with the Portuguese Securities Market Commission under no. 20161347

Financial Statements of Caixa Central

CAIXA CENTRAL DE CRÉDITO AGRÍCOLA MÚTUO, CRL

INDIVIDUAL BALANCE SHEET AS AT 31 December 2023 AND 2022
(Amounts in Euros)

ASSETS	Notes	31-Dec-2023	31-Dec-2022
Cash, cash balances at central banks and other demand deposits	4	1,475,771,094	1,228,989,974
Financial assets held for trading	5	14,987,602	55,749,277
Non-trading financial assets mandatorily at fair value through profit or loss	6	130,838,524	145,240,481
Financial assets at fair value through other comprehensive income	7	264,404,200	84,102,644
Financial assets at amortised cost	8	9,961,440,332	9,925,984,765
Debt securities	8.1	8,255,168,717	8,210,996,107
Loans and advances	8.2/8.3	1,706,271,615	1,714,988,658
Derivatives - Hedge accounting	9	686,290,248	885,429,290
Investments in subsidiaries, joint ventures and associates	10	62,500,000	62,500,000
Tangible assets	11	15,351,277	17,846,729
Intangible assets	12	-	-
Tax assets	13	17,751,829	18,768,148
Other assets	14	250,352,917	275,576,553
Non-current assets and disposal groups classified as held for sale	15	2,644,686	6,882,284
TOTAL ASSETS		**12,882,332,709**	**12,707,070,144**

LIABILITIES	Notes	31-Dec-2023	31-Dec-2022
Financial liabilities held for trading	5	9,871,752	5,215,793
Financial liabilities measured at amortised cost	16	11,375,539,208	11,142,750,143
Derivatives - Hedge accounting	9	97,297,073	27,415,374
Provisions	17	18,924,185	8,547,388
Tax liabilities	13	25,657,389	648,430
Other liabilities	18	766,883,086	998,758,010
TOTAL LIABILITIES		**12,294,172,693**	**12,183,335,138**

EQUITY	Notes	31-Dec-2023	31-Dec-2022
Capital	20	314,938,565	312,706,855
Equity instruments issued, except capital	21	100,000,000	100,000,000
Other accumulated comprehensive income	22	-10,990,369	-17,119,205
Retained earnings	22	10,705,055	9,227,774
Revaluation reserves	22	460,988	460,988
Other reserves	22	106,774,368	96,115,896
Profit or loss attributable to Owners of the parent	22	66,271,409	22,342,698
TOTAL EQUITY		**588,160,016**	**523,735,006**
TOTAL EQUITY AND TOTAL LIABILITIES		**12,882,332,709**	**12,707,070,144**

The Certified Accountant **The Executive Board of Directors**

The Notes are an integral part of the Annual Report of Caixa as at 31 December 2023

CAIXA CENTRAL DE CRÉDITO AGRÍCOLA MÚTUO, CRL

INDIVIDUAL INCOME STATEMENT AS AT 31 December 2023 AND 2022

(Amounts in Euros)

	Notes	31-Dec-2023	31-Dec-2022
Interest income	23	432,078,050	230,761,659
(Interest expense)	24	289,378,334	145,683,646
NET INTEREST INCOME		**142,699,716**	**85,078,013**
Dividend income	25	204,050	258,328
Fee and commission income	26	37,959,835	33,066,788
(Fee and commission expenses)	27	26,447,179	23,216,159
Gains or (-) losses on financial assets & liabilities not measured at fair value through profit or loss, net	28	118,422	337,967
Gains or (-) losses on financial assets and liabilities held for trading, net	29	5,872,747	6,749,577
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net	30	-12,402,067	-13,853,330
Gains or (-) losses from hedge accounting, net	31	7,856,584	-697,347
Foreign Exchange differences [gain or loss (-)], net	32	1,733,313	1,947,204
Gains or (-) losses on derecognition of non-financial assets, net	33	24,682	404,413
Other operating income	34	10,955,024	6,817,727
(Other operating expenses)	35	8,738,550	10,375,966
TOTAL OPERATING INCOME, NET		**159,836,577**	**86,517,215**
(Administrative expenses)		49,434,889	45,416,323
(Staff expenses)	36	17,923,960	18,472,804
(Other administrative expenses)	37	31,510,929	26,943,519
(Cash contributions to resolution funds and deposit guarantee schemes)	38	3,364,233	4,157,554
(Depreciation/Amortisation)	11	3,342,238	3,180,913
Modification gains or (-) losses, net	39	207,157	810,568
(Provisions or (-) reversal of provisions)	17	10,426,797	903,146
(Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss)	17	-1,943,686	7,776,196
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	17	0	-3,337,844
(Impairment or (-) reversal of impairment on non-financial assets)	17	155,223	22,766
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	40	-554,793	69,240
PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS		**94,709,247**	**29,277,968**
(Tax (-) expenses or income related to profit or loss from continuing operations)	13	28,437,838	6,935,270
Current taxes		30,521,518	8,450,057
Deferred taxes		-2,083,680	-1,514,787
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS		**66,271,409**	**22,342,698**
PROFIT OR (-) LOSS FOR THE YEAR		**66,271,409**	**22,342,698**
Attributable to owners of the parent company		66,271,409	22,342,698

The Certified Accountant **The Executive Board of Directors**

The Notes are an integral part of the Annual Report of Caixa as at 31 December 2023

CAIXA CENTRAL DE CRÉDITO AGRÍCOLA MÚTUO, CRL

COMPREHENSIVE INCOME STATEMENT AS AT 31 December 2023 AND 2022

(Amounts in Euros)

	Notes	31-Dec-2023	31-Dec-2022
Profit or loss (-) for the year		**66,271,409**	**22,342,698**
Other comprehensive income		**6,128,836**	**-13,217,886**
Items that will not be reclassified to profit and loss		**3,258**	**665,292**
Actuarial gains or (-) loss on defined benefit pension plans	42	3,258	665,292
Items that can be reclassified to profit or loss		**6,125,578**	**-13,883,177**
Debt instruments at fair value through other comprehensive income	7	7,819,728	-18,388,836
Valuation gains or losses (-) taken to equity		7,711,612	-18,240,886
Transferred to profit or loss		0	-188,452
Other reclassifications	22	108,116	40,502
Impairment of securities at FVTOCI		*108,116*	*40,502*
Income tax relating to items that can be reclassified to profit or loss (-)	13	-1,694,150	4,505,658
Total comprehensive income for the year		**72,400,245**	**9,124,812**

The Certified Accountant

The Executive Board of Directors

The Notes are an integral part of the Annual Report of Caixa as at 31 December 2023

CAIXA CENTRAL DE CRÉDITO AGRÍCOLA MÚTUO, CRL

STATEMENT OF CHANGES IN EQUITY AS AT 31 December 2023 AND 2022

(Amounts in Euros)

Sources of changes in equity	Notes	Capital	Other equity instruments issued	Other accumulated comprehensive income	Retained earnings	Revaluation reserves	Other reserves	Profit or loss (-) attributable to owners of the parent company	Total
Opening balance as of 01 January 2022		311,097,865	**0**	-3,901,319	9,456,792	460,988	55,913,322	42,769,389	415,797,037
Issue of ordinary shares	20	1,608,990							1,608,990
Issue of other equity instruments	21		100,000,000						100,000,000
Dividends	22						-2,795,833		-2,795,833
Other increases or decreases (-) in equity	22				-229,018		42,998,407	-42,769,389	0
Total comprehensive income for the year	22			-13,217,886				22,342,698	9,124,812
Debt instruments at FVTOCI - Valuation gains or losses (-)				*-18,240,886*					*-18,240,886*
Debt instruments at FVTOCI – Transferred to profit or loss				*-188,452*					*-188,452*
Other				*5,211,452*					*5,211,452*
Closing balance as at 31 December 2022		**312,706,855**	**100,000,000**	**-17,119,205**	**9,227,774**	**460,988**	**96,115,896**	**22,342,698**	**523,735,006**
Opening balance as of 01 January 2023		**312,706,855**	**100,000,000**	**-17,119,205**	**9,227,774**	**460,988**	**96,115,896**	**22,342,698**	**523,735,006**
Issue of ordinary shares	20	2,231,710							2,231,710
Issue of other equity instruments	21								0
Dividends	21						-10,206,945		-10,206,945
Other increases or decreases (-) in equity	22				1,477,281		20,865,417	-22,342,698	0
Total comprehensive income for the year	22			6,128,836				66,271,409	72,400,245
Debt instruments at FVTOCI - Valuation gains or losses (-)				*7,711,612*					*7,711,612*
Debt instruments at FVTOCI – Transferred to profit or loss				*0*					*0*
Other				*-1,582,776*					*-1,582,776*
Closing balance as at 31 December 2023		**314,938,565**	**100,000,000**	**-10,990,369**	**10,705,055**	**460,988**	**106,774,368**	**66,271,409**	**588,160,016**

The Certified Accountant

The Executive Board of Directors

The Notes are an integral part of the Annual Report of Caixa as at 31 December 2023

CAIXA CENTRAL DE CRÉDITO AGRÍCOLA MÚTUO, CRL

CASH FLOW STATEMENT AS AT 31 December 2023 AND 2022
(Amounts in Euros)

	Notes	31-Dec-2023	31-Dec-2022
Cash flows from operating activities			
Interest, fee and commission income	23 / 26	434,871,956	285,786,426
Interest, fee and commission expenses	24 / 27	-245,726,914	-204,694,826
Payments to employees and suppliers	18 / 36 / 37	-48,591,323	-44,413,460
Payments and contributions to pension funds	42	-617,813	-727,037
Income tax (payments)/receipts	13	-4,106,710	-12,344,574
Other (payments)/receipts relating to operating activities		585,553	-5,768,589
Operating income before changes in operating assets		**136,414,749**	**17,837,940**
(Increases) / decreases in operating assets:			
Non-trading financial assets mandatorily at fair value through profit or loss	7	-1,999,889	-19,604,941
Financial assets at amortised cost	8	26,854,987	739,220,269
Financial assets at fair value through profit or loss and derivatives	5 / 9	-283,569,205	732,358,154
Financial assets stated at fair value through other comprehensive income	7	172,589,944	4,261,983
Other assets	14	-2,125,771	-74,000,089
Other assets - margin call	14	-23,083,069	-8,684,287
		(111,333,003)	**1,373,551,089**
Increases / (decreases) in operating liabilities:			
Financial liabilities at amortised cost	16	-78,263,745	-2,040,745,129
Financial liabilities at fair value through profit or loss and derivatives	5 / 9	64,659,741	-172,402,689
Other liabilities	18	21,622,706	-33,381,755
Other liabilities - margin call	18	-248,798,148	879,760,098
		(240,779,447)	**(1,366,769,475)**
Net cash from operating activities		**6,968,306**	**(2,722,482,624)**
Cash flows from investing activities			
Dividends	25	204,050	258,328
Acquisitions of tangible and intangible assets	11/12	-471,615	-440,282
Disposals of tangible and intangible assets	11/12	52,442	23,202
Net cash from investment activities		**(215,123)**	**(158,752)**
Cash flows from financing activities			
Lease liabilities	18	-1,996,827	-1,022,768
Issue of subordinated debt	16	250,000,000	0
Dividends	21	-10,206,945	-2,795,833
Share capital increase	21 / DACP	2,231,710	101,608,990
Net cash from financing activities		**240,027,938**	**97,790,389**
Increase / (decrease) in cash and cash equivalents			
Change in cash and cash equivalents		227,446,996	-2,644,185,111
Change in cash and cash equivalents in foreign currency		19,866,117	19,334,124
Cash, cash balances at central banks and other demand deposits at the beginning of the year	4	1,228,989,974	3,853,840,961
Cash, cash balances at central banks and other demand deposits at the end of the year	4	1,476,303,087	1,228,989,974
Cash and cash equivalents at the end of the year comprise:			
Cash, cash balances at central banks and other demand deposits	4	1,476,303,087	1,228,989,974
		1,476,303,087	**1,228,989,974**

The Certified Accountant **The Executive Board of Directors**

The Notes are an integral part of the Annual Report of Caixa as at 31 December 2023

ALTERNATIVE PERFORMANCE MEASURES (APM) OF CAIXA CENTRAL

Income Statement

Values in euros

Designation	Dec. 2022	Dec. 2023	Definition
Net interest income	**85,078,013**	**142,699,716**	Comprises "Interest income" less "(Interest expenses)".
Net fees and comissions	**9,850,629**	**11,512,655**	Comprises "Fee and commission income" less "(Fee and commission expenses)".
Net trading income	**-4,853,188**	**3,407,732**	Corresponds to the sum of "Dividend income", "Gains or (-) losses on financial assets & liabilities not measured at fair value through profit or loss, net", "Gains or (-) losses on financial assets and liabilities held for trading, net", "Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net", "Gains or (-) losses on financial assets and liabilities stated at fair value through profit or loss, net", "Gains or (-) losses from hedge accounting, net", "Foreign Exchange differences [gain or (-) loss], net" and "Gains or (-) losses on derecognition of non-financial assets, net".
Other net operating income	**-7,715,793**	**-1,147,759**	Corresponds to the sum of "Other operating income", plus "(Other operating expenses)" and plus "(Cash contributions to resolution funds and deposit guarantee schemes)".
Operating income	**82,359,661**	**156,472,344**	Corresponds to the sum of "Total operating income, net" deducted from "Cash contributions to resolution funds and deposit guarantee schemes".
Operating costs	**48,597,236**	**52,777,127**	Comprises "(Staff expenses)", "(Other administrative expenses)" and "(Depreciation/Amortisation)".
Impairment and provisions for the period	**5,364,264**	**8,638,334**	Comprises "(Provisions or (-) reversal of provisions)", "(Impairments or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)", (Impairments or (-) reversal of impairment on investments in joint ventures and associates)" and "(Impairment or (-) reversal of impairment on non-financial assets)"
Impairment and provisions for the period of which: credit impairment	**4,861,394**	**-874,348**	Corresponds to the Impairments of Assets at amortised cost related to loans and certified/commercial paper (excluding impairment from interest income of stage 3 contracts), ("Top-ups" plus "Write-backs & annulments")
Gain and losses in other assets	**69,240**	**-554,793**	Corresponds to the sum of "Share of the profit or (-) loss of investments in joint ventures and associates accounted for using the equity method" plus "Profit or (-) loss from non current assets and disposal groups classified as held for sale not qualifying as discounted operations".
Net income	**22,342,698**	**66,271,409**	Corresponds to "Profit or (-) Loss for the year attributable to owners of the parent".

Balance sheet Values in euros

Designation	Dec. 2022	Dec. 2023	Definition
Total Loans and advances portfolio (gross) to customers	**1,745,382,808**	**1,685,007,720**	Corresponds to the sum of "Total Credit Portfolio", excluding the "Accumulated impairment – Total Credit Portfolio", as mentioned in Note 8.3 of annual report ("Financial assets at amortised cost" - "Loans and Advances to Customers"), and the Certified as mentioned in Note 8.1 of annual report ("Financial assets at amortised cost – "Debt Securities"). Corresponds to "loan portfolio".
Customer deposits	**853,348,883**	**706,075,149**	Corresponds to the sum of total of "Deposits", excluding "Loans – Banco de Portugal", "Associated Caixas i)"; "Loans to Other Credit Institutions"; "Interest payable – Banco de Portugal" and "interest payable - of which Associated Caixas i)" and "interest payable - of which Other Credit Institutions", as mentioned in Note 16 of annual report "financial liabilities at amortised cost". Corresponds to "Customer funds on the balance sheet".
Loans and advances to customers (net)	**1,694,750,853**	**1,643,057,759**	Corresponds to the sum of "Total Credit Portfolio", as mentioned in Note 8.3 of annual report ("Financial assets at amortised cost" - "Loans and Advances to Customers"), plus the sum of total "Certified" and "Accumulated impairment – Certified", as mentioned in Note 8.1 of annual report ("Financial assets at amortised cost – "Debt Securities").
Securities portfolio	**8,252,733,294**	**8,451,206,124**	Corresponds to the sum of "Financial assets held for trading – Debt instruments", "Non-trading financial assets mandatorily at fair value through profit or loss", "Financial assets designated at fair value through profit or loss", "Financial assets at fair value through other comprehensive income" and "Financial assets at amortised cost – Debt Securities" excluding "Accumulated impairment – Debt instruments" and the total "Certified" with "Accumulated impairment", as mentioned in Note 8.1 of annual report ("Financial assets at amortised cost" – "Debt Securities").
Total Accumulated impairment and provisions	**66,831,356**	**67,928,629**	Corresponds to the sum of "Accumulated impairment – Debt instruments" and "Accumulated impairment – Certified" (Note 8.1 "Financial assets at amortised cost" – "Debt Securities"), "Accumulated impairment – Total Credit Portfolio" and "Investment impairments" (Note 8.3 "Financial assets at amortised cost" - "Loans and Advances to Customers"), "Impairment on investments in joint ventures and associates" (Note 10 "Investments in joint ventures and associates"), "Impairment – Other assets" (Note 14 "Other assets"), "Impairment – Impairment of real estate properties" and "Impairment – Impairment of equipment and other assets" (Note 15 "Non-current assets and disposal groups classified as held for sale"), "Impairment of assets at FVTOCI" (Note 22 "Other accumulated comprehensive income, retained earnings and reserves") and "Provisions for guarantees provided and irrevocable commitments" and "Provisions for other risks" (Note 17 "Provisions and Impairment")".
Accumulated impairment and provisions	**58,208,256**	**48,820,615**	Corresponds to the sum of "Accumulated impairment – Debt instruments" and "Accumulated impairment – Certified" (Note 8.1 "Financial assets at amortised cost" – "Debt Securities"), "Accumulated impairment – Total Credit Portfolio" and "Investment impairments" (Note 8.3 "Financial assets at amortised cost" - "Loans and Advances to Customers"), "Impairment on investments in joint ventures and associates" (Note 10 "Investments in joint ventures and associates"), "Impairment – Other assets" (Note 14 "Other assets"), "Impairment – Impairment of real estate properties" and "Impairment – Impairment of equipment and other assets" (Note 15 "Non-current assets and disposal groups classified as held for sale").
Accumulated impairment and provisions of which: Accumulated impairment of credit	**50,631,955**	**41,949,960**	Corresponds to the sum of "Accumulated impairment – Total Credit Portfolio" (Note 8.3 "Financial assets at amortised cost" - "Loans and Advances to Customers") and sum of total "Accumulated impairment – Certified" (Note 8.1 "Financial assets at amortised cost" – "Debt Securities").
Off balance sheet customers funds	**102,388,531**	**116,891,746**	Off balance sheet funds corresponds to assets under management and value of mathematical provisions and financial liabilities of insurance contracts considered for accounting purposes as insurance contracts subscribed by customers.
Customer funds	**955,737,414**	**822,966,895**	Customer funds on and off balance sheet.

Asset quality Values in euros, except in %

Designation	Dec. 2022	Dec. 2023	Definition
NPL	**72,016,133**	**71,692,349**	Non-performing loans definition, under the Article 178 of Regulation (EU) No 575/2013, includes: Credit past due more than 90 days with materiality criteria as specified in the relevant EBA RTS 2016/06; All transactions with clients who have shown at least 3 evidences/ indicators of unlikeliness to pay; Insolvent clients/ expected to become insolvent; Forborne exposures that have second or more amendments to the contracts; Forborne exposures with amounts more than 30 days past due during the probation period; Urgent restructuring; Quarantine period of 12 months for the credits that are in default by forborne exposures criteria (the existence of contract terms that extend the repayment period, such as grace period for the principal, are added to the quarantine period in default); Quarantine period of 3 months for the remaining loans; and all exposures to a debtor (on-balance and off-balance) with on-balance past due by more than 90 days that account for more than 20% of the on-balance total.
NPL ratio	**4.1%**	**4.1%**	Non-performing loans divided by loans and advances portfolio to customers excluding central banks (gross).
NPL coverage by credit impairments	**70.1%**	**58.5%**	Credit impairment divided by non-performing loans.
NPL coverage by NPL impairments	**44.5%**	**37.5%**	Non-performing impairment divided by non-performing loans.
NPL coverage by NPL impairments and collaterals	**198.7%**	**132.4%**	Total of non-performing impairment and associated collaterals, applying haircuts and recovery costs to the collateral, divided by non-performing loans.
NPL coverage by NPL impairments and collaterals (FINREP)	**98.5%**	**89.8%**	Non-performing impairment and associated collaterals, applying haircuts and recovery costs to the collateral, limited by the exposure of each contract, divided by non-performing loans.
Texas ratio	**13.1%**	**12.8%**	Non-performing loans divided by the sum of common equity tier 1 and the impairment stock. (Not including Net Income for the period).
Cost of risk	**0.28%**	**-0.05%**	Impairments of Assets at amortised cost related to loans and certified/commercial paper (excluding impairment from interest income of stage 3 contracts), ("Top-ups" plus "Write-backs & annulments") divided by Total Loans and advances portfolio (gross) to customers in the period.

Capital & liquidity

Values in %

Designation	Dec. 2022	Dec. 2023	Definition
CET 1 Capital Ratio	**18.8%**	**20.7%**	CET 1 capital expressed as a percentage of the total risk exposure amount.
Tier 1 capital ratio	**23.3%**	**24.9%**	Tier 1 capital expressed as a percentage of the total risk exposure amount.
Total capital ratio	**23.3%**	**24.9%**	Total own funds expressed as a percentage of the total risk exposure amount.
Leverage ratio	**4.1%**	**4.7%**	Tier 1 capital expressed as a percentage of the total exposure measure.
Loan to deposit ratio	**198.6%**	**232.7%**	Loans and advances to customers (net) divided by customer deposits.
Liquidity Coverage Ratio	**616.8%**	**664.8%**	The liquidity coverage ratio is the ration between the amount of high-quality, unencumbered liquid assets (held in a liquidity buffer), available under adverse conditions, and net cash outflows, calculated according to regulatory defined parameters. The LCR aims to ensure the maintenance of sufficient high-quality liquid assets on the balance sheet to withstand a scenario of adverse financing conditions for 30 days.
Net Stable Funding Ratio (NSFR)	**156.5%**	**169.7%**	The net stable funding ratio requirement is the ratio of an institution's amount of available stable funding to its amount of required stable funding over a one-year horizon. The amount of available stable funding should be calculated by multiplying the institution's liabilities and own funds by appropriate factors that reflect their degree of reliability over the one-year horizon. The amount of required stable funding should be calculated by multiplying the institution's assets and off-balance-sheet exposures by appropriate factors that reflect their liquidity characteristics and residual maturities over the same one-year horizon. The NSFR should be expressed as a percentage and set at a minimum level of 100 per cent., which indicates that an institution holds sufficient stable funding to meet its funding needs over that one-year horizon under both normal and stressed conditions.
Solvency ratios, excluding net income	**17.8%**	**17.8%**	Own funds, excluding net income, expressed as a percentage of the total risk exposure amount.
Leverage ratio, excluding net income	**3.9%**	**4.2%**	Own funds, excluding net income, expressed as a percentage of the total exposure measure.

Efficiency and Profitability

Values in %

Designation	Dec. 2022	Dec. 2023	Definition
Cost-to-income	**59.0%**	**33.7%**	Cost-to-income corresponds to Operating costs divided by Operating Income.
ROA	**0.2%**	**0.5%**	"Profit or (-) Loss" multiplied by 12 months and divided by number of months of the period divided by the average of "Total assets" (average between the amount in the beginning and in end of the period).
ROE	**4.8%**	**11.9%**	"Profit or (-) Loss" multiplied by 12 months and divided by number of months of the period divided by the average of "Total equity" (average between the amount in the beginning and in end of the period).

EXPLANATORY NOTES TO CAIXA CENTRAL'S ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS

1. Introduction

Caixa Central - Caixa Central de Crédito Agrícola Mútuo, C.R.L. (hereinafter referred to as Caixa Central or CCCAM) is a credit institution that was incorporated on 20 June 1984 in the form of a limited liability cooperative. The objective of Caixa Central is the granting of credit and undertaking of all other acts inherent to the banking business, under the terms established in the applicable legislation.

Caixa Central is part of the Sistema Integrado do Crédito Agrícola Mútuo (SICAM), which is composed of Caixa Central and its Associated Caixas de Crédito Agrícola Mútuo.

Caixa Central is responsible for ensuring the guidance, supervision and representation of the institutions that are part of SICAM.

During 2023, Caixa Central operated, through its registered office, located at Rua Castilho no. 233, in Lisbon, and through a network of thirteen branches located in the municipalities of Lisbon, Porto, Amadora, Oeiras, Funchal and Leiria, and two company offices.

The activities developed by the Caixas de Crédito Agrícola Mútuo associated with Caixa Central, comprising the Sistema Integrado do Crédito Agrícola Mútuo, are detailed in Note 41.

On 1 January 2020 Decree-Law 106/2019 of 12 August, which determined the transfer of the deposit guarantee arm of FGCAM to the Deposit Guarantee Fund (FGD), came into force. However, the assistance component remained in FGCAM, which was transformed into an association under private law named Associação - Fundo de Assistência do Crédito Agrícola Mútuo (FACAM) which was allocated the autonomous assets resulting from the transformation.

In July 2021, Caixa Central received its first Baseline Credit Assessment (BCA) rating from Moody's at Ba1 level. In November 2023 this rating was revised to baa3. The rating assessment reflects the credit opinion of the Crédito Agrícola Group, which incorporates the solidarity mechanism prevailing between its constituent institutions, namely the Caixas de Crédito Agrícola and the Caixa Central. The Baseline Credit Assessment rating is complemented with the Baa2/P-2 Outlook Stable/Prime-3 deposit rating and Counterparty Risk Rating (CRR) rating of Baa1/Prime-2.

In addition, in May 2023 Sustainalytics assigned the first ESG risk rating to the Crédito Agrícola Group, with which Crédito Agrícola is favourably positioned in the domestic banking sector, obtaining a rating of 20.0/average risk.

At the end of October 2021, Caixa Central made its first debt issue in the international market, specifically senior preferred debt securities linked to Social Sustainability. The issue, amounting to 300 million euros, has a maturity of 5 years, with an early repayment option at the end of the fourth year and an issue price of 99.906%, with an annual coupon rate of 2.50% in the first 4 years, and bearing interest at the 3M Euribor rate plus a spread of 260 basis points thereafter. The settlement occurred on 5 November 2021. Moody's Investor Services assigned a rating of "Ba2", with a stable Outlook for this issue.

In June 2023, Caixa Central made a second debt issue on the international market for 200 million euros. This issue has a term of 4 years, with an early repayment option at the end of the third year and an issue price of 99.681%, with an annual coupon rate of 8.375%, and subsequently remunerated at the 3M Euribor rate, plus a margin of

497.4 basis points. The settlement occurred on 4 July 2023. Moody's Investor Services assigned a rating of “Ba1”.

As a result of the interest of institutional investors in this debt issue, the Crédito Agrícola Group decided to increase its value by 50 million euros. This tap issue of senior preferred bonds, linked to Social Sustainability, was settled on 8 August 2023. Like the second issue, these bonds are listed on the international market. Moody's Investor Services assigned a rating of “Ba1”.

This tap issue is also eligible for the Minimum Requirement for Own Funds and Eligible Liabilities (MREL), thus enabling the Crédito Agrícola Group to exceed its binding target for the MREL Total Risk Exposure Amounts + Combined Buffer Requirement (MREL TREA + CBR), which comes into force on 1 January 2024 (25.28%).

In March 2022, Caixa Central conducted a perpetual and subordinated debt issue, in the form of investment securities, eligible for Tier 1 of the value of 100 million euros. This issue was placed exclusively with Caixas Agrícolas.

In 2023 the activities were maintained in relation to the reporting of accounting and prudential aspects underpinned by harmonised information models in the European context (FINREP / COREP), as well as the periodic conduct of various exercises that, in addition to the CA Group's internal management items, represent prudential supervisory instruments used by the regulator. In this regard, of particular importance is (i) the Funding and Capital Plan, which presents projections of the main financial and prudential aggregates aimed at highlighting potential capital and liquidity needs in a markedly prospective manner, (ii) the Internal Capital Adequacy Assessment Process (ICAAP), which seeks to assess and quantify the main risks to which the institution is exposed, and (iii) the Recovery Plan which aims to ensure the prior planning of measures that may be adopted so as to avoid or correct, in a timely form, any possible situation of financial imbalance.

The attached financial statements refer to Caixa Central's individual activity for the years ended on 31 December 2023 and 2022.

Pursuant to Article 78 of the Legal Framework of Crédito Agrícola Mútuo, approved by Decree-Law 24/91 of 11 January, which was subsequently amended (the last of which by Decree-Law 142/2009 of 16 June), the liabilities undertaken by the Associated Caixas de Crédito Agrícola Mútuo of Caixa Central are fully guaranteed by Caixa Central under terms by which the guarantor backs the liabilities secured party (co-liability arrangement). These liabilities are not reflected in the individual accounts of Caixa Central and are only presented in the consolidated accounts of the Crédito Agrícola Group.

The Executive Board of Directors of Caixa Central approved the financial statements as at 31 December 2023 presented herewith on 24 April 2024, which are subject to approval by the General Meeting.

The General Meeting may reject the proposal of the members of the Executive Board of Directors relative to the approval of the accounts and determine the preparation of new accounts or the reformulation of specific points of the presented accounts. However, the Executive Board of Directors does not expect this to happen.

2. Basis of presentation, comparability of the information and main accounting policies

2.1. Basis of presentation of the accounts

Following the publication of Banco de Portugal Notice 5/2015 of 7 December, institutions subject to Banco de Portugal's supervision are henceforth obliged to prepare their financial statements on an individual basis pursuant to the International Accounting Standards (IAS) / International Financial Reporting Standards (IFRS), as endorsed, at any given time, by European Union Regulations, more specifically by Regulation (EC) 1606/2002 of 19 July of the European Parliament and of the Council, considering the amendments made after their publication.

International standards comprise accounting standards issued by the International Accounting Standards Board ('IASB') as well as interpretations issued by the International Financial Reporting Interpretation Committee ('IFRIC') and their predecessor bodies, issued and in force on 1 January 2023.

With the publication of Notice 1/2019 of 22 January 2019, Banco de Portugal defined that institutions shall refer to the model financial statements and their main applicable items set out in Annex III of Commission Executive Regulation (EU) 680/2014 of 16 April 2014, which sets out technical implementing rules as far as concerns reporting for the purpose of supervision of the institutions, in accordance with the FINREP mapping.

In the preparation of the individual financial statements, Caixa Central followed the historical cost convention, modified, when applicable, by measurement of financial assets and liabilities at fair value through profit or loss, derivative financial instruments and financial assets at fair value through other comprehensive income.

The preparation of financial statements in conformity with the IAS / IFRS requires the use of estimates, assumptions and critical judgements in the process of determining the accounting policies to be adopted by Caixa Central, which could have a significant impact on the book value of the assets and liabilities, as well as the income and costs of the reporting year. Although these estimates are based on the best experience of the Executive Board of Directors and its best expectations in relation to current and future events and actions, the real current and future results could differ from these estimates. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant for the financial statements, are set forth in Note 3.

The financial statements presented are expressed in euros, rounded to the nearest euro.

2.2. Alterations to the accounting policies and comparative information

The financial statements of 2023 are, in all materially relevant aspects, comparable to the financial statements presented in this document relative to the previous year.

Additionally, a series of amendments were made to the IAS/IFRS during 2023, shown below, which did not have any impact on the accounting policies or financial statements presented as at 31 December 2023.

Impact of the adoption of new standards, amendments to standards which became effective for annual periods starting on 1 January 2023:

a) **IAS 1** (amendment), 'Disclosure of accounting policies'. Amendment to the disclosure requirements of accounting policies based on the definition of 'material' rather than 'significant'. Information about an accounting policy is considered material if, in its absence, users of the financial statements would be unable to understand other financial information included in the financial statements. Immaterial information about accounting policies need not be disclosed. IFRS Practice Statement 2 was also amended to clarify how the concept of 'material' applies to the disclosure of accounting policies. No relevant impact on Caixa Central's financial statements.

b) **IAS 8** (amendment), 'Disclosure of accounting estimates'. Introduction of the definition of accounting estimate and how it is distinguished from changes in accounting policies. Accounting estimates are now defined as monetary amounts subject to measurement uncertainty that are used to achieve the objective(s) of an accounting policy. No impact on Caixa Central's financial statements.

c) **IFRS 17** (new and amendment), 'Insurance contracts' This new standard replaces IFRS 4 and applies to all issuers of insurance, reinsurance or investment contracts with discretionary participation features if they are also issuers of insurance contracts. Under IFRS 17, insurance contract issuers need to assess whether the policyholder may benefit from a particular service as part of a claim, or whether that service is independent of the claim/risk event and separate the non-insurance component. Under IFRS 17, entities must identify portfolios of insurance contracts at initial re/recognition and divide them, as a minimum, into the following groups: i) contracts that are onerous at initial recognition; ii) contracts that do not have a significant possibility of subsequently becoming onerous; and iii) remaining contracts in the portfolio. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty related to insurance contracts. IFRS 17 requires an entity to recognise income as it provides insurance services (rather than when it receives premiums) and to provide information about the insurance contract gains it expects to recognise in the future. IFRS 17 provides three measurement methods for accounting for different types of insurance contracts: i) the General measurement model ("GMM"); ii) the Premium allocation approach ("PAA"); and iii) the Variable fee approach ("VFA"). IFRS 17 is applied retrospectively with some exemptions on the transition date. No impact on Caixa Central's financial statements.

d) **IFRS 17** (amendment), 'Initial application of IFRS 17 and IFRS 9 - Comparative Information'. This amendment is only applicable to insurers in the transition to IFRS 17 and permits the application of overlay in the classification of a financial asset for which the institution does not carry out the retrospective application, under IFRS 9. This amendment seeks to prevent temporary accounting mismatches between financial assets and liabilities of insurance contracts, in the comparative information presented in the initial application of IFRS 17, establishing: (i) the statement of financial assets on an instrument-by-instrument basis; (ii) the presentation of comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset, but without requiring that an institution apply the impairment requirements of IFRS 9; and (iii) the obligation to use reasonable and substantiated information available on the transition date, to determine how the institution expects this financial asset to be classified pursuant to IFRS 9. No impact on Caixa Central's financial statements.

e) **IAS 12** (amendment), 'Deferred tax related to assets and liabilities arising from a single transaction'. IAS 12 now requires institutions to recognise deferred tax on certain specific transactions when their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences. The transactions subject to recognition refer to the recording of: i) assets under right of use and lease liabilities; and ii) provisions for dismantling, restoration or similar liabilities, and the corresponding amounts recognised as part of the cost of the related asset, when at the date of initial recognition, they are not relevant for tax purposes. These temporary differences are not included under the scope of the exemption of initial recognition of deferred taxes. This amendment is applied retrospectively. No impact on Caixa Central's financial statements.

f) **IAS 12** (amendment) 'International tax reform - Pillar Two model rules'. Following the implementation of the OECD's Global Anti-Base Erosion (“GloBE”) rules, there may be significant impacts on the calculation of deferred taxes of the institutions covered, which are difficult to estimate at this time. This amendment to IAS 12 introduces: i) a temporary exception to the requirements for recognizing and disclosing information on deferred tax assets and liabilities related to Pillar Two; and ii) additional disclosure requirements for affected institutions (institutions belonging to multinational groups with consolidated revenues of 750 million euros in at least two of the last four years), such as: the fact that the exception has been applied, the current tax expense that refers to the Pillar Two rules, and the reasonable estimate of the impact of the application of the Pillar Two rules between the date of publication of the legislation and the date of its entry into force. No impact on Caixa Central's financial statements.

Published standards (new and amendments), whose application is mandatory for annual periods that begin on or after 1 January 2024, which the European Union has already endorsed:

a) **IAS 1** (amendment), 'Classification of liabilities as non-current and current' and 'Non-current liabilities with covenants' (effective for annual periods beginning on or after 1 January 2024). These amendments clarify that liabilities are classified as current or non-current balances depending on the right that an institution has to defer their payment beyond 12 months after the reporting date. They also clarify that covenants, which an institution is required to comply with on or before the reporting date, affect the classification of a liability as current or non-current even if their verification only occurs after the reporting date. When an entity classifies liabilities arising from financing contracts as non-current and those liabilities are subject to covenants, it is required to disclose information that allows investors to assess the risk that these liabilities will become repayable within 12 months, such as: a) the carrying amount of the liabilities; b) the nature of the “covenants” and the dates of compliance; and c) the facts and circumstances indicating that the institution may have difficulties in complying with the covenants on the due dates. These changes are retrospective. No relevant impacts are expected on Caixa Central’s financial statements arising from its future adoption.

b) **IFRS 16** (amendment) ‘Lease liabilities in sale and leaseback’ (applicable in financial years starting on or after 1 January 2024). This amendment introduces guidance regarding the subsequent measurement of lease liabilities for sale and leaseback transactions that qualify as "sales" under 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 lease liabilities, seller-lessees shall determine "lease payments" and "revised lease payments" so that they will not recognise gains/(losses) in respect of the right of use they retain. This amendment is applied retrospectively. No relevant impacts are expected on Caixa Central’s financial statements arising from its future adoption.

Although these standards have already been approved/endorsed by the European Union, they had not yet been adopted by CCAM in the preparation of its financial statements as at 31 December 2023, as their application is not yet mandatory.

Published standards (new and amendments), whose application is mandatory for annual periods that begin on or after 1 January 2024, which the European Union has not yet endorsed:

a) **IAS 7** (amendment) and IFRS 7 (amendment), 'Supplier finance arrangements' (effective for annual periods beginning on or after 1 January 2024). These changes are still subject to approval by the European Union. Supplier finance agreements are characterised by the existence of a financier who undertakes to pay the balances that an entity owes to its suppliers and the institution, in turn, agrees to pay according to the terms and conditions of the agreements, on the same date, or later, than the date of payment to suppliers. The amendments introduced require an entity to make additional disclosures about negotiated supplier finance arrangements to enable: i) an assessment of how supplier finance arrangements affect the institution's liabilities and cash flows; and ii) an understanding of the effect of supplier finance arrangements on an entity's exposure to liquidity risk, and how the entity would be affected if the arrangements were no longer available.

The additional requirements complement the presentation and disclosure requirements that already exist in the IFRS, as established by the IFRS IC in the Agenda Decision of December 2020. No relevant impacts are expected on Caixa Central's financial statements arising from its future adoption.

b) **IAS 21** (amendment) 'Effects of changes in foreign exchange rates: Lack of exchangeability' (to be applied to financial years beginning on or after 1 January 2025). This change is still subject to approval by the European Union. This amendment adds the requirements to determine whether a currency can be exchanged for another currency (exchangeability) and to define how to determine the spot exchange rate to be used when it is not possible to exchange a currency over a long period. This amendment also requires the disclosure of information that makes it possible to understand how the currency that cannot be exchanged for another currency affects, or is expected to affect, the institution's financial performance, financial position and cash flows, in addition to the spot exchange rate used on the reporting date and how it was determined. No relevant impacts are expected on Caixa Central's financial statements arising from its future adoption.

2.3. Summary of the main accounting policies

The most significant accounting policies used in the preparation of the financial statements were as follows:

a) Accrual basis

Caixa Central follows the accrual principle of accounting in relation to most of the items in its financial statements. Hence, the costs and income are recorded as they are generated, independently of the time of their payment or receipt.

b) Foreign currency transactions

Assets and liabilities denominated in foreign currency are converted into euros at the exchange rate prevailing on the reporting date.

Income and costs relative to transactions in foreign currency are recorded in the period when they occur, considering the exchange rates in force on the day when they were carried out.

Additionally, the following accounting procedures are used:

- The spot exchange rate position for each currency, which corresponds to the net balance of the assets and liabilities of any specific currency, is revalued daily pursuant to the fixing exchange rates published by Bloomberg, and recorded against profit or loss.
- The forward exchange rate position of a currency, which corresponds to the net balance of the forward transactions awaiting settlement, is revalued at the market forward exchange rate, or, if such does not exist, at a rate calculated based on the market interest rate for this currency and for the residual term of the transaction. The difference between the balances converted into euros at the revaluation rates used and the balances converted to the contracted rates corresponds to revaluation of the forward exchange rate position and is recorded through profit or loss; and
- Non-monetary assets and liabilities measured at fair value are converted at the exchange rates of the date when the fair value is determined, with the currency conversion differences being recognised through profit or loss. The currency conversion differences of financial assets at fair value through other comprehensive income are, however, recognised in other comprehensive income, and likewise the currency conversion differences relative to cash flow hedges.

The table below shows the exchange rate in US dollars on the reporting date:

Currency	Currency description	Exchange Rate 31-Dec-2023	Exchange Rate 31-Dec-2022
USD	US Dollar	1.10550	1.06505

Source: Bloomberg, 30-Dec-2023 and 31-Dec-2022 at 13h30

c) Investments in subsidiaries, associates, and joint ventures

The subsidiaries are the institutions in which Caixa Central exercises control in terms of their management. The related companies are the institutions in which Caixa Central exercises significant influence but does not control. Significant influence is defined as a financial holding (directly or indirectly held) of more than 20% or the power to participate in decisions about the financial and operational policies of the institution but has neither control nor joint control over it.

Joint ventures correspond to joint agreements through which the entrepreneurs exercise joint control over an institution for the purpose of sharing the return obtained from the joint venture’s activity.

Caixa Central controls an institution when it is exposed to or has rights to variable returns arising from its involvement with the institution and has the capacity to affect these same returns through the power it exercises over the institution.

Affiliates and related companies are stated at acquisition cost, being subject to impairment tests. If there is a significant deterioration of these companies' financial position, Caixa Central records impairment losses when the recoverable value is lower than the recorded book value. In addition to the recognition of impairment on these investments, Caixa Central recognises other losses if it has incurred liabilities or made payments in benefit of its investments.

Dividends are recorded under the respective profit or loss accounts when the entitlement to their payment is established.

d) Loans and advances

These refer to financial instruments classified at amortised cost.

Loans and advances to customers includes loans granted to customers by Caixa Central not intended for sale in the short-term, which are recorded on the date when the loan amount is advanced to the customer, being recognised at nominal value/amortised cost.

Subsequently, the credit and accounts receivable are recorded at amortised cost, being submitted to periodic impairment tests.

The interest component, including that relative to any premiums/discounts, is disclosed in the accounts separately in the respective profit or loss accounts, pursuant to the accrual principle. Whenever applicable, the external commissions and costs imputable to the contracting of the operations underlying the assets included in this category should also be divided into periods over the maturity period of the credit, in conformity with the effective interest rate method.

Caixa Central classifies principal or interest instalments that remain unpaid 30 days after their due date as overdue credit. The legal terms and the procedures established in the internal regulations and respective decisions are applicable to loans with overdue instalments, where it is possible, if applicable, in the event of breach of contractual obligations, for the over debt to be considered past due, namely in a context of receivership.

Caixa Central can renegotiate or modify the contractual cash flows of a financial asset. When this situation occurs, Caixa Central assesses whether the new terms of the contract are substantially different from the original terms.

If the terms of the contract are not substantially different, the renegotiation or modification does not give rise to a derecognition, but rather the recalculation of the present value of the modified cash flows discounted at the original effective interest rate. The difference is recognised through "modification gains or losses, net" at the time when they are originated.

On the other hand, if the changes arising from the renegotiation are substantially different, Caixa Central derecognises the asset and recognises a "new one".

Loans and advances to customers are derecognised on the balance sheet when (i) Caixa Central's contractual rights relative to the respective financial flows have expired; (ii) Caixa Central has substantially transferred all the risks and benefits associated with the credit; or (iii) even if Caixa Central retains part of the risks and benefits associated with the credit, the control over the credit has been transferred.

Guarantees provided and irrevocable commitments

Liabilities for guarantees provided and irrevocable commitments are recorded as off-balance sheet items at risk value, where any flows of interest, commissions or other gains are stated through profit or loss over the life of the operations.

Loan impairment

IFRS 9 – Financial instruments establishes a series of relevant aspects concerning the impairment model, with particular emphasis on the following:

i. Concept of expected economic loss in the risk management of the portfolio of financial assets, determined based on macroeconomic scenarios.
ii. Definition of 'default' pursuant to Article 178 of the Capital Requirements Regulation (CRR), introduced in a phased manner up to 2021.
iii. Quantification of impairment for loans to credit institutions.
iv. Revision and introduction of new risk parameters (e.g. probability of default, loss given default, credit conversion factor, performance maturity, prepayment).
v. Adjustment of the main segments of the credit portfolio aimed at classifying assets from a risk perspective, based on homogeneous standards, according to their type (e.g. purpose, performance), in addition to being integrated in scoring and rating analytical models.

The determination of impairment losses of financial assets, in conformity with the provisions in IFRS 9, is based on specific methods which comply with the regulatory requirements, adapted to the historical data, and features of the portfolio of Caixa Central.

A financial asset is in a situation of impairment (and incurs impairment losses) when the present value of the expected cash flows is less than the respective exposure value. This situation is observed when:

- There is objective evidence of impairment resulting because of one or more events that occur after the initial recognition of the asset (loss event).
- These events have impact on the expected future cash flows and can be estimated in a reliable form.

Pursuant to the financial reporting standard IFRS 9, the assessment of impairment can be based on two types of analysis:

i. ***Individual analysis***

Analysis of customers with significant exposure, through the assessment files (questionnaires) resident in the Module of Individual Analysis of Impairment (MOAI) application, where the data of the individual analyses are validated and used to calculate impairment on an individual basis.

The selection criteria of customers subject to individual analysis are as follows:

a. All customers/economic and risk groups (GER) with liabilities of more than 1,000,000 euros and/or overdue loans of more than 50,000 euros.

b. Customer/GER classified equal to or above stage 2 and liabilities of more than 500,000 euros.

c. Customer/GER with current account exposure or overdraft of more than 500,000 euros and equal to or above 90% of the limit contracted in the last 18 months.

d. Customer/GER with liabilities of more than 500,000 euros without associated asset backing or with a loan-to value (LTV) above 80%;

e. Customer/GER with forborne loans and forborne loans exposure of more than 500,000 euros.

ii. ***Collective analysis***

Analysis of customers/GER that do not meet the criteria for submission to the process of individual analysis, being analysed in homogeneous risk groups through statistical methods. The model adopted for calculation of impairment is based on an expected loss model, determined based on macroeconomic scenarios, necessarily classifying the assets at 3 stages, according to the evolution of their credit risk in relation to initial recognition.

Determination of significant increase of credit

A significant increase of credit risk is assessed in each reference period, comparing the current risk of occurrence of default throughout the remaining life of a given contract with the same risk rating on the initial date of the operation.

A significant increase of credit risk is determined when there is a deterioration of the risk rating, in particular the associated probability of default, including situations of loans overdue by 30 to 90 days and forborne loans not classified as being in default, operations of customers that have financial difficulties and operations whose internal risk rating is high.

Furthermore, an exposure with low credit risk is considered to exist whenever the credit risk of a particular financial instrument does not increase significantly since its initial recognition, provided that low credit risk is determined on the reporting date. The evolution of the credit risk of these financial instruments should be monitored when they are classified as having low credit risk, to enable timely detection of a significant increase of credit risk and ensure that they maintain the premises of low credit risk in each reporting period.

Definition of default

The European Banking Authority (EBA) issued the ‘Guidelines on the application of the definition of default under Article 178 of Regulation (EU) 575/2013’ aimed at harmonising the definition of default across all prudential approaches of the European Union. Accordingly, it contains detailed clarification of the definition of default and its application, in particular the method for counting days in arrears, indications of default and conditions for leaving default. The guidelines became entirely applicable from 1 January 2021, implying that institutions incorporated these requirements in their internal procedures and systems by this date in a phased manner and ensure their coherence with the internal models on equity and risk management.

The definition of default includes loans overdue by more than 90 days, forborne loans with more than one restructuring and exposure in which there is predictability of default (improbability of payment) of the debtor, entailing quantitative and qualitative criteria, especially with respect to the reference values considered in their activation, being in concordance with the regulatory guidelines for identification and marking of a customer's financial difficulties. Moreover, there is also a contagion of default (cross default) effect for the exposure of business customers.

The criteria for leaving default respect quarantine periods. The exposures are no longer considered to be in default when the following conditions are fulfilled:

- The debtor does not have any amount overdue for more than 90 days;
- A minimum period of one year has elapsed since the application of the restructuring measures;
- In the case of operations with a non-regular payment plan, the customer pays at least one instalment during the quarantine period in default;
- All the operations should comply with a quarantine of at least 3 months, including operations that are in default via the criterion of contagion of corporate; and
- By analysis of the credit risk of the customer/contract(s), in particular in the case of exposures subject to restructuring, situations that have established the payment of a material fixed sum or significantly larger payments at the end of the repayment plan should imply a specialised and prudent analysis.

Incorporation of forward-looking information

Pursuant to IFRS 9, various macroeconomic scenarios should be defined to obtain an expected loss value that reflects an unbiased and weighted vision of reality. To this end, 3 macroeconomic scenarios were defined (baseline, pessimistic and optimistic) whose projections and respective probabilities are established by one of the main External Credit Assessment Institutions (ECAI).

For each contract, the impairment values were calculated for each one of the three configured macroeconomic scenarios. Losses are calculated based on the corresponding risk factors for each scenario. Additionally, and to obtain an estimate of final loss, each one of the scenarios was duly weighted according to its probability of occurrence.

Expected lifetime

At the time of the initial recognition of a financial asset, the expected loan losses are calculated for 12 months (stage 1). If the credit risk of a financial asset ‘increases significantly’ in relation to the initial moment and the credit quality derived from this increase is not considered a low credit risk (stage 2) or the credit risk of a financial asset increases to the extent of being considered ‘impaired’ (stage 3), the expected losses are recognised for the respective maturity.

Purchased or originated credit impaired (POCI) assets are financial assets are impaired at initial recognition (reduction to their recoverable value). POCI financial assets are recorded at fair value at initial recognition and the interest is subsequently recognised based on the effective interest rate adjusted for credit losses. The expected credit loss (“ECL”) is recognised/reversed to the extent that there is a subsequent change in the ECL.

e) Financial assets

Financial assets are classified into three categories according to the business model associated with their holding, the type of financial instrument (debt, equity, or derivatives) and their features, namely:

• Fair value through profit or loss (FVTPL);

• Fair value through other comprehensive income (FVTOCI); or

• Amortised cost.

The classification and subsequent measurement of debt instruments depends on:

(i) the features of the cash flow of the asset; and

(ii) the business model.

If the contractual features of the cash flows of a financial asset do not correspond exclusively to principal and interest (Solely Payments of Principal and Interest (SPPI) criterion), it shall mandatorily be recognised and measured at fair value through profit or loss.

Based on these factors, Caixa Central classifies its debt instruments into one of three measurement categories, namely:

i) Financial assets at fair value through profit or loss

Debt financial instruments at fair value through profit or loss are traded on active markets, acquired for the purpose of sale, or repurchase in the short-term.

These instruments are initially recognised at fair value with the gains and losses derived from measurement being recognised through profit or loss.

The interest inherent to financial assets and the differences between acquisition cost and nominal value (premium or discount) are calculated in accordance with the effective interest rate method and recognised in the income statement under the heading “Interest income”.

The measurement of financial assets at fair value is based on the most representative values of the bid-ask range, in relation to the circumstances of the measurement, regardless of the IFRS 13 hierarchy level in which the instruments are classified. If a market price is not available, the fair value of the instrument is estimated based on valuation techniques, which include price assessment models or discounted cash flow techniques. When discounted cash flow techniques are used, the future financial flows are estimated in accordance with the management's expectations and the discount rate used corresponds to the market rate for financial instruments with similar features. In the price assessment models, the data used correspond to information about market prices.

These debt financial instruments at fair value through profit or loss are derecognised upon their sale or when the associated cash flows expire.

ii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include financial instruments whose contractual cash flow characteristics comply exclusively with the SPPI criterion (principal and interest) and their purpose is to receive contractual cash flows and sell them.

Financial assets at fair value through other comprehensive income are recorded at fair value. Gains and losses relative to subsequent fair value variation are reflected under a specific equity heading, named “Accumulated other comprehensive income”, until their sale, at which time they are transferred to profit or loss. Currency conversion gains or losses of debt instruments are recognised directly through profit or loss for the period.

The interest inherent to financial assets and the differences between acquisition cost and nominal value (premium or discount) are calculated in accordance with the effective interest rate method and recognised in the income statement under the heading “Interest income”.

The quantification of the impairment of the securities portfolio (debt instruments) is calculated using the expected credit losses calculation tool (ECL) through the so-called “ECL Reporting Service”, based on the calculation of the risk parameters, PD and LGD, based on models developed by Moody's and which consider, in particular, the rating, country, business sector and the probability of default implicit in credit default swaps (CDS). The calculation of conditional risk parameters, PD and LGD, is carried out using the MA Correlation Model (GCorr) and uses the distance-to-default (DD) measure correlations, determined from the spreads, to calculate sovereign correlations. The impairment calculated is stated under a specific heading in equity against profit or loss.

During 2022 and 2023, sales were residual, not exceeding the limits defined in the investment policy.

iii) Debt instruments at amortised cost

Debt instruments at amortised cost are financial instruments whose features refer exclusively to the SPPI criterion (principal and interest), with their objective being the receipt of contractual cash flows up to their redemption, namely debt securities, investments at credit institutions, purchase operations with resale agreement and loans and advances to customers (see Note 2.3 d)).

These instruments measured at amortised cost are recorded at acquisition cost. The interest inherent to financial assets, and the recognition of differences between acquisition cost and nominal value (premium or discount), are calculated in accordance with the effective interest rate method and recognised in the income statement under the heading “Interest income”.

The quantification of impairment for the securities portfolio (debt instrument) recorded at amortised cost is based on the risk rating and risk factors established by the main credit risk rating agencies.

The quantification of the impairment of the securities portfolio (debt instruments) is calculated using the expected credit losses calculation tool (ECL) through the so-called “ECL Reporting Service”, based on the calculation of the risk parameters, PD and LGD, based on models developed by Moody's and which consider, in particular, the rating, country, business sector and the probability of default implicit in credit default swaps (CDS). The calculation of conditional risk parameters, PD and LGD, is carried out using the MA Correlation Model (GCorr) and uses the distance-to-default (DD) measure correlations, determined from the spreads, to calculate sovereign correlations.

Securities sold with a repurchase agreement are kept in the portfolio in which they were originally recorded. The funds received are recorded, on the settlement date, in a specific liability account, with the respective interest being divided into periods through the effective interest rate method.

For debt financial instruments measured at amortised cost, maximum sale limits have been defined based on the frequency, amount, and proximity to maturity.

During 2022 and 2023, sales were residual, not exceeding the limits defined in the investment policy.

Debt instruments also include securitised loans (e.g. commercial paper) (Note 2.3 d) – Credit impairment).

Equity instruments

Caixa Central considers equity instruments to include all those which, from the point of view of the issuer, are classified as equity, i.e. instruments that do not contain a contractual obligation to pay and which show a residual interest in the net assets of the issuer. Examples of equity instruments include basic ordinary shares.

Caixa Central measures all equity instruments at fair value through profit or loss, except when Caixa Central has decided, upon initial recognition, to irrevocable classify them as an equity investment at fair value through other comprehensive income. It is Caixa Central's policy to designate equity investments at fair value through other comprehensive income when they are held for different objectives of generating returns via their sale.

When this option is taken, the fair value of gains and losses are recognised through “other accumulated comprehensive income”, and are not subsequently reclassified to profit or loss, inclusively upon their disposal. Dividends, when representing return on the equity invested, are recognised through profit or loss at the time when the right to receive them is established.

Derivative financial instruments

Items that qualify as derivative financial instruments are financial instruments, or other contracts, which have the following characteristics:

(i) Its value varies as a result of changes in specific variables, such as interest rates, commodity prices, exchange rates, etc. (if a given variable is non-financial, it must not be specific to one of the parties to the contract);

(ii) They do not require initial net investment, or the initial net investment is less than would be required for other types of contracts for which similar behaviour would be expected in the face of changes in market factors; and

(iii) The instrument/contract will be settled at a future date.

Derivative financial instruments are recorded at fair value on the date they are contracted, and are subsequently measured at fair value through profit and loss (gains and losses in fair value for the year are recorded under the headings "Gains or losses on hedge accounting, net" and "Gains or losses on financial assets and liabilities held for trading, net"). Furthermore, they are reflected under off-balance sheet items at their notional value. Fair value is calculated as follows:

- Based on prices in active markets (for example, with respect to futures traded on organised markets); and
- Based on models which incorporate valuation techniques accepted in the market, including discounted cash flow and options valuation models.

Trading derivatives with net value receivable (positive fair value) are included under the heading "Financial assets held for trading". Trading derivatives with net value payable (negative fair value) are included under the heading “Financial liabilities held for trading”.

<u>Hedge accounting</u>

For financial instruments to qualify for hedge accounting, the following criteria must be fully met:

- The management must formally designate and document the hedge relationship at the beginning of the hedge. This includes identifying the coverage instrument, the covered instrument (or transaction), the type of the risk being covered, and how the institution will assess the effectiveness of the coverage, identification of sources of ineffectiveness, how the coverage ratio will be determined, and Caixa Central's risk management objectives and strategies that justify contracting the coverage;

- There must be an economic relationship between the hedge instrument and the hedged instrument, with the expectation that the value of the hedge instrument and the value of the hedged instrument will move in opposite directions, because of the common underlying assumptions, or the risk being hedged;
- Credit risk does not dominate changes in value. Even if an economic relationship exists, a change in the credit risk of the hedge instrument or the hedged instrument should not be of such magnitude as to dominate the changes in value that result from the economic relationship; and
- The designated hedging ratios are consistent with the risk management strategy. The coverage ratio is defined as the ratio between the quantity of the coverage instrument and the quantity of the coverage instrument, in terms of its relative proportions.

Management documents, on the initial date of the hedge relationship, the economic relationship between the hedge instruments and the hedged instruments, including the condition as to whether the hedge instruments will offset changes in the cash flows of the hedged instruments, in accordance with the risk management objectives and strategy defined for contracting hedge transactions.

Fair value hedge:

In a fair value hedge of an asset or liability, the book value of that asset or liability, determined in accordance with the respective accounting policy, is adjusted to reflect the change in its fair value attributable to the risk being hedged. Changes in the fair value of hedge derivatives are recognised in the profit or loss, together with changes in the fair value of the hedged asset or liability attributable to the hedged risk. When a hedge instrument expires or is sold, or when the hedge no longer meets the criteria for hedge accounting or the institution revokes the designation, the derivative financial instrument is transferred to the trading portfolio and the hedged assets and liabilities are no longer adjusted for changes in their fair value. If the hedged asset or liability corresponds to an instrument measured at amortised cost, the revaluation adjustment is amortised to maturity using the effective interest rate method and reflected in the net trading income.

Restrictions of reclassification between financial asset categories, pursuant to IFRS 9

The principle of IFRS 9 is that there are no reclassifications between categories, unless the business model used by management is changed. In this case, the reclassification is carried out prospectively from the date of reclassification and does not result in the restatement of gains and losses previously recognised in profit or loss.

In the event that Caixa Central reclassifies financial assets, such reclassification follows the following set of principles:

1. If Caixa Central reclassifies a financial asset, removing it from the category of measurement at amortised cost and placing it in the category of measurement at fair value through profit or loss, its fair value is measured as at the reclassification date. Any gain or loss derived from a difference between the previous amortised cost of the financial asset and the fair value should be recognised through profit or loss.

2. If Caixa Central reclassifies a financial asset, removing it from the category of measurement at fair value through profit or loss and placing it in the category of measurement at amortised cost, its fair value on the reclassification date will become its new book value.

3. If Caixa Central reclassifies a financial asset, removing it from the category of measurement at amortised cost and placing it in the category of measurement at fair value through other comprehensive income, its fair value is measured as at the reclassification date. Any gain or loss derived from a difference between the previous amortised cost of the financial asset and the fair value should be recognised through other comprehensive income. The

effective interest rate and the measurement of expected loan losses are not adjusted as a result of the reclassification.

4. If Caixa Central reclassifies a financial asset, removing it from the category of measurement at fair value through other comprehensive income and placing it in the category of measurement at amortised cost, the financial asset is reclassified at its fair value on the reclassification date. However, any accumulated gain or loss previously recognised in other comprehensive income is removed from the equity and adjusted according to the fair value of the financial asset on the reclassification date. As a result, the financial asset is measured on the reclassification date as if it had always been measured at amortised cost. This adjustment affects other comprehensive income but does not affect profit or loss and, consequently, does not consist of a reclassification adjustment. The effective interest rate and the measurement of expected loan losses are not adjusted as a result of the reclassification.

5. If Caixa Central reclassifies a financial asset, removing it from the category of measurement at fair value through profit or loss and placing it in the category of measurement at fair value through other comprehensive income, the financial asset continues to be measured at its fair value.

6. If Caixa Central reclassifies a financial asset, removing it from the category of measurement at fair value through other comprehensive income and placing it in the category of measurement at fair value through profit or loss, the asset continues to be measured at its fair value. However, any accumulated gain or loss previously recognised in other comprehensive income is reclassified from the equity to profit or loss as reclassification adjustment on the reclassification date.

Both the category of measurement at amortised cost and the category of measurement at fair value through other comprehensive income require that the effective interest rate should be determined upon initial recognition. Both measurement categories also imply the impairment requirements should be applied in the same way. Consequently, when an institution reclassifies a financial asset between the category of measurement at amortised cost and the category of measurement at fair value through other comprehensive income:

a) The recognition of income from interest remains unchanged and, consequently, the institution continues to apply the same effective interest rate;

b) The measurement of expected loan losses will remain unchanged, as both measurement categories apply to the same approach with respect to impairment. However, if a financial asset is reclassified from the category of measurement at fair value through other comprehensive income to the category of measurement at amortised cost, a provision for losses should be recognised in the form of an adjustment to the gross book value of the financial asset from the reclassification date. If a financial asset is reclassified from the category of measurement at amortised cost to the category of measurement at fair value through other comprehensive income, the provision for losses should be derecognised (thus no longer being recognised as an adjustment to the gross book value), being, instead recognised as an amount due to accumulated impairment (of the same value) in other comprehensive income and disclosed from the reclassification date.

Nonetheless, Caixa Central is not obliged to separately recognise the income from interest or the gains or losses due to impairment of a financial asset measured at fair value through profit or loss. Consequently, when an institution reclassifies a financial asset, removing it from the category of measurement at fair value through profit or loss, the effective interest rate is determined based on the fair value of the asset on the reclassification date.

f) Annulments/Write-offs of principal and interest

Pursuant to IFRS 9, the gross carrying amount of a financial asset is reduced when there are no longer any reasonable expectations of recovery. A credit annulment constitutes a derecognition event. The annulment can involve the financial asset as a whole or merely part of it. Consequently, the gross carrying amount of a financial asset is reduced at the time of annulment. A financial asset should be annulled (written off from the assets), as a whole or partially, in the period when the loan, or fraction of this loan, is considered irrecoverable. In assessing the recoverability of Non-Performing Loans and determining the internal annulment methods, attention should be given to the following particular situations: positions with extended arrears in repayment and positions under insolvency procedures.

Caixa Central believes that detailed records should be kept of all processes of annulment of uncollectible loans, stated under off-balance sheet accounts. The databases collating information about processes of annulment of loans considered uncollectible should fulfil requirements of depth, amplitude, reliability, up-to-dateness and traceability. The information collected in the databases should be included in management reports, to ensure that the reports and other pertinent documentation (recurring or occasional) for the decision-making process at various managerial levels, including at the level of the board of directors, are based on up-to-date, complete and coherent information.

Specific measures were adopted under the Strategic Non-Performing Loan Management Plan to annul uncollectible loans. In this context, the aim is to annul positions in non-performing loans (NPL) deemed unrecoverable, with contracts (secured and unsecured) that have an impairment rate above 50%, irrespective of their status (regular or overdue), having been considered for the purpose.

Credit operations with the following non-cumulative features are mandatorily eligible for annulment:

- Impairment coverage level above 80% for loans backed by real estate collateral (mortgage).
- Impairment coverage level above 70% for all other loans.

Nevertheless, cases in which customer record good compliance in the context of judicial agreements, special revitalisation processes (PER) or insolvency plans that have been homologated and turned into final judgements should be safeguarded, as their annulment is thus not feasible.

The procedures for annulment of uncollectible loans comply with the following requirements:

i. The loan should be entirely covered by impairments (100% provisioned). In cases where the degree of coverage of the exposure by impairments is less than 100%, the necessary impairments should be constituted up to this threshold; and
ii. Once the entirety of the loan has been called in and the main efforts of collection considered adequate have been developed, the expectations of loan recovery are reduced to a time horizon in which they can be reasonably estimated, thus leading to a high rate of coverage by impairment and/or the existence of default for an extended period of time.

In accounting terms, the annulment of loans considered uncollectible gives rise to the corresponding recognition in off-balance sheet accounts (see Circular Letter CC/2017/00000020), which should remain there until the effective limitation period of the debt has ended (ordinary period of 20 years, pursuant to Article 309 of the Civil Code) or, for any reason, the right to receive these loans extinguishes (e.g. debt recovery, debt remission, among others).

g) Financial liabilities

An instrument is classified as a financial instrument when there is a contractual obligation of its settlement being made against the submission of money or another financial asset, independently of its legal form.

Financial liabilities, essentially funds of credit institutions, customer deposits, issued debt and financial liabilities acquired with repurchase agreement, are initially stated at fair value, which corresponds to the consideration received net of transaction costs, and are subsequently stated at amortised cost.

Except for derivatives, financial liabilities held for trading (for example, short positions) are classified at fair value through profit or loss upon initial recognition. Gains and losses arising from subsequent valuation at fair value are recognised in "Gains or losses on financial assets and liabilities held for trading, net".

Financial liabilities acquired with a resale agreement at a fixed price, or at a price equal to the purchase price plus the interest inherent to the period of the operation, are not recognised on the balance sheet, with the acquisition cost being recorded as loans to other credit institutions. The difference between the purchase value and the resale value is treated as interest and is deferred over the life of the agreement, through the effective interest rate method.

A modification is defined as when the contractual terms of a financial liability are substantially altered, forcing the extinction of the original financial liability and the recognition of a new financial liability. The new financial liability resulting from the modification is recognised at its fair value and any difference in relation to the book value of the extinct financial liability, including all the associated costs and rates, is recognised through profit or loss. If the modification of a financial liability is not considered substantial, the amortised cost of the financial liability should be recalculated based on the present value of the estimated future contractual cash flows discounted at the associated original interest rate. All gains or losses arising from this recalculation will be recognised through profit or loss, and all costs and rates associated with the modification will be amortised over the remaining term of the modification. In order to determine whether the modification of a financial liability is significant, Caixa Central considers quantitative and qualitative assessments. With respect to the quantitative assessment, any difference between the present values of the cash flows of the original debt and those of the modified debt above 10% is considered substantial, where Caixa Central also conducts a qualitative analysis to identify other facts and circumstances not captured by the quantitative analysis. Furthermore, the financial liabilities cannot be reclassified between categories.

Derecognition of financial liabilities:

An institution should derecognise a financial liability (or part of a financial liability) from its statement of financial position when, and only when, it is extinct, i.e. when the specific obligation in the contract is fulfilled, cancelled, or expires.

h) Tangible assets

The tangible asset items used by Caixa Central for the development of its activity are measured at acquisition cost (including directly attributable costs) minus accumulated depreciation and impairment losses.

The acquisition cost includes the purchase/production price of the asset, the expenses directly attributable to its acquisition and costs incurred to prepare the asset to place it in condition for use. The financial costs incurred in relation to loans obtained for construction of tangible assets may also eventually be recognised as part of the cost of constructing the asset.

The depreciation of the tangible asset is recorded on a systematic basis over the estimated period of useful life of the asset, based on the following useful life periods:

Tangible assets	Years of useful life
Real estate properties for own use	50
Expenses on rented buildings	10
IT and office equipment	4 to 10
Interior furnishings and installations	6 to 10
Vehicles	4

The useful lives of tangible assets are reviewed in each financial reporting period so that the depreciation carried out is in accordance with the consumption patterns of the assets. Land is not depreciated. Alterations to useful lives are treated as an alteration of accounting estimate and are applied prospectively under the terms of IAS 8.

Expenditure related to investment in works which cannot be recovered, carried out in buildings that are not owned by Caixa Central are amortised over a period compatible with their expected utilisation or the rental agreement, whichever is lowest.

Whenever there are indications of loss of value in tangible assets, impairment tests are performed to estimate the recoverable amount of the asset, and when required, to record an impairment loss. The recoverable amount is determined as the highest between the fair value minus costs of selling and the value in use of the asset, with the latter calculated based on the present value of estimated future cash flow, arising from the continued use and disposal of the asset at the end of its defined useful life.

Gains or losses in the disposal of assets are determined by the difference between the realisation value and the book value of the asset, being recognised in the income statement, under the heading “Gains or losses on derecognition of non-financial assets, net”.

i) Intangible assets

Caixa Central records under this heading the expenses during the development phase of projects relative to information systems that are already installed or under implementation, as well as the cost of acquired software, in both cases when the impact is expected to be reflected beyond the year when the costs are incurred.

Internally generated assets, namely expenses related to internal development, are recorded as costs when incurred, whenever it is not possible to distinguish between the research phase and the development phase, or when it is not possible to reliably determine the costs incurred at each phase or the probability of economic benefits flowing into Caixa Central.

Intangible assets are recorded at acquisition cost, minus accumulated depreciation and impairment losses.

Depreciation is recorded as costs for the year on a systematic basis over the useful life of the assets, which corresponds to a period of 3 years.

j) Non-current assets held for sale and Other assets (Assets received through loan recovery)

Caixa Central records real estate properties, equipment and other assets received in loan recovery (e.g. in lieu of payment, judicial auction sale, other) under “Non-current assets and disposal groups classified as held for sale”, these assets are recorded at the lowest between the value agreed in the contract, which usually corresponds to the value of the existing debt which is thus extinguished, and the asset's valuation on the date of the operation. The asset's valuation is determined on the basis of sales history. Real estate properties are recorded in this heading from the time of the signing of the deed for transfer in lieu of repayment, auction sale or other.

Real estate properties previously stated in tangible assets can also be recorded as “Non-current assets and disposal groups classified as held for sale” from the moment when the expected realisation of the asset becomes through sale and provided that the criteria of IFRS 5 are met.

For these assets, there is the expectation of sale within the period of 12 months when actively on sale and the price is regularly analysed and if necessary adjusted.

As an exception to the arrangement referred to above, real estate properties which have some "burden" preventing them from being sold are recorded under “Other assets” and not as “Non-current assets and disposal groups classified as held for sale”, pursuant to IFRS 5(7) “Non-current Assets Held for Sale and Discontinued Operations”:

"For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable."

The valuation of these assets, and consequently the impairment losses, is supported by valuations performed by institutions registered as "expert appraisers" with the Portuguese Securities Market Commission, which incorporate several assumptions. Three methods are used in the valuations of these assets:

- Market method

This method determines an estimate of the amount at which a property is believed to be tradable, after an appropriate marketing period, between an interested seller and buyer, where both parties act in an informed, prudent and unconditioned or uncoerced manner.

The value of the property is determined after analysing the transaction and offer values of comparable properties, obtained through local market knowledge and exhaustive real estate market data collection, which enables us to know the supply and demand situation for similar properties and which is a decisive factor in determining the market value of the property being assessed.

- - Yield method

In this method, the market value of a property corresponds to the present value of all rights to future benefits arising from its ownership. This method assumes that the management and operation of the property is based on principles of legality, rationality and competence. The objective of the analysis is to determine the respective capacity to generate revenue streams, as well as the periodicity of their occurrence, also inferring all inherent expenses.

- - Cost method

In this method, the estimated value of a property corresponds to the construction cost of a property that fulfils the same functions and has the same characteristics, materials and technology, at current market prices. The value includes the land value, the costs inherent to the construction and the profit margin of the investment promotion, as well as a deduction that corresponds to the depreciation, or loss in value of the property that results from physical, functional, economic or environmental obsolescence or a combination of these.

Although Caixa Central aims to sell all properties and other assets received in kind immediately, during 2023 Caixa Central changed the classification of these assets from the "Non-current assets held for sale" heading to the "Other assets" heading, due to the fact that they have been in the portfolio for more than 12 months. However, the accounting method has not changed in relation to the above, being recorded on initial recognition at the lower of its fair value less expected selling costs and the balance sheet value of the loan subject to recovery.

The reclassification to "Other assets" does not constitute a change in accounting policy, since the application of the IFRS 5 rules is always in question. In 2023, the Executive Board of Directors reassessed the condition laid down in IFRS 5 that the sale must be highly probable (within 12 months) and concluded that the condition had not been met and that this reclassification was necessary.

Caixa Central does not recognise potential capital gains for these assets. Changes in impairment losses on a non-current asset held for sale, such as realised gains or losses (at the date of sale) are recorded in profit or loss under the "Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" heading. Changes in impairment losses on properties recognised in other assets are recorded under "(Impairment or reversal of impairment (-) on non-financial assets)" and the gains or losses realised under "Gains or losses (-) on derecognition of non-financial assets, net value".

k) Provisions and Contingent Liabilities

A provision is set up when there is a present obligation (legal or constructive) resulting from past events for which the future expenditure of resources is probable and can be reliably determined.

The amount of the provision corresponds to the best estimate of the amount to be disbursed to settle the liability on the reporting date. If the future expenditure of resources is not probable, this is a contingent liability.

Contingent liabilities are only disclosed, unless the possibility of their realisation is remote.

Provisions for other risks are intended to cover:

- Liabilities for guarantees provided and other off-balance sheet commitments, which are determined on the basis of an analysis of the risk of the operations and the respective customers; and,

- Legal, tax and other contingencies arising from Caixa Central's activity.

l) Financial Guarantees:

Financial guarantees are contracts whereby the issuer has the obligation to make specific payments to reimburse the creditor for the debt incurred when a specific debtor defaults on its contractual payment obligations, regardless of the form in which the obligation is instrumented (guarantees, sureties, financial guarantees, insurance contracts or other types of contracts).

All these operations are recorded under off-balance sheet headings.

Financial guarantees are analysed periodically 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, similar criteria are applied to those established for quantifying impairment losses on debt instruments valued at amortised cost, which are described in Note 19.

Impairments on these contracts are recorded under the balance sheet heading "Provisions".

Appropriations and reversals of impairments are recorded under “Provisions or (-) reversal of provisions” in the income statement.

m) Deposits

After initial recognition, customers and credit institutions’ deposits are valued at amortised cost, based on the effective interest rate method.

n) Securitised debt issued by Caixa Central

Subordinated loans issued by Caixa Central are recorded under the heading "Other financial liabilities" (Note 16). Subordinate loans are stated at their fair value.

At the end of October 2021, Caixa Central made its first debt issue in the international market, specifically senior preferred debt securities linked to Social Sustainability.

In June and August 2023, Caixa Central issued new debt on the international market, senior preferred debt securities linked to Social Sustainability, for a total amount of 250 million euros.

o) Employee benefits

Caixa Central signed the Collective Labour Agreement (ACT) for Crédito Agrícola (named Collective Labour Agreement of the Institutions of Crédito Agrícola Mútuo), therefore its employees and their households are entitled to pensions due to retirement, disability and survival. However, since the employees are enrolled in Social Security, Caixa Central's liabilities related to employee pensions consist of the payment of supplementary pensions in accordance with the stipulations of the previously mentioned collective agreement (ACT).

The defined benefit pension plan thus provides for the possibility of paying pensions set by the ACT in force, in the event of early retirement, old-age retirement, disability retirement and survivors' benefits, in addition to those granted by Social Security schemes.

The employees' post-employment benefits also include medical care (SAMS), whose liabilities are calculated based on the same assumptions as the liabilities related to supplementary pensions. In accordance with clause 116 of the ACT, the sum corresponding to 6.5% of the total retirement and survivor's pensions, provided for in the ACT, regardless of the pensions received from social security schemes, constitutes compulsory contributions by the Crédito Agrícola institutions to the SAMS. The benefits cover the relatives of the employees, under the terms of the internal regulations endorsed by the SAMS.

In December 2018, the constitutive agreement of the Pension Fund was amended to include the coverage of liabilities related to early retirement, relative to agreements concluded from 1 January 2019 onwards.

In 2019, that constitutive agreement was rectified to clarify that the early retirement liabilities thereafter covered by the Pension Fund include the respective mandatory social charges and medical care at a post-employment stage.

Caixa Central is part of the CA Group Pension Fund, with a view to covering its liabilities.

The managing institution of the CA Group Pension Fund is Crédito Agrícola Vida - Companhia de Seguros, S.A.

An actuarial evaluation is carried out annually with a reference date of 31 December of each year for the calculation of liabilities to be financed by the respective shares of the pension fund of Caixa Central, Caixas de Crédito Agrícola and other Associated Crédito Agrícola Institutions of the Pension Fund.

Pursuant to the Constitutive Agreement of the Crédito Agrícola Pension Fund, the members of their governing bodies are not covered by the benefits described above.

The ACT pension calculations are based on the following lengths of time of service:

- For future seniority bonuses and automatic promotions, the length of service time was considered for purposes of level and seniority; and
- For the calculations in Annex V, the starting point was the recruitment date recognised for the pension fund.

The present value of past service liabilities, as well as the corresponding current service costs, were calculated using the Projected Unit Credit method.

Only those legally married are accepted for survivor pensions. For surviving men, the age is taken as three years younger than the pensioner, and for women as three years older. The calculation of this benefit is based on the remuneration level of the participant, in line with Annex VI of the collective labour agreement (ACT).

Banco de Portugal Notice 4/2005 determines that it is compulsory for pension funds to assure the full financing of pension liabilities under current payment and a minimum level of 95% of liabilities related to past service of current staff.

Due to the application of IAS 19 Reviewed (starting in 2013), the remeasurement (actuarial gains and losses; return on plan assets, excluding amounts included in net interest on liabilities (assets) net of defined benefits; and any change in the effect of the maximum limit on assets, excluding amounts included in net interest on liabilities (assets) net of defined benefits) resulting from (i) differences between the actuarial and financial assumptions used and the amounts actually recorded and (ii) changes in actuarial assumptions, are recognised in their entirety as comprehensive income in the respective year in which they occur, being recorded under the item “Other accumulated comprehensive income”.

The amounts recorded in the year in profit or loss refer to:

- Cost of the service: The cost of the service includes the cost of current services, cost of past services and gains or losses upon settlement, which is recorded under the “Administrative expenses - staff expenses” heading; and
- Net interest: Net interest is determined by multiplying the discount rate by the net liability (asset) of defined benefits (both determined at the beginning of the annual reporting period, considering any variation of the net liability (asset) of defined benefits during the period as a consequence of the payment of contributions and benefits), which is recorded under the “Administrative expenses – Staff expenses” heading.

p) Seniority bonuses

Under the terms of the collective agreement (ACT), Caixa Central accepted the commitment to attribute a seniority bonus to active employees upon completing 15, 25 and 30 years of good and effective service of the value of 1, 2 and 3 months of their effective monthly retribution (in the year of attribution), respectively.

Caixa Central determines the present value of benefits related to seniority bonus through actuarial calculations using the Projected Unit Credit method. The actuarial assumptions (financial and demographic) are based on expected wage growth and mortality tables used to calculate pension liabilities. The discount rate is determined based on market rates of bonds of companies with high rating and similar maturity period to that of the settlement of the liabilities.

The impact of the estimated actuarial deviations in each year is recorded in the “income statement” under the “Administrative expenses - Staff expenses” heading, or “Other operating income” heading, depending on the nature of the movement during the year.

q) Fee and commission income

The Fee and commission income received from a particular activity is recognised through profit or loss when the activity has been completed.

As the services are provided, Fee and commission income is recognised through profit or loss in the year to which it refers.

Fee and commission income that is an integral part of the effective interest rate of a financial instrument is recognised through profit or loss by the effective interest rate method.

The recognition of commissions associated with financial instruments will depend on the objective underlying their charging.

Distinction between:

- Commissions that are part of the effective interest rate of the financial instrument (“Effective interest rate method”).
- Commissions that are received in accordance with the provision of the service (“Method of linear recognition over the period of the operation”); and
- Commissions charged at the time of execution of a significant act (“Recognition at the time”).

Commissions associated with credit contracts paid at the initial time of the loan are deferred and recorded under the “Deferred income” heading, being subsequently recorded under income for the year throughout the useful life of the loan contracts and in accordance with the financial plan of the loans.

Commissions relative to operations of loans and other financial instruments, namely commissions charged or paid at the very beginning of the operations, are recognised throughout the period of the operations by the effective interest rate method under “fee and commission income” or “fee and commission expenses”.

Commissions for services rendered are normally recognised as income throughout the period that the service is rendered or once only if they correspond to compensation for the execution of single acts.

r) Income tax

Caixa Central is subject to the general scheme established by the Corporate Income Tax Code (CIRC).

Total income tax recorded through profit or loss incorporates current and deferred taxes.

Current tax is calculated based on the taxable profit for the year, which is different from the book value profit due to adjustments to taxable profit arising from expenses or income not relevant for tax purposes, or which will only be considered in other financial years, pursuant to the Corporate Income Tax Code.

Deferred tax assets and liabilities correspond to the value of the tax recoverable and payable in future years due to temporary differences between the book value of an asset or liability on recorded the balance sheet for financial reporting purposes and the value for tax purposes. Tax credits are also recorded as deferred tax assets (e.g. tax losses), provided that their recoverability is supported.

Deferred tax liabilities are usually recorded for all temporary taxable differences, while deferred tax assets are only recorded up to the amount for which future taxable profits are likely to enable the use of the corresponding deductible taxable differences or tax losses. However, it should be noted that IAS 12 excludes the possibility of recording deferred taxes, among other situations, in the following cases:

- Temporary differences arising on the initial recognition of assets and liabilities in transactions that do not affect the accounting profit or loss or taxable profit.
- Temporary differences arising from profit not distributed to subsidiaries and related companies, to the extent that Caixa Central is able to control their reversal and when it is probable that this will not occur in the predictable future.

Deferred taxes are calculated using tax rates that are expected to be in force on the date of the reversal of the temporary differences, which correspond to the rates approved, or largely approved, on the reporting date.

When there are distinct tax rates applicable to different levels of taxable profit (e.g. the case of the state surcharge), the deferred tax assets and liabilities are measured using the average rates that are presume applicable to the taxable profit (tax loss) of the years in which the reversal of the temporary differences is expected to occur.

Income taxes (current or deferred) are reflected in the profit or loss for the year, except in cases when their underlying transactions have been reflected in other equity headings (for example, in the case of the revaluation of financial assets available for sale). In these cases, the corresponding tax is also recognised against equity, and does not affect the net income for the year.

Caixa Central takes into account the guidelines of IFRIC 23 – Uncertainty over Income Tax Treatments and, accordingly, periodically assesses whether there are situations in which the application of the personal income tax legislation is subject to uncertain tax treatment and if it likely that the Tax Authority or a Court accept the tax treatment adopted in the tax returns.

s) Leases

Lease agreements - identification of assets

At the start of the contract, Caixa Central evaluates whether a contract is or contains a lease. For a contract to be considered as a lease, the following three cumulative conditions must be met:

- the contract identifies one or more leased assets;
- the institution derives most of the economic benefits from using the leased asset; and
- the institution has the right to control the underlying asset, for the duration of the contract, in return for payment.

As the Lessee

In accordance with IFRS 16, a lease liability is measured at the present value of the sum of future payments to be incurred under the lease contract. To discount the payments, Caixa Central should use the implicit interest rate of the contract, considering that all the information is known to determine it. If the implicit rate is not determinable, an incremental interest rate should be used, requiring the institution to develop a methodology duly supported by internal and external information for its calculation.

I. Implicit interest rate is the discount rate that equals the fair value of the rents foreseen in the contract (including the residual value) to the fair value of the asset plus all the initial direct costs of the lessor. The main difficulty in ascertaining this rate is, in most cases, the scarce information available to the lessee relating to the residual value of the underlying asset and/or the amount of direct costs incurred by the lessor.

II. Incremental interest rate is the rate that a third party would charge Caixa Central in a financing transaction for the acquisition of an asset like that underlying the lease, under similar conditions, namely in terms of duration and guarantees. The calculation of incremental interest rates was segmented by type of underlying asset, based on internal and external information.

The spreads of Commercial Mortgage-Backed Securities (CMBS) and Residential Mortgage-Backed Securities (RMBS) in Portugal and Europe were used as a reference in real estate leasing and car parking operations, given the similarity between the operations that make up this type of issue and the assets underlying these leasing contracts.

Lease payments are discounted using the discount rate implicit in the contract if this is determinable.

In relation to the maturity of the lease to be considered in the calculation of the lease liability, its determination should consider the non-cancellable period of the lease, as well as the period covered by any options for extension of the term and/or early cancellation, if there is reasonable certainty as to its exercise. In situations where there are options for extension and/or cancellation of the term, it is up to the management to assess the reasonableness of their occurrence - the concept of "reasonably certain", in relation to its future decision.

To support its analysis Caixa Central used internal and market data that may require professional judgement, such as:

I. importance of the asset to Caixa Central's business, lack of adequate alternatives.

II. significant economic benefits to Caixa Central in the event of exercising the option to extend/cancel the contract or purchase the underlying asset.

III. any costs associated with the early cancellation of the contract, costs of changing and/or returning the asset; and

IV. comparison of the terms and conditions of the contract with current market conditions; among other data considered relevant.

As a lessee, Caixa Central records an asset under right-of-use and a lease liability at the date on which control over the use of the leased asset is transferred to Caixa Central.

The lease liability is measured at the present value of future rents to be incurred under the contract, discounting payments at the discount rate implicit in the contract, if this is determinable. When the implicit rate is not available or cannot be measured, an incremental Caixa Central borrowing rate should be used, corresponding to the rate that the lessee would use to pay the funds necessary to obtain an asset of similar value in an economic environment with comparable terms and conditions.

The payments taken into account in the calculation of the lease liability are: (i) fixed payments (including payments that are in substance fixed), less any amounts receivable for lease incentives, (ii) index or rate-dependent variable payments (if the payments considered variable are not dependent on an index or rate, they shall be recognised in the income statement at the time they are incurred), (iii) the amount relating to the exercise of the call option, if it is reasonably certain that Caixa Central will exercise it and (iv) payments for non-lease components.

Lease liabilities are subsequently adjusted upwards to reflect the interest on the lease liability (using the effective interest rate method) and reduced to reflect the payments made.

The liability is remeasured whenever there is a change in one of the following variables: (i) change in the value of index or rate-dependent variable payments (for the period in question only), (ii) change in assessment as to whether or not to exercise the call option on the underlying asset, (iii) change in the residual value of the asset, or (iv) change in the term of the contract. If there is a change of the assessment of the exercise of the call option or a change of the contract duration (points (ii) and (iv)), a new discount rate should be calculated for the remeasurement of the liability. If the modification qualifies as a separate lease, this shall give rise to the quantification and recognition of a new right-of-use asset together with the related lease liability.

When the lease liability is revalued, the difference arising from the revaluation is offset against the right-of-use asset or is recorded through profit or loss if the book value of the right-of-use asset has been reduced to zero.

The Right-of-use asset is initially measured at cost, corresponding to the initial value of the lease liability, adjusted for any payments incurred up to the inception date, plus any initial direct costs incurred and an estimate of the costs of dismantling and removing the underlying asset or restoring the underlying asset or the location in which it is located, less any lease incentives received.

Subsequently, the right-of-use asset is depreciated using the straight-line method, from the start date to the end of the useful life of the right-of-use asset or the end of the lease term. Additionally, the right-of-use asset is periodically adjusted for impairment losses if the lease liability is remeasured.

When there are indicators of loss in value, impairment tests are carried out on its right-of-use assets, reducing their value in situations of impairment losses.

Whenever Caixa Central incurs an obligation to dismantle and remove a leased asset, restore the site on which it is located, or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised in accordance with IAS 37. The expenses are included in the right-of-use asset.

Lease incentives (e.g. non-rental lease periods) are recognised as items of measuring right-of-use assets and lease liabilities, as received or receivable, respectively.

Variable rents that do not depend on an index or rate are not included in the measurement of lease liabilities or right-of-use assets. Such payments are recognised as expenses in the period in which the event or condition giving rise to the payments occurs.

Practical expedients - Short-term leases, low value leases and separation of components

As provided for in the standard, Caixa Central has adopted the following practical expedients, in particular:

- Non-recognition of lease liabilities and respective right-of-use for lease contracts (i) with a duration not exceeding 12 months (short term) or (ii) where the underlying asset has a value, in its new state, of less than 5,000 euros (low value).
- Non-segregation of the non-leasing component in the estimate of the lease liability and corresponding right of use, therefore measuring the financial liability and the respective right of use considering the total amount to be incurred with the operation.
- These contracts are accounted for under “Other administrative expenses”.

The right-of-use assets are included in the balance sheet under "Tangible assets" (Note 11) and the lease liabilities under "Other liabilities" (Note 18).

As the Lessor

When Caixa Central is a sublessor, the accounting for the main lease and the sublease is done as 2 separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset of the main lease.

The lessor of the sublease, simultaneously lessee with respect to the original lease, should recognise an asset, right-of-use, in the balance sheet relative to the primary lease (if classified as an operating lease) or a financial lease relative to the sublease (if classified as a finance lease). If the primary lease is of short duration, then the sublease should be classified as an operating lease.

When a given contract includes payments of lease components and other components, Caixa Central applies IFRS 15 - Revenue from contracts with customers, to allocate the consideration of the contract to each component, and only the lease components are considered for registration under IFRS 16.

Finance leasing

As a lessor, the assets disposed under finance leasing arrangements are derecognised from the balance sheet, with the recording of a loan granted “Loans to customers” (sum equivalent to the value of the net investment made in the leased assets, plus any unsecured residual in favour of Caixa Central), which is repaid through constant principal payments stipulated in the financial plan of the contracts. The interest included in the lease payments are recorded as financial income under “Interest Income”, based on a constant periodic rate of return, calculated on the net investment value referred to above.

Upon the date of entry into force, the lessor should recognise the assets held under finance lease arrangements in its statement of financial position and present them as an account receivable for a value equal to that of the net investment in the lease.

Operating leasing

The lessor should recognise the operating lease payments as income, whether on a straight-line basis or another systematic basis. Another systematic basis should be applied if that basis is more representative of the model in which the benefit of the use of the underlying asset is reduced. Payments are recorded in the income statement under the “Other operating income” heading.

t) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the acquisition/contracting date and which are not subject to risks of fluctuation of value, including cash and deposits at Central Banks and at other credit institutions.

u) Provision of insurance or reinsurance mediation services

Caixa Central has the status of a Tied Insurance Intermediary, pursuant to Article 8(a)(i) of Decree-Law 144/2006 of 31 July, conducting its intermediation activity on an exclusive basis with Crédito Agrícola Group's Insurers, namely Crédito Agrícola Seguros – Companhia de Seguros de Ramos Reais, S.A. (CA Seguros), which engages in the activity of insurance for all Non-Life Business, and Crédito Agrícola Vida – Companhia de Seguros, S.A. (CA Vida), which engages in the activity of insurance for the Life Business and Pension Funds.

Under its insurance mediation services, Caixa Central sells insurance contracts and subscriptions to Pension Funds, provides after-sales support to the insured persons and participates in forwarding insurance claims that are submitted at Caixa Central branches.

In exchange for the insurance mediation services provided to these insurers, Caixa Central receives remuneration for insurance mediation and for the placement of subscriptions in Pension Funds, which are defined in the agreement established between Caixa Central and these insurers.

The insurance mediation remunerations are recognised as an income in the Income Statement, under the "Fee and commission income" heading. The remuneration values payable by the insurers, as at 31 December of each year, are recognised as a Balance Sheet asset under the "Other assets" heading. On the reporting date of these financial statements, the mediation remuneration payable as at 31 December 2023 had already been fully paid by these insurers.

v) Contingent assets

Contingent assets arise due to unexpected or unplanned events, from which the possibility of an inflow of an economic benefit arises. Contingent assets are not recognised in the financial statements unless the receipt of the economic benefit is considered practically certain. If the economic benefit is probable, it will be mentioned in the explanatory notes for the corresponding contingent asset.

Contingent assets are subject to continuous assessment to ensure that their evolution is adequately reflected in the financial statements.

w) Offsetting financial instruments

The financial assets and liabilities are presented in the balance sheet at their net value when there is a legally enforceable right to set off the amounts already recognised and there is an intention to settle them at their net value or realise the asset and settle the liability simultaneously. The exercisable legal right cannot be contingent on future events, and should be exercisable during normal business activity, and likewise in the case of default, bankruptcy or insolvency of Caixa Central or counterpart.

x) Classification of cash flows

The cash flow statement reports cash flows during the period classified by operating, investment, and financing activities:

Operating activities – are the main activities producing revenue and other activities that are neither investment nor financing;

Investment activities – reflect the acquisition and disposal of assets in the long term and of other investments not included in cash equivalents; and

Financing activities – are activities that lead to changes in the size and composition of the equity and in the loans obtained by the institution.

Cash flows related to leases are presented as follows:

a) Payments of the principal components of lease liabilities are classified as cash flows from financing activities.

b) Interest component payments are also classified as cash flows from financing activities; and

c) Short-term leases, lease payments for immaterial assets and variable lease payments that are not included in the measurement of lease liabilities are classified as cash flows from operating activities.

y) Fair value of financial instruments

As established in IFRS 13, the financial instruments recorded in the balance sheet at fair value are classified according to the following hierarchy:

Level 1 – Prices in active markets

This level includes financial instruments valued based on active market prices (executable bids), disclosed through trading platforms;

Level 2 – Valuation techniques based on market data

This level considers financial instruments valued by inhouse models which use observable market data, namely interest rate or exchange rate curves.

Level 3 - Valuation techniques using inputs not based on observable market data

This level includes financial instruments valued based on in-house valuation methods essentially considering inputs not observable in markets with significant impact on the valuation of the instrument or valued based on indicative bids calculated by third parties through valuation models.

For items classified at this level, the assumptions used to obtain the fair value was the price/sales quotation of the last transaction made between unrelated parties.

z) Subsequent events

Subsequent events refer to the accounting treatment to be given to events occurring after the reporting date and before the issue date of the financial statements.

Events that occurred after the reporting date and before the issue of the financial statements, which provide additional information, or confirm situations pending at the reporting date are adjusted in this set of financial statements.

Events that occurred after the reporting date and before the issue of these financial statements, which are not related to situations that existed at the reporting date, do not give rise to adjustments in the financial statements and are disclosed, if considered material.

aa) Segmental reporting

Pursuant to IFRS 8 – Operating Segments, the financial information is disclosed by operating segments.

An operating segment is a component:

(a) that pursues business activities in which revenue can be gained or expenses may be incurred;

(b) whose operating results are regularly reviewed by the Institution’s chief operating decision maker for purposes of allocating resources to the segment and assessment of its performance; and

(c) relative to which distinct financial information is available.

Caixa Central has decided to report information by the following segments: treasury and commercial banking (see Note 47).

3. Main estimates and uncertainties associated with the application of accounting policies

The estimates and judgements with impact on Caixa Central’s individual financial statements are continually evaluated, representing the best estimate of the Executive Board of Directors at each reporting date, considering the historical performance, accumulated experience and expectations regarding future events, which under the circumstances in question are believed to be reasonable.

The intrinsic nature of the estimates may lead to the real reflection of the situations that have been estimated, for financial reporting purposes, being different from the estimated amounts.

The preparation of the financial statements requires the preparation of estimates and the adoption of assumptions by the management, which might affect the value of the assets and liabilities, income, and costs, as well as the contingent liabilities that are disclosed.

The most significant estimates and assumptions used by the management are the following:

3.1. Impairment in portfolio of loans and advances to customers and with off-balance sheet liabilities

Caixa Central conducts a periodic assessment of its portfolio of loans and advances to customers, as well as its liabilities due to guarantees provided and irrevocable commitments, to assess the existence of evidence of impairment, based on Crédito Agrícola Group's impairment model (see Notes 8 and 17).

The estimates depend on the Executive Board of Directors' professional judgement regarding the assessment of the economic and financial situation of the customers and their capacity to fulfil the financial plans, on the estimated future cash flows that the institution will generate, and on the determination of the amount of the collateral associated with the granted credit operations.

In this context, the customers identified as having loans in default and whose total liabilities are deemed to be of a significant amount, are analysed individually to assess the need to record impairment losses.

Furthermore, a collective impairment analysis is also made to all other credit operations which were not subject to individual analysis, by allocating these operations to credit segments, with similar features and risks, with collective impairment losses being estimated, whose calculation is based on the historical behaviour of losses for similar assets. Where no objective existence of impairment has been observed in credit analysed on an individual basis, this credit is grouped together based on similar risk features and assessed collectively for purposes of impairment.

The impairment quantification model is harmonised with the analytical models (e.g. rating and scoring) used in the internal management of credit risk, as well as, whenever applicable, with the respective segmentation (e.g. customer, product, type of collateral, relationship between the loan and the value of the collateral (LTV)), promoting the mores consistent estimation of the risk parameters, applied in the collective perspective. There is also a specialised procedure for exposures with financial collateral.

The expected loss model enables recognising the expected loan losses throughout the life for all financial instruments for which there has been a significant increase of credit risk, from initial derecognition, considering the entire range of information, provided that it is reasonable and substantiated, including based on future economic estimates (prospective/ forward-looking approach).

The process of evaluation of the portfolio of loans and advances to customers and off-balance sheet liabilities, used to determine whether an impairment loss should be recognised, is subject to various estimates and judgements. This process includes factors such as the frequency of default, risk ratings, loss recovery rates and the estimation of both the amount and timing of future cash flows. The models are regularly reviewed and validated, as well as the inputs included in the models, to reduce any differences between estimated credit losses and actual experience with credit losses.

Note 43 presents sensitivity analyses for variations in the assumptions of the impairment models (forward-looking scenarios) according to the Management analytical models.

The use of different methodologies and/or assumptions could result in different levels of impairment losses recognised and presented in Notes 8 and 17, with the consequent impact on the results of Caixa Central.

3.2. Fair value of financial instruments

Fair value of financial instruments is based on market prices, whenever available. However, in the absence of a market price, the financial instruments are valued based on indicative bids calculated by third parties using valuation models or pursuant to valuation methodologies essentially using inputs that can be observed in markets with a significant impact on the valuation of the instrument (see Notes 5, 6, 7 and 43).

The use of different methodologies and/or assumptions could result in different levels of fair value of the financial instruments recognised and presented in Notes 5, 6 and 7, with the consequent impact on Caixa Central's results.

3.3. Employee benefits

Liabilities related to supplementary retirement and survivor pensions are estimated based on actuarial and financial assumptions, in particular with respect to mortality, wage and pension growth and long-term interest rates. In this sense, the actual results may differ from these estimates. The sensitivity analysis carried out by Caixa Central on changes in assumptions is presented in Note 42.

The change in the stated assumptions could have an impact on the values determined and presented in Note 42, with the consequent impact on the results of Caixa Central.

3.4. Income tax

The determination of the overall amount of income tax requires certain interpretations and estimates. Other interpretations and estimates could result in a different level of income tax, current and deferred, recognised in the year and shown in Note 13.

This aspect is even more important in relation to the recognition of deferred tax assets, which presuppose the existence of future taxable profits from which the temporary differences can be deducted. To this end, the future taxable profit or loss of Caixa Central were estimated based on economic and financial projections, despite the existing uncertainty of some of the variables incorporated in these projections. Should these estimates prove incorrect, there is a risk of adjustment to the value of deferred tax assets in future years (see Note 13).

3.5 Valuation of real estate (Non-current assets held for sale and Other assets)

The valuation of these assets, and consequently the impairment losses, is based on assessments made by independent expert valuators, which incorporate various assumptions, in particular about the evolution of the real estate market, the best use of the property, and when applicable, expectations regarding the development of real estate projects, and also considering the Bank's intentions about the marketing of these assets. The assumptions used in the valuation of these properties have impact on their valuation and consequently on the determination of impairment (see Notes 14, 15 and 17). Also considered for the fair value of the real estate properties are the selling costs estimated by Caixa Central considering the history supported. All these assets are in condition for immediate sale.

The book value of these real estate properties corresponds to the lowest between the valuation amount minus selling costs and the purchase price.

Following the provisions of Circular Letter no. 21/2023, published on 5 June 2023, the Crédito Agrícola Group defined in 2023 a table of additional haircuts to be applied to properties received in credit recovery, through which impairment may be aggravated depending on the age of the property in Caixa Central's portfolio.

The expected period for sale of these real estate properties varies according to local market conditions, as well as their type or segment that influence the expected demand. As such, the expected period of sale of these real estate properties, assuming favourable market circumstances, is one year. The residential segment typically shows higher sale turnover levels than assets of the commercial segment which, in turn, have greater liquidity than the “plots of land” segment, defined herein in a broad perspective as the portfolio of non-current assets held for sale includes rural, urban and plots of land. The management directs its activity based on a Real Estate Property Divestment Plan, approved by the Executive Board of Directors, which is progressing soundly. The management is endeavouring to sell the real estate properties classified as non-current assets held for sale with the time limit of 12 months. All real estate properties that are able to be sold immediately in their present condition are widely publicised with a view to their sale within that time limit. Also, see point 2.3 j).

The use of different methodologies and/or assumptions in valuation procedures could result in different levels of fair value of the financial instruments recognised and presented in Notes 14 and 15, with the consequent impact on Caixa Central's results.

3.6 Measurement of Lease Liabilities

The extension and rescission options contained in the lease contracts were considered in the calculation of the lease liability of various items of equipment and real estate properties of Caixa Central. These options are used to maximise operational flexibility in terms of contract management. The majority of these options may only be exercised by Caixa Central, and not by the respective lessor.

For new contracts concluded during 2023, the implicit interest rates were considered (vehicle leasing between 2.85% and 6.52%).

In physical terms, Caixa Central does not expect any relevant impact of the application of IFRS 16, considering that it submitted a request to the Tax Authority for authorisation to use, during the tax period of 2019 and in future tax periods, depreciation coefficients higher than the maximum depreciation coefficients stipulated in Regulatory Decree 25/2009 (namely, in the case of the real estate properties in which it is the tenant).

3.7 Provisions

The measurement of provisions takes into account the principles defined in IAS 37 with regard to the best estimate of the expected cost, the most probable outcome of the actions in progress and taking into account the risks and uncertainties inherent in each process. Different assumptions and judgements would have an impact on determining the amount of the provisions, which are presented in note 17.

4. Cash, cash balances at central banks and other demand deposits

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Cash on hand	64,429,713	46,333,743
Cash balances at central banks (without interest)	1,394,192,564	1,161,560,130
Other demand deposits (without interest)	16,721,552	20,971,923
Interest	427,265	124,178
	1,475,771,094	**1,228,989,974**

The credit institutions established in the Member States of the European Union are subject to the constitution of minimum reserves in accounts at Domestic Central Banks.

The minimum reserve requirements of the European Central Bank are applicable to credit institutions in the eurozone, being primarily aimed at stabilising monetary market interest rates and creating (or expanding) structural liquidity scarcity.

The value of the minimum reserves to be met by each institution is determined based on the application of the reserve coefficients to the base of incidence, which arises from the sum of a sub-group of its balance sheet liability headings. Currently, the coefficient is 1% for liabilities falling due in two years or less.

The periods of maintenance of minimum reserves are defined in accordance with the timeframe prepared by the European Central Bank (ECB). To pursue the goal of stabilising interest rates, the ECB minimum reserve requirements enable institutions to use an average figure. Thus, compliance with the minimum reserves is verified by comparing the average figures of daily balances for Demand deposits held by the institution at Banco de Portugal throughout the reserve maintenance period with the value of reserves to be met referred to above.

The minimum reserves effectively constituted are remunerated, during their maintenance period, at their average marginal placement rate (weighted according to the number of calendar days) of the main refinancing operations of the Eurosystem. Pursuant to the Decision of the Board of the European Central Bank ECB/2014/23 of 5 June 2014, until September 2022, deposits in excess of the average minimum reserve requirement were remunerated at a rate of zero per cent or the interest rate of the permanent deposit facility, whichever was lower. As such, a negative interest rate could be applied on surplus reserves.

The year of 2022 was characterised by the start of the process of monetary policy normalisation. In July 2022, with the aim of countering the high inflation that began to emerge in the last quarter of 2021, the ECB began a cycle of rises that took the Deposit Facility Rate (DFR) from an initial value of -0.50% to a rate of 2.00% at the end of the year. During 2023, the ECB continued with its strategy of increasing the Deposit Facility Rate, taking it from 2.00% at the start of the year to 4.00% at the end of the year. At its January 2024 meeting, the ECB decided to keep interest rates unchanged.

The change in the course of monetary policy ended up being reflected in the remuneration conditions of deposited balances, due to the need to apply effective mechanisms to transmit its effects. As from the reserve maintenance period starting on 14/09/2022, the Board of the ECB decided to discontinue the two-tier system of remuneration of excess reserves, setting the multiplier at zero. In addition, the reference rate for remuneration of the minimum cash reserves (MCR) was also changed. With effect from the reserve maintenance period starting on 21/12/2022, the remuneration rate of the MCR is no longer the main refinancing operations rate (MRO) but the Deposit Facility Rate (DFR).

The change in the value of demand deposits with the Banco de Portugal between 31 December 2022 and 31 December 2023 is essentially due to very short-term investments (overnight), the natural management of minimum cash reserves over the reserve maintenance period and temporary liquidity holdings associated with movements to recompose the portfolio of financial assets.

Of the total balances classified as "Cash, cash balances at central banks and other demand deposits", 1,357,861 euros (2022: 13,067 euros) refer to balances with the Associated Caixas (see Note 41 ii)).

5. Financial assets and liabilities held for trading

As at 31 December 2023 and 2022, the breakdown of Financial assets and liabilities held for trading was as follows:

	31-Dec-23	31-Dec-22
Financial assets held for trading		
Debt instruments	-	50,042,283
Derivative financial instruments with positive fair value		
Currency futures	4,006	1,841
Interest rate swaps	14,983,596	5,705,153
	14,987,602	**55,749,277**
Financial liabilities held for trading		
Derivative financial instruments with negative fair value		
Currency futures	12,163	183
Interest rate swaps	9,859,589	5,215,610
	9,871,752	**5,215,793**

The financial assets held for trading are measured at fair value, which reflects any credit risk and the corresponding losses, and represents Caixa Central's maximum exposure to credit risk.

The change in this heading results from investment proposals that the Financial Department considers appropriate in view of the market situation and in the framework of the approved policy and limits in force. These proposals are short-term and arise from the volatility of the market itself.

Foreign exchange operations, interest rate swaps and debt securities are detailed as follows:

	31-Dec-23			
	Notional Value	**Assets**	**Liabilities**	**Net**
Foreign exchange forward transactions				
Currency futures				
Purchases	4,928,210	4,006	(12,163)	(8,157)
Sales	4,944,646	-	-	-
	9,872,857	4,006	(12,163)	(8,157)
Swaps				
Interest rate swaps	1,348,623,029	14,983,596	(9,859,589)	5,124,007
Total	**1,358,495,886**	**14,987,602**	**(9,871,752)**	**5,115,850**

	31-Dec-22			
	Notional Value	Assets	Liabilities	Net
Foreign exchange forward transactions				
Currency futures				
Purchases	75,735	1,841	(183)	1,657
Sales	75,375	-	-	-
	151,110	1,841	(183)	1,657
Swaps				
Interest rate swaps	195,451,096	5,705,153	(5,215,610)	489,543
Bonds				
Debt securities	50,212,000	50,042,283	-	50,042,283
Total	**245,814,205**	**55,749,277**	**(5,215,793)**	**50,533,484**

The distribution, by residual periods, of the notional value of the debt securities and derivative financial instruments contracted by Caixa Central as at 31 December 2023 and 2022 is detailed as follows:

	31-Dec-23					
	≤ 3 months	> 3 months and ≤ 6 months	> 6 months and ≤ 1 year	> 1 year and ≤ 5 years	> 5 years	Total
Foreign exchange forward transactions						
Currency futures						
Purchases	4,928,210	-	-	-	-	4,928,210
Sales	4,944,646	-	-	-	-	4,944,646
	9,872,857	-	-	-	-	9,872,857
Swaps						
Interest rate swaps	-	-	950,000,000	225,587,837	173,035,192	1,348,623,029
Total	**9,872,857**	-	**950,000,000**	**225,587,837**	**173,035,192**	**1,358,495,886**

	31-Dec-22					
	≤ 3 months	**> 3 months and ≤ 6 months**	**> 6 months and ≤ 1 year**	**> 1 year and ≤ 5 years**	**> 5 years**	**Total**
Foreign exchange forward transactions						
Currency futures						
Purchases	75,735	-	-	-	-	75,735
Sales	75,375	-	-	-	-	75,375
	151,110	-	-	-	-	151,110
Swaps						
Interest rate swaps	-	-	-	133,557,227	61,893,869	195,451,096
Bonds						
Debt securities	50,212,000	-	-	-		50,212,000
Total	**50,363,110**	-	-	**133,557,227**	**61,893,869**	**245,814,205**

The intervals of the indexes associated with derivatives correspond to the 3-month and 6-month Euribor.

The variation between December 2022 and December 2023 in the amounts of interest rate swaps is due to changes in their fair value.

The movement of the debt securities held for trading occurred as at 31 December 2023 and 2022 is as follows:

	31-Dec-22		2023					31-Dec-23	
Nature	**Opening Balance**		**Additions**		**Disposals**		**Changes in fair value**	**Closing Balance**	
	Quantity	**Fair value**	**Quantity**	**Fair value**	**Quantity**	**Fair value**		**Quantity**	**Fair value**
Debt instruments	50,212,000	50,042,283	1,896,892,000	1,845,621,117	(1,947,104,000)	(1,895,708,109)	44,709	-	-
Total - Financial assets held for trading	**50,212,000**	**50,042,283**	**1,896,892,000**	**1,845,621,117**	**(1,947,104,000)**	**(1,895,708,109)**	**44,709**	**-**	**-**

* Does not include foreign exchange transactions

	31-Dec-21		2022					31-Dec-22	
Nature	**Opening Balance**		**Additions**		**Disposals**		**Changes in fair value**	**Closing Balance**	
	Quantity	**Fair value**	**Quantity**	**Fair value**	**Quantity**	**Fair value**		**Quantity**	**Fair value**
Debt instruments	-	-	3,019,683,000	2,892,327,349	(2,969,471,000)	(2,842,240,356)	(44,709)	50,212,000	50,042,283
Total - Financial assets held for trading	**-**	**-**	**3,019,683,000**	**2,892,327,349**	**(2,969,471,000)**	**(2,842,240,356)**	**(44,709)**	**50,212,000**	**50,042,283**

* Does not include foreign exchange transactions

The impact arising from changes in the fair value of financial assets and liabilities held for trading is shown under the "Gains or (-) losses on financial assets and liabilities held for trading, net" heading (see Note 29) and the "Interest income" of these assets in Note 23.

6. Non-trading financial assets mandatorily at fair value through profit or loss

	31-Dec-23	31-Dec-22
Equity instruments	130,838,524	145,240,481
	130,838,524	**145,240,481**

The impact of changes in the fair value of financial assets and liabilities is presented under the "Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net" heading (see Note 30).

There are no collaterals received or mortgages constituted on the equity instruments.

The movement of the financial assets at fair value through profit or loss occurred on 2023 and 2022 is as follows:

	31-Dec-22		2023							31-Dec-23	
Nature	Opening Balance		Additions		Disposals		Reimbursements		Changes	Closing Balance	
	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	in Fair Value	Quantity	Fair value
Capital instruments	41,851,886	145,240,481	538,432	402,245	(3,579,448)	(2,585,555)	(236,249)	(481,703)	(11,736,944)	38,574,621	130,838,524
Total - Non-trading financial assets mandatorily at FVTPL	**41,851,886**	**145,240,481**	**538,432**	**402,245**	**(3,579,448)**	**(2,585,555)**	**(236,249)**	**(481,703)**	**(11,736,944)**	**38,574,621**	**130,838,524**

	31-Dec-21		2022							31-Dec-22	
Nature	Opening Balance		Additions		Disposals		Reimbursements		Changes	Closing Balance	
	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	in Fair Value	Quantity	Fair value
Capital instruments	40,307,955	178,698,752	5,061,043	2,851,709	(159,203)	(254,658)	(3,357,909)	(30,452,899)	(3,262,472)	41,851,886	145,240,481
Total - Non-trading financial assets mandatorily at FVTPL	**40,307,955**	**178,698,752**	**5,061,043**	**2,851,709**	**(159,203)**	**(254,658)**	**(3,357,909)**	**(30,452,899)**	**(3,262,472)**	**41,851,886**	**145,240,481**

Of the total balances classified as "Non-trading financial assets mandatorily at fair value through profit or loss", 103,320,896 euros (2022: 119,768,706 euros) refer to balances with Group Companies (see Note 41 ii).

During the course of 2023 shares at level 2 and 3 of the fair value hierarchy were sold at the value they were valued at according to the quotation provided by the Funds at the time (Note 43.2).

It should be noted that the valuation of the equity instruments held by Caixa Central was calculated taking into account updated information as at December 2023, whereby the fair value of said instruments was obtained based on the last equity value disclosed by the bodies responsible for the management, with rare exceptions where the last equity value disclosed refers to periods prior to 31 December 2023.

The impact on profit or loss resulting from dividend income from these assets is presented in Note 25 and gains and losses in Note 30.

7. Financial assets at fair value through other comprehensive income

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Debt securities		
Sovereign Debt		
Issued by residents	13,681,675	14,292,138
Issued by non-residents	217,391,950	42,936,966
	231,073,625	57,229,104
Other issuers		
Issued by residents	26,503,336	20,432,642
Issued by non-residents	6,827,239	6,440,899
	33,330,575	26,873,541
	264,404,200	**84,102,644**

The increase in portfolios accounted for at fair value through other comprehensive income (FVOCI) is due to the investment, over the course of 2023, in debt securities issued by peripheral eurozone countries, mainly Spain.

The impairment of financial assets at fair value through other comprehensive income is reflected in equity.

All the debt instruments are classified at stage 1 of the Expected Credit Loss (ECL) model, having remained unchanged during 2023. See movement of impairment in Note 17.

The potential capital gains and capital losses of financial assets at fair value through other comprehensive income are recorded in the assets against revaluation reserves in equity. The fair value adjustments of this portfolio showed the following movement in 2023 and 2022:

	31-Dec-22	Valuation gains or losses taken to equity			31-Dec-23
Description	**Opening balance fair value reserves (Note 22)**	**Fair value increase**	**Fair value decrease**	**Transfer to profit or loss by disposal**	**Closing balance fair value reserves (Note 22)**
Financial assets at fair value through other comprehensive income					
Issued by residents					
Debt instruments	(5,631,780)	3,512,529	-	-	(2,119,250)
Issued by non-residents					
Debt instruments	(13,357,261)	4,199,082	-	-	(9,158,179)
Total	**(18,989,041)**	**7,711,611**	**-**	**-**	**(11,277,429)**

Description	31-Dec-21	Valuation gains or losses taken to equity			31-Dec-22
	Opening balance fair value reserves (Note 22)	Fair value increase	Fair value decrease	Transfer to profit or loss by disposal	Closing balance fair value reserves (Note 22)
Financial assets at fair value through					
Issued by residents					
Debt instruments	(491,294)	-	(4,952,034)	(188,452)	(5,631,780)
Issued by non-residents					
Debt instruments	(68,409)	-	(13,288,852)	-	(13,357,261)
Total	**(559,703)**	**-**	**(18,240,886)**	**(188,452)**	**(18,989,041)**

The impacts on equity are shown in Note 22.

There are no debt instruments at fair value through other comprehensive income given as collateral.

The portfolio of financial assets at fair value through other comprehensive income shows the following residual contractual periods as at 31 December 2023 and 2022:

	31-Dec-23	31-Dec-22
Three months to one year	184,619,925	-
One year to three years	3,193,689	14,292,138
Three to five years	34,490,736	12,504,569
Over five years	42,099,850	57,305,937
Total	**264,404,200**	**84,102,644**

The movement of the financial assets at fair value through other comprehensive income occurred in 2023 and 2022 are as follows:

Nature	31-Dec-22 Opening balance		2023 Additions		Disposals		Changes	Interest/Amortisation	31-Dec-23 Closing balance	
	Quantity	Fair Value	Quantity	Fair Value	Quantity	Fair Value	in fair value	premium discount	Quantity	Fair Value
Debt instruments	103,417,000	84,102,644	178,000,000	171,825,672	-	-	7,711,611	764,272	281,417,000	264,404,200
Total:	**103,417,000**	**84,102,644**	**178,000,000**	**171,825,672**	**-**	**-**	**7,711,611**	**764,272**	**281,417,000**	**264,404,200**

No securities classified in this asset category were sold or matured in 2023.

	31-Dec-21		2022						31-Dec-22	
Nature	Opening balance		Additions		Disposals		Changes	Interest/Amortisation	Closing balance	
	Quantity	Fair Value	Quantity	Fair Value	Quantity	Fair Value	in fair value	premium discount	Quantity	Fair Value
Debt instruments	98,522,000	98,007,798	77,000,000	76,136,208	(72,105,000)	(72,367,200)	(18,429,337)	755,175	103,417,000	84,102,644
Total:	**98,522,000**	**98,007,798**	**77,000,000**	**76,136,208**	**(72,105,000)**	**(72,367,200)**	**(18,429,337)**	**755,175**	**103,417,000**	**84,102,644**

During 2022, only two Luxembourg public debt securities classified in this asset category were sold.

8. Financial assets at amortised cost

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Debt securities	8,255,168,717	8,210,996,107
Investments	266,914,182	263,540,575
Loans and advances to customers	1,439,357,433	1,451,448,083
Total Financial Assets at Amortised Cost	**9,961,440,332**	**9,925,984,765**

Broken down as follows:

8.1 Debt Securities

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Debt securities		
Sovereign Debt		
Issued by residents	1,613,501,418	1,679,276,372
Issued by non-residents	4,605,501,415	4,558,296,043
	6,219,002,833	6,237,572,415
Other issuers		
Issued by residents	74,670,343	46,379,017
Issued by non-residents	1,702,922,585	1,631,841,697
	1,777,592,928	1,678,220,714
Interest income receivable	59,367,638	57,554,756
Accumulated impairment	(4,495,009)	(5,654,548)
Sovereign Debt	*(3,303,143)*	*(4,737,294)*
Other issuers	*(1,191,866)*	*(917,254)*
	8,051,468,391	7,967,693,337
Securitised		
Commercial Paper	205,095,110	245,567,973
Commercial Paper interest	112,712	51,520
Deferred interest received	(1,462,513)	(2,105,958)
	203,745,309	243,513,535
Accumulated impairment	(44,982)	(210,766)
	8,255,168,717	8,210,996,107

The movement in debt instruments at amortised cost during 2023 and 2022 is as follows (gross exposure value, excluding interest receivable):

	31-Dec-22		2023						31-Dec-23	
Nature	Opening Balance		Additions		Maturity		Amortisation premium/discount	Variation hedge adjustment	Closing Balance	
	Quantity	Book value	Quantity	Amount	Quantity	Amount			Quantity	Book value
Debt instruments	8,515,767,000	7,915,793,129	121,600,000	121,385,058	(294,250,000)	(294,250,000)	(43,270,990)	296,938,565	8,343,117,000	7,996,595,762
Total - Financial assets at amortised cost	**8,515,767,000**	**7,915,793,129**	**121,600,000**	**121,385,058**	**(294,250,000)**	**(294,250,000)**	**(43,270,990)**	**296,938,565**	**8,343,117,000**	**7,996,595,762**

	31-Dec-21		2022						31-Dec-22	
Nature	Opening Balance		Additions		Maturity		Amortisation premium/discount	Variation hedge adjustment	Closing Balance	
	Quantity	Book value	Quantity	Amount	Quantity	Amount			Quantity	Book value
Debt instruments	7,029,087,000	7,415,615,164	1,662,130,000	1,630,277,134	(175,450,000)	(175,450,000)	(60,281,038)	(894,368,131)	8,515,767,000	7,915,793,129
Total - Financial assets at amortised cost	**7,029,087,000**	**7,415,615,164**	**1,662,130,000**	**1,630,277,134**	**(175,450,000)**	**(175,450,000)**	**(60,281,038)**	**(894,368,131)**	**8,515,767,000**	**7,915,793,129**

The nominal value of securities at amortised cost is 8,343 million euros as at 31 December 2023, and 8,516 million euros as at 31 December 2022.

The accumulated adjustment relative to the hedge relations at fair value stands at 560.0 million euros as at 31 December 2023 (857.0 million euros as at 31 December 2022) as presented in Note 9.

The average interest rates obtained on these instruments in 2023 were 2.59% (2022: 2.25%).

Caixa Central's investment policy stipulates that maximum limits of 10% must be observed in the annual sales ratios in terms of the amount and quantity of securities in the portfolio, and that securities with a material deterioration in credit risk may be excluded from this calculation. During 2023 and 2022 there were no disposals of securities in the portfolio at amortised cost. During 2023 around 294 million euros of securities reached maturity.

There are debt instruments at amortised cost given as collateral, of the value of 696,549 thousand euros. These instruments have not undergone any change in their credit risk stage and remain at stage 1.

Debt instruments at amortised cost, without interest receivable, without impairment and with hedge adjustment, show the following contractual residual maturities as at 31 December 2023 and 2022:

Amounts in euros	31-Dec-23	31-Dec-22
Up to three months	229,757,276	31,623,150
Three months to one year	255,379,384	265,256,836
One year to three years	945,576,113	865,077,033
Three to five years	1,176,166,397	854,473,910
Over five years	5,389,716,592	5,899,362,200
Total	**7,996,595,762**	**7,915,793,129**

All the debt instruments at amortised cost are classified at stage 1 of the Expected Credit Loss (ECL) model. Additionally, see Note 43 presenting details on the credit quality of these financial assets (fair value).

8.2 Investments

	31-Dec-23	31-Dec-22
Investments:		
Deposits	216,593,093	216,789,467
of which Associated Caixas (Note 41) i)	*216,593,093*	*216,789,467*
Loans	32,500,000	29,000,000
Loans to Associated Caixas (Note 41) i)	7,618,516	7,718,523
Subordinated investments (Note 41) i)	4,000,000	4,000,000
Other investments in Caixas Agrícolas (Note 41) i)	75,746	43,778
Interest income receivable from loans	6,165,681	6,045,576
of which Associated Caixas (Note 41) i)	*5,868,049*	*5,918,061*
	266,953,036	263,597,344
Investment impairments	(38,854)	(56,769)
Investments Total	**266,914,182**	**263,540,575**

Of the total balances classified as “Investments”, 234,155,404 euros (2022: 234,469,829 euros) refer to balances with the Associated Caixas (see Note 41 i))

As at 31 December 2023 and 2022, the residual periods of the investments at credit institutions, without impairment, presented the following structure:

	31-Dec-23	31-Dec-22
Up to three months	1,247,080	1,593,446
Three months to one year	2,509,608	4,065,307
One year to three years	245,470,212	240,416,530
Three to five years	4,019,534	4,075,932
Over five years	7,540,921	7,400,553
	260,787,355	257,551,768
Interest income receivable	6,165,681	6,045,576
	266,953,036	263,597,344

8.3 Loans and Advances to customers

Credit Portfolio		
Mortgage Loans	283,370,677	304,780,636
Loans with and without collateral	848,415,843	854,839,668
Loans to group companies (Note 41) ii)	77,257,429	90,751,087
Financial leasing contracts		
Customers	226,193,237	211,785,642
Group companies (Note 41) ii)	-	-
Current account loans and advances		
Customers	9,526,296	6,551,740
Group companies (note 41) ii)	-	3,710,000
Demand deposits overdrafts		
Other residents	17,572	18,086
Consumer credit	16,604,725	15,180,324
Other loans		
Credit cards	6,932,802	6,927,052
Credit cards of group companies (Note 41) ii)	5,692	6,499
Other loans and advances to customers	103,431	100,581
	1,468,427,705	1,494,651,315
Interest income receivable	8,634,633	4,286,070
includes group interest (Note 41) ii)	918,951	302,539
Associated commissions at amortised cost		
Deferred expenses	1,102,705	1,103,716
of which Associated Caixas (Note 41) i)	*277,445*	*272,413*
Deferred expenses	(2,049,259)	(1,951,207)
includes group deferred revenue (Note 41) ii)	(49,816)	(6,876)
Total loans not immediately due	1,476,115,783	1,498,089,894
Overdue loans and interest		
Overdue loans	4,643,670	3,326,103
Overdue interest	502,958	453,277
Total overdue loans and interest	5,146,628	3,779,380
Accumulated impairment	(41,904,978)	(50,421,190)
Total Credit Portfolio	**1,439,357,433**	**1,451,448,083**

Of the total balances classified as “Loans and advances”, 277,445 euros (2022: 272,413 euros) refer to balances with the Associated Caixas (see Note 41 i)) and 78,132,256 euros (2022: 94,763,250 euros) refer to balances with

Group Companies (see Note 41 ii).

The heading “Loans and advances” does not show any significant changes compared to 31 December 2022.

The breakdown of loans and advances to customers (due and overdue) without the certified loans (commercial paper) shown in Note 8.1, including interest and commissions, according to the type of guarantee, is as follows (amounts in euros):

	31-Dec-23	31-Dec-22
Loans receivable:		
Asset-backed loans	888 918 311	920 731 807
Unsecured loans	457 618 059	413 998 194
Loans with personal guarantees	121 891 335	159 921 314
	1 468 427 705	1 494 651 315
Overdue loans:		
Asset-backed loans	1 957 445	1 281 267
Unsecured loans	1 391 090	830 211
Loans with personal guarantees	1 295 135	1 214 625
	4 643 670	3 326 103
	1 473 071 374	**1 497 977 419**
Fair value of asset-backed guarantees	1 668 154 000	1 928 657 000

As at 31 December 2023 and 2022, there is no overdue credit without impairment, as shown in the table below:

	31-Dec-23	31-Dec-22
Overdue loans with impairment	5 146 628	3 779 380
Overdue loans without impairment	-	-
	5 146 628	3 779 380

As at 31 December 2023 and 2022, the residual periods of the loans and advances to customers presented the following structure:

	31-Dec-23	31-Dec-22
Up to three months	14 334 534	80 115 290
Three months to one year	31 600 345	46 724 626
One year to three years	267 450 454	214 862 941
Three to five years	278 955 988	245 976 728
Over five years	879 192 512	908 916 007
Without term	1 537 541	1 381 827
	1 473 071 374	**1 497 977 419**

As at 31 December 2023 and 2022, loans and advances to customers was divided between fixed and variable rates, as follows:

	31-Dec-23	31-Dec-22
Fixed rate	246 744 961	341 492 026
Variable rate	1 226 326 414	1 156 485 392
	1 473 071 374	**1 497 977 419**

The variable interest rates associated with the loans granted to customers are mainly indexed to the Euribor.

The duration of overdue credit balances with impairment for the periods presented is as follows:

	31-Dec-23	31-Dec-22
Up to three months	591 711	639 026
Three months to one year	2 627 252	1 189 608
One year to three years	1 296 351	1 042 672
Three to five years	203 545	378 340
Over five years	427 769	529 733
	5 146 628	**3 779 380**

Up to date, Caixa Central has not carried out any securitisation operation in its credit portfolio.

As at 31 December 2023 and 2022, Caixa Central has around 182,787 thousand euros and 181,780 thousand euros, respectively, of credit agreements written off from the assets, which, as their recovery is considered remote, are accounted for in off-balance sheet items.

The change in the heading “Impairment losses” during the periods of 2023 and 2022 is presented in Note 17. The remaining impact on profit or loss is described in Note 23.

Also see Note 43 – Disclosures relative to financial instruments: Credit Risk, which details the risk rating associated with the credit portfolio.

9. Hedge derivatives

The composition of this heading is as follows:

		31-Dec-23	31-Dec-22
Swaps - Interest rate risk		686,290,248	885,429,290
	Assets	**686,290,248**	**885,429,290**
Swaps - Interest rate risk		(97,297,073)	(27,415,374)
	Liabilities	**(97,297,073)**	**(27,415,374)**
		588,993,175	**858,013,916**

The details of assets recorded in the Balance Sheet are as follows:

31-Dec-23		Hedging instrument			Hedged instrument		
Derivative instrument	Associated financial assets/liabilities	Notional	Fair value (1)	Fair value variation for the year	Fair value component of the hedged instrument	Fair value variation for the year	Book value
Interest rate swap	Debt instruments	5,075,880,000	588,993,175	(269,020,741)	(560,023,501)	296,938,565	5,284,257,217

1) Includes accrued interest

31-Dec-22		Hedging instrument			Hedged instrument		
Derivative instrument	Associated financial assets/liabilities	Notional	Fair value (1)	Fair value variation for the year	Fair value component of the hedged instrument	Fair value variation for the year	Book value
Interest rate swap	Debt instruments	4,389,280,000	858,013,916	910,976,112	(856,962,065)	(894,368,131)	4,637,764,909

1) Includes accrued interest

The details of the estimated notional values of effective derivatives, by their maturity in 2023, are as follows:

	2024	2025	2026	2027	2028	2029	2030	> 2031 to 2040
Fair value hedge of interest rate risk								
Notional value	29,730,000	10,700,000	550,100,000	275,000,000	708,850,000	87,000,000	285,500,000	3,129,000,000
	29,730,000	10,700,000	550,100,000	275,000,000	708,850,000	87,000,000	285,500,000	3,129,000,000

The details of the estimated notional values of effective derivatives, by their maturity in 2022, are as follows:

	2024	2025	2026	2027	2028	2029	2030	> 2031 to 2040
Fair value hedge of interest rate risk								
Notional value	29,730,000	10,700,000	545,700,000	230,500,000	681,650,000	87,000,000	275,000,000	2,529,000,000
	29,730,000	10,700,000	545,700,000	230,500,000	681,650,000	87,000,000	275,000,000	2,529,000,000

Under its interest rate risk management, Caixa Central contracted a series of interest rate swap aimed at mitigating the impact on the fair value of debt financial instruments arising from interest rate changes, where it is expected that the fair value of the respective interest rate swap should evolve inversely to the fair value of the hedged risk of the hedged instrument. Accordingly, and as all the requirements of IFRS 9 were met, Caixa Central applied hedge accounting, namely of the “fair value hedge” type.

The exchanged interest rates of these swaps are 6-month Euribor. The variation in this heading is essentially justified by the difference in Euribor rates. As at 31 December 2023, the maturities of these swaps vary between 1 and 17 years.

10. Investments in subsidiaries, joint ventures and associates

As at 31 December 2023 and 2022, this heading shows the following composition:

			31-Dec-23			31-Dec-22	
Company	Activity sector	Head office	Effective holding	Type of investment	Book value	Effective holding	Book value
Crédito Agrícola SGPS, S.A.	Sociedade Gestora de Participações Sociais	Lisboa	100%	Subsidiary	62,500,000	100%	62,500,000
Crédito Agrícola Serviços, ACE *	Complementary business group	Lisboa	18.93%	Associate	-	17.39%	-
CCAM do Algarve	Credit Institution	Algarve	0.14%	Associate	6,484	0.14%	6,484
					62,506,484		62,506,484
Impairment (Note 17)							
CCAM do Algarve	Credit Institution				(6,484)		(6,484)
					(6,484)		(6,484)
					62,500,000		62,500,000

* ACE has no share capital

As at 31 December 2023, the most significant financial data taken from the financial statements of these companies may be summarised as follows:

Company	Net Assets	Equity	Net income
Crédito Agrícola SGPS, S.A.	156,326,847	61,651,795	3,504,361
Crédito Agrícola Serviços, ACE *	108,758,200	-	-
CCAM do Algarve	855,406,165	35,115,524	4,414,643

* ACE has no share capital

11. Tangible assets

The movement which occurred in Property, plant and equipment during 2023 and 2022 was as follows:

	31-Dec-22			2023									31-Dec-23			
									Adjustment/Exchange dif.		Write-offs/Disposals					
Description	Gross value	Accumulated deprec.	Accumulated impairment	Acquisitions	Deprec. for the year	Impairment for the year	Transfer G. Value	Transfer Deprec.	Gross value	Deprec.	Gross value	Deprec.	Gross value	Accumulated deprec.	Accumulated impairment	Net value
Real estate properties:																
For own use	1,037,693	(505,362)	-	-	(16,385)	-	-	-	-	-	-	-	1,037,693	(521,746)	-	515,947
Works in rented real estate properties	6,050,129	(3,475,656)	-	-	(436,299)	-	-	-	-	-	(37,522)	3,752	6,012,608	(3,908,203)	-	2,104,405
	7,087,822	(3,981,017)	-	-	(452,684)	-	-	-	-	-	(37,522)	3,752	7,050,300	(4,429,949)	-	2,620,352
Equipment:																
Furniture and material	1,215,590	(784,202)	-	38,208	(102,706)	-	-	-	-	-	-	-	1,253,798	(886,908)	-	366,891
Machines and tools	360,021	(276,033)	-	2,367	(29,112)	-	-	-	-	-	-	-	362,388	(305,144)	-	57,244
Computer equipment	4,062,800	(3,740,144)	-	181,235	(220,803)	-	-	-	-	-	(6,348)	1,411	4,237,686	(3,959,537)	-	278,150
Interior installations	1,190,686	(976,615)	-	-	(33,377)	-	-	-	-	-	-	-	1,190,686	(1,009,992)	-	180,694
Transport material	496,498	(322,844)	-	258,783	(83,123)	-	-	-	-	-	(127,824)	90,458	627,457	(315,509)	-	311,948
Security equipment	360,841	(335,670)	-	19,522	(18,286)	-	-	-	-	-	-	-	380,363	(353,956)	-	26,407
Other equipment	77,975	(45,917)	-	-	(7,828)	-	-	-	-	-	-	-	77,975	(53,745)	-	24,230
	7,764,411	(6,481,425)	-	500,115	(495,235)	-	-	-	-	-	(134,172)	91,869	8,130,354	(6,884,791)	-	1,245,563
								-								
Rights-of-use:																
Real estate properties	20,658,864	(7,612,733)	-	243,021	(2,243,497)	-	-	-	18,789	(13,256)	-	-	20,920,673	(9,869,487)	-	11,051,186
Vehicles	678,543	(405,526)	-	124,633	(135,426)	-	-	-	-	-	(227,641)	219,721	575,535	(321,230)	-	254,304
Equipment/RIMO	106,959	(91,149)	-	-	(15,396)	-	-	-	(413)	-	(106,545)	106,545	-	-	-	-
	21,444,365	(8,109,408)	-	367,654	(2,394,319)	-	-	-	18,375	(13,256)	(334,187)	326,267	21,496,208	(10,190,718)	-	11,305,491
Works of art	121,979	-	-	-	-	-	-	-	-	-	-	-	121,979	-	-	121,979
Tangible assets in progress	-	-	-	57,889	-	-	-	-	-	-	-	-	57,889	-	-	57,889
Total	**36,418,579**	**(18,571,850)**	**-**	**925,658**	**(3,342,238)**	**-**	**-**	**-**	**18,375**	**(13,256)**	**(505,880)**	**421,888**	**36,856,731**	**(21,505,457)**	**-**	**15,351,277**

	31-Dec-21			2022									31-Dec-22			
									Adjustment/Exchange dif.		Write-offs/Disposals					
Description	Gross value	Accumulated deprec.	Accumulated impairment	Acquisitions	Deprec. for the year	Impairment for the year	Transfer G. Value	Transfer Deprec.	Gross value	Deprec.	Gross value	Deprec.	Gross value	Accumulated deprec.	Accumulated impairment	Net value
Real estate properties:																
For own use	1,037,693	(488,977)	-	-	(16,385)	-	-	-	-	-	-	-	1,037,693	(505,362)	-	532,331
Works in rented real estate properties	5,966,912	(3,046,112)	-	83,218	(429,544)	-	-	-	-	-	-	-	6,050,129	(3,475,656)	-	2,574,474
	7,004,605	(3,535,089)	-	83,218	(445,927)	-	-	-	-	-	-	-	7,087,822	(3,981,017)	-	3,106,805
Equipment:																
Furniture and material	1,191,709	(694,607)	-	33,743	(99,456)	-	-	-	-	-	(9,862)	9,862	1,215,590	(784,202)	-	431,388
Machines and tools	358,002	(247,116)	-	2,754	(29,652)	-	-	-	-	-	(735)	735	360,021	(276,033)	-	83,989
Computer equipment	3,902,191	(3,532,350)	-	164,933	(210,779)	-	-	-	-	-	(4,324)	2,985	4,062,800	(3,740,144)	-	322,655
Interior installations	1,167,479	(943,581)	-	5,174	(33,034)	-	18,034	-	-	-	-	-	1,190,686	(976,615)	-	214,071
Transport material	595,126	(401,159)	-	120,000	(62,743)	-	-	-	-	-	(218,629)	141,058	496,498	(322,844)	-	173,654
Security equipment	358,338	(301,060)	-	2,503	(34,610)	-	-	-	-	-	-	-	360,841	(335,670)	-	25,171
Other equipment	68,051	(38,904)	-	9,924	(7,013)	-	-	-	-	-	-	-	77,975	(45,917)	-	32,059
	7,640,896	(6,158,776)	-	339,031	(477,287)	-	18,034	-	-	-	(233,549)	154,639	7,764,411	(6,481,425)	-	1,282,986
								-								
Rights-of-use:																
Real estate properties	20,304,947	(6,190,236)	-	1,151,249	(2,097,659)	-	-	-	15,222	(10,102)	(812,555)	685,264	20,658,864	(7,612,733)	-	13,046,130
Vehicles	587,179	(317,151)	-	140,256	(137,063)	-	-	-	-	-	(48,892)	48,688	678,543	(405,526)	-	273,017
Equipment/RIMO	256,711	(214,220)	-	-	(22,977)	-	-	-	(653)	-	(149,100)	146,049	106,959	(91,149)	-	15,810
	21,148,837	(6,721,607)	-	1,291,505	(2,257,699)	-	-	-	14,569	(10,102)	(1,010,547)	880,000	21,444,365	(8,109,408)	-	13,334,957
Works of art	121,979	-	-	-	-	-	-	-	-	-	-	-	121,979	-	-	121,979
Tangible assets in progress	15,601	-	-	2,432	-	-	(18,034)	-	-	-	-	-	-	-	-	-
Total	**35,931,920**	**(16,415,472)**	**-**	**1,716,186**	**(3,180,913)**	**-**	**-**	**-**	**14,569**	**(10,102)**	**(1,244,096)**	**1,034,640**	**36,418,578**	**(18,571,850)**	**-**	**17,846,729**

Of the total balances classified as “Tangible assets”, 3,443,096 euros (2022: 3,440,733 euros) refer to balances with Group Companies (see Note 41 ii).

During 2023 and 2022, the capital gains and capital losses calculated in the disposal of tangible assets are recorded under the “Gains or losses on derecognition of non-financial assets, net” heading (Note 33).

Caixa Central has an option to purchase certain equipment at its nominal value at the end of the lease period. The obligations of Caixa Central are guaranteed by the ownership rights of the lessor in relation to the leased assets, for such leases.

12. Intangible assets

The movement which occurred in Intangible Assets during 2023 and 2022 was as follows:

Description	31-Dec-22 Gross value	31-Dec-22 Accumulated amortisation	2023 Acquisitions	2023 Amortisations for the year	2023 Write-offs Gross value	2023 Write-offs Amortisations for the year	31-Dec-23 Gross value	31-Dec-23 Accumulated amortisations	31-Dec-23 Net value
Automated data treatment system (software)	4,084,206	(4,084,206)	-	-	-	-	4,084,206	(4,084,206)	-
Other intangible assets	421,694	(421,694)	-	-			421,694	(421,694)	-
Total	**4,505,900**	**(4,505,900)**	**-**	**-**	**-**	**-**	**4,505,900**	**(4,505,900)**	**-**

Description	31-Dec-21 Gross value	31-Dec-21 Accumulated amortisation	2022 Acquisitions	2022 Amortisations for the year	2022 Write-offs Gross value	2022 Write-offs Amortisations for the year	31-Dec-22 Gross value	31-Dec-22 Accumulated amortisations	31-Dec-22 Net value
Automated data treatment system (software)	4,084,206	(4,084,206)	-	-	-	-	4,084,206	(4,084,206)	-
Other intangible assets	421,694	(421,694)	-	-	-	-	421,694	(421,694)	-
Total	**4,505,900**	**(4,505,900)**	**-**	**-**	**-**	**-**	**4,505,900**	**(4,505,900)**	**-**

13. Income tax

The table below presents the balances of income tax assets and liabilities recorded in the Balance Sheet as at 31 December 2023 and 31 December 2022.

	31-Dec-23	31-Dec-22
Deferred tax assets		
Due to temporary differences	17,751,829	17,052,984
Due to tax losses carried forward	-	-
	17,751,829	17,052,984
Deferred tax liabilities		
Due to temporary differences	(957,745)	(648,430)
	(957,745)	(648,430)
	16,794,084	**16,404,554**
Current tax assets		
Income tax recoverable	-	1,715,164
	-	1,715,164
Current tax liabilities		
Income tax payable	(24,699,644)	-
	(24,699,644)	-
	(24,699,644)	**1,715,164**

At the end of 2023, the balance of current tax liabilities influenced by the (i) by payments on account and additional payments on account made during 2023, of a total of 5,947,533 euros (credit balance); (ii) withholdings at source incurred in 2023, of a total of 113,752 euros (credit balance); and (iii) estimated current tax payable, of a total of

30,760,929 euros (debit balance).

Current tax was calculated considering the current tax system applicable to credit impairments, established in Law 98/2019 of 4 September.

Current taxes were calculated using the rates in force established in the tax legislation, more specifically (i) the general corporate income tax rate (21%), (ii) the maximum municipal surcharge rate (up to 1.5%) and (iii) the state surcharge rates, which vary according to the calculated taxable profit (between 3% and 9%).

Deferred taxes were calculated using the tax rates that are considered to reflect the realisation of these assets and liabilities. Thus, the rate of 26.5% (24.5% as at 31 December 2022) was considered in relation to time differences, as the management expects that their realisation will occur in a taxable profit scenario which will generate the saving of the general corporate income tax (21%), as well as the municipal surcharge (1.5%) and state surcharge (with the effective saving rate being estimated at around 4% in this case).

The movements occurred in deferred taxes during 2023, and during 2022 for comparative purposes, are detailed below, by nature of temporary difference.

Description	31-Dec-22 Opening balance	Variation in profit or loss	Variation in reserves	Bal. Sheet var.	31-Dec-23 Closing balance
Impairment of credit to customers	8,285,952	(498,510)	-	-	7,787,443
Impairment of other debtors	7,502	612	-	-	8,114
Impairment of guarantees given and irrevocable commitments	749,309	111,401	-	-	860,710
Impairment of securities	25,406	(19,630)	-	-	5,776
Impairment of financial holdings	1,588	130	-	-	1,718
Impairment for TFA	-	128,980	-	-	128,980
Fair value variation through profit or loss (FVTPL portfolio)	1,995,126	112,963	-	-	2,108,089
Provisions for other risks and expenses	2,521	2,241,595	-	-	2,244,115
Seniority bonus	789,491	107,280	-	-	896,771
Cost of early retirement	50,278	1,011	-	-	51,289
Fair value reserve (FVTOCI portfolio)	4,652,315	-	(1,523,997)	-	3,128,318
Revaluation of real estate properties - DL 66/2016	38,361	(144)	-	-	38,217
Right-of-use assets - IFRS 16	455,135	37,154	-	-	492,289
Total Deferred Tax Assets	**17,052,984**	**2,222,842**	**(1,523,997)**	**-**	**17,751,829**
Fair value reserve (FVTOCI portfolio)	(18,550)	-	(169,964)	-	(188,514)
Fair value variation through profit or loss (FVTPL portfolio)	(622,360)	(139,163)	-	-	(761,523)
Legal revaluation reserves	(7,520)	-	(188)	-	(7,708)
Total Deferred Tax Liabilities	**(648,430)**	**(139,163)**	**(170,153)**	**-**	**(957,745)**
Total	**16,404,554**	**2,083,680**	**(1,694,149)**	**-**	**16,794,084**

Description	31-Dec-21 Opening balance	Variation in profit or loss	Variation in reserves	Bal. Sheet var.	31-Dec-22 Closing balance
Impairment of credit to customers	8,796,735	(510,783)	-	-	8,285,952
Impairment of other debtors	12,976	(5,474)	-	-	7,502
Impairment of guarantees given and irrevocable commitments	602,313	146,996	-	-	749,309
Impairment of securities	40,171	(14,765)	-	-	25,406
Impairment of financial holdings	1,588	-	-	-	1,588
Impairment for TFA	-	-	-	-	-
Fair value variation through profit or loss (FVTPL portfolio)	168,844	1,826,282	-	-	1,995,126
Provisions for other risks and expenses	318,571	(316,050)	-	-	2,521
Seniority bonus	877,970	(88,479)	-	-	789,491
Cost of early retirement	34,902	15,375	-	-	50,278
Fair value reserve (FVTOCI portfolio)	183,298	-	4,469,017	-	4,652,315
Revaluation of real estate properties - DL 66/2016	48,456	(10,095)	-	-	38,361
Right-of-use assets - IFRS 16	-	455,135	-	-	455,135
Total Deferred Tax Assets	**11,085,823**	**1,498,144**	**4,469,017**	**-**	**17,052,984**
Fair value reserve (FVTOCI portfolio)	(54,797)	-	36,248	-	(18,550)
Fair value variation through profit or loss (FVTPL portfolio)	(639,003)	16,643	-	-	(622,360)
Legal revaluation reserves	(7,913)	-	393	-	(7,520)
Total Deferred Tax Liabilities	**(701,714)**	**16,643**	**36,641**	**-**	**(648,430)**
Total	**10,384,109**	**1,514,787**	**4,505,658**	**-**	**16,404,554**

As observed in the tables above, the most significant amount of the deferred tax assets refers to credit impairment, a situation that arises from the application of the tax regime that had been in force up to 31/12/2018, under which part of the impairments recorded in the accounts was not deducted for tax purposes, as well as to uses that occurred in previous periods that are still pending tax recovery. In 2019, the publication of Law 98/2019 of 4 September gave rise to the entry into force of the current tax system applicable to credit impairments, which provides for the tax deduction of impairments recorded under the accounting and regulatory standards. In relation to the impairment stock taxed until 31 December 2018, a transitional scheme is established which foresees, in general terms, that the tax recovery of that amount shall occur at the time of the reversal of the impairments and/or realisation of losses.

The table below details the amounts (costs and/or gains) associated with income taxes recorded through profit or loss as at 31 December 2023 and 2022, as well as the respective tax load in each period, which is measured by the relationship between the net cost related to income tax and the earnings before tax.

	31-Dec-23	31-Dec-22
Current taxes		
Tax on profit for the year	30,760,929	7,641,708
Tax corrections relative to previous years	(239,412)	808,349
	30,521,518	8,450,057
Deferred taxes		
Recording and reversal of temporary differences	(2,083,680)	(1,514,787)
Tax losses carried forward	-	-
	(2,083,680)	(1,514,787)
Total tax recognised through profit or loss	**28,437,838**	**6,935,270**
Earnings before taxes	94,709,247	29,277,968
Tax payable	**30.03%**	**23.69%**

As shown in the table above, Caixa Central has an effective tax rate of 30.03% as at 31 December 2023.

At the end of 2023, the heading "Tax corrections for previous years" shows a credit balance of 239,412 euros, which refers to the estimated current tax excess at the end of 2022 compared to the tax actually paid with the submission of the model 22 return in 2023 (as part of the 2022 model 22 return, a tax benefit was used up, referring to the Extraordinary Tax Credit for Investment II, amounting to 76,392 euros). As at 31 December 2022, the balance owed under this heading essentially refer to an additional corporate income tax assessment paid by Caixa Central as a result of a tax inspection carried out in 2019, the (merely temporary) corrections of which were the legally challenged in 2023.

The table below presents the reconciliation of the effective tax rate as at 31 December 2023, and as at 31 December 2022 for comparative purposes:

	31-Dec-23		31-Dec-22	
Description	**Tax rate**	**Amount**	**Tax rate**	**Amount**
Earnings before taxes		94,709,247		29,277,968
Corporate income tax - general rate (21%)	21%	19,888,942	21%	6,148,373
Municipal surcharge (1.5%)	1.5%	1,420,639	1.5%	439,170
State surcharge (3% - 9%)	7.32%	6,928,832	4.33%	1,268,898
	29.82%	**28,238,413**	**26.83%**	**7,856,441**
Interest paid - Subordinated debt	(1.77%)	(1,671,761)	(2.56%)	(750,233)
Pension fund actuarial loss	0.00%	-	0.00%	-
Expenses relative to previous years	0.21%	201,707	0.75%	218,879
Non-deductible impairments and provisions	1.95%	1,842,966	(4.94%)	(1,446,832)
Contribution of the banking sector	1.46%	1,384,781	4.30%	1,260,131
Additional solidarity of the banking sector	0.27%	251,777	0.78%	229,114
Other non-deductible expenses	0.44%	416,426	0.61%	178,095
Tax benefits	(0.03%)	(25,568)	(0.11%)	(31,411)
Extraordinary investment tax benefit (CFEI)	0.00%	-	0.00%	-
Autonomous taxation	0.13%	122,189	0.44%	127,524
Impact of current tax on profit or loss	32.48%	30,760,929	26.10%	7,641,708
Impact of deferred tax on profit or loss **(*)**	(2.20%)	(2,083,680)	(5.17%)	(1,514,787)
Tax cost for the year	**30.28%**	**28,677,250**	**20.93%**	**6,126,921**
Tax corrections relative to previous years	(0.25%)	(239,412)	2.76%	808,349
Total tax cost	**30.03%**	**28,437,838**	**23.69%**	**6,935,270**

(*) See the details of this amount in the table on the movement of deferred taxes in 2023

According to the legislation in force, Caixa Central's tax returns may be reviewed by the Tax and Customs Authority (AT), as a rule, for a period of 4 years, unless any tax deduction or credit is made (e.g. deduction of tax losses), in which case the expiry period is the time limit for the exercise of this right.

Therefore, the tax returns of Caixa Central with reference to the financial years of 2020 to 2023 can still be reviewed by the Tax and Customs Authority and are thus subject to possible corrections to the tax base.

The Supplementary Budget for 2020 also created the Additional Solidarity for the Banking Sector, whose subjective and objective incidence is identical to the Contribution on the Banking Sector, with applicable rates of 0.02% on eligible liabilities and 0.00005% on the notional value of off-balance sheet derivative financial instruments. In 2023 and 2022, Caixa Central recognised an expense related to this extraordinary contribution, amounting to 844,438 euros and 853,820 euros, respectively.

14. Other assets

The composition of this heading is as follows:

OTHER ASSETS / Liabilities
OTHER ASSETS

	31-Dec-23	31-Dec-22
Other assets		
Other cash balances	197 650	196 523
Gold and other precious metals	49 130	51 750
Pledged account investments	1 997 493	2 020 683
Administrative Public Sector		
VAT receivable	1 531 203	8 230 690
Credit litigation expenses	52 961	52 961
Shareholders' loans		
Crédito Agrícola SGPS, S.A. ii)	92 000 000	99 000 000
Subsidies receivable	326 510	206 170
Miscellaneous receivables - Associated Caixas i)	892 684	1 317 619
Miscellaneous receivables - Group Companies ii)	16 242 616	9 273 896
Other assets due to credit recovery - Real estate properties	7 319 690	2 987 048
Other miscellaneous receivables		
Other	2 177 235	1 328 719
	122 787 173	**124 666 060**
Income receivable		
From irrevocable commitments undertaken	25 159	21 755
From banking services	2 557 221	2 493 147
of which Group Companies ii)	*-*	*72 637*
Other income receivable	79 222	432 479
of which Group Companies ii)	*79 222*	*432 479*
	2 661 602	**2 947 381**
Deferred expenses		
Insurance	86 747	272 978
of which Group Companies ii)	*86 747*	*202 844*
Other	4 316 176	147 756
of which Group Companies ii)	*17 883*	*22 335*
	4 402 923	**420 734**

Amounts to be settled		
Foreign exchange position	-	188 814
Transactions of securities to be settled	392 548	2 235 743
ATM to be settled	1 212 870	1 072 115
Off-setting of amounts	572	18 832
Margin Call	100 670 822	123 753 892
SIBS invoicing	260 898	210 854
Protocol agreements	3 371 604	2 881 090
IT systems	151	601
Other transactions to be settled - electronic transfers	7 454 214	2 492 258
Other transactions to be settled	9 074 561	15 304 540
	122 438 241	**148 158 738**
	252 289 939	**276 192 913**
Liabilities related to pensions and other benefits (Note 42)		
Total liabilities	-	(12 169 087)
Pension fund assets	-	12 207 566
	-	**38 479**
Impairment - Other assets		
Real estate properties - loan recovery	(1 365 160)	(44 549)
Receivables and other investments	(571 863)	(610 291)
	(1 937 022)	**(654 840)**
	250 352 917	**275 576 552**

Of the total balances classified as “Other assets”, 892,684 euros (2022: 1,317,619 euros) refer to balances with the Associated Caixas (see Note 41 i)) and 108,426,468 euros (2022: 109,004,191 euros) refer to balances with Group Companies (see Note 41 ii).

The variation in the balance of the "VAT receivable" account between 2022 and 2023 is essentially the result of the VAT refund request submitted by Caixa Central in July 2023, amounting to 7,287,607 euros, which was granted and fully paid-up by the Tax Authority at the end of the fourth quarter of 2023.

As at 31 December 2023, the heading “Other assets – Shareholders' loans” refers to a shareholders' credit line granted to Crédito Agrícola, SGPS, S.A. of a total of 92,000,000 euros. During 2023, shareholders' loans amounting to 7,000,000 euros were reimbursed. In 2023, shareholders' loans are detailed as follows:

Institution	Amount	Start date	Repayment periods	Rate
Crédito Agrícola SGPS, S.A.	92 000 000	31/10/2016	1 year, with automatic renewals of the same period	Fixed rate 0.5%

In 2022, Shareholders' loans are detailed as follows:

Institution	Amount	Start date	Repayment periods	Rate
Crédito Agrícola SGPS, S.A.	99 000 000	31/10/2016	1 year, with automatic renewals of the same period	Fixed rate 0.5%

As at 31 December 2023, the fair value of the shareholder loans, discounted at market rates, is 97 million euros. Corresponds to a level 2 fair value hierarchy of IFRS 13 (2022: 101,571 thousand euros, corresponding to a level 2 fair value hierarchy). The fair value was obtained by updating the book value, discounted at a market rate, as at 31 December 2023.

The value recorded under the heading "Other assets due to credit recovery - real estate properties" as at 31 December 2023, as had been the case as at 31 December 2022, refers to real estate properties that, although intended for sale, cannot be classified as "Non-current assets held for sale" because they are "encumbered" in a manner preventing their sale, pursuant to IFRS 5(7).

In 2023, non-current assets held for sale were transferred to this asset category, as described in Note 15.

The type of real estate properties (net value) included is as follows:

	Quantity	31-Dec-23	Quantity	31-Dec-22
Farmland/rural land	3	275,949	1	15,704
Land with construction permits	1	49,800	1	83,000
Constructed buildings	27	5,628,782	5	2,843,796
	31	**5,954,530**	**7**	**2,942,500**

The method used to calculate the impairment of the real estate properties is the result of the lowest amount between their fair value, obtained through valuation minus costs of sale, and the book value of the credit. The valuations are carried out by external expert valuators, registered at the Portuguese Securities Market Commission (CMVM). The main characteristics of the valuations are related to obtaining the fair value of the real estate property through the market or comparative method. The calculated losses are recognised through profit or loss at the time when they occur.

Following the provisions of Banco de Portugal Circular Letter no. 21/2023, published on 5 June 2023, the Group defined in 2023 a table of additional haircuts to be applied to properties received in credit recovery, through which impairment may be aggravated according to the age of the property in Caixa Central's portfolio, whenever applicable.

The movement in other assets - real estate during 2023 and 2022 is as follows:

	31-Dec-22			Inflow/outflow			Impairments				31-Dec-23		
Description	Gross value	Impairment	Net value	Transfers	Acquisitions	Disposals	Transfers	Charges	Write-back	Uses	Gross value	Impairment	Net value
Real estate properties received in lieu of credit recovery	2,987,048	(44,549)	2,942,500	4,365,545		(32,903)	(1,241,120)	(101,419)	21,927	-	7,319,690	(1,365,160)	5,954,530
Total	**2,987,048**	**(44,549)**	**2,942,500**	**4,365,545**	**-**	**(32,903)**	**(1,241,120)**	**(101,419)**	**21,927**	**-**	**7,319,690**	**(1,365,160)**	**5,954,530**

	31-Dec-21			Inflow/outflow			Impairments				31-Dec-22		
Description	Gross value	Impairment	Net value	Transfers	Acquisitions	Disposals	Transfers	Charges	Write-back	Uses	Gross value	Impairment	Net value
Real estate properties received in lieu of credit recovery	1,393,932	(185,128)	1,208,805		2,805,133	(1,212,017)	152,140	(17,303)	5,742	-	2,987,048	(44,549)	2,942,500
Total	**1,393,932**	**(185,128)**	**1,208,805**	**-**	**2,805,133**	**(1,212,017)**	**152,140**	**(17,303)**	**5,742**	**-**	**2,987,048**	**(44,549)**	**2,942,500**

Impairment tests were performed on assets transferred from non-current assets held for sale.

The fair value hierarchy of IFRS 13 to which corresponds the fair value calculated for the valuation of the assets is level 3.

Pursuant to Banco de Portugal Instruction 4/2016, Caixa Central has requested extensions of the period of holding and maintaining its real estate assets acquired via credit recovery.

Furthermore, a sensitivity analysis was carried out based on the assumption of a variation of -0.5% and +0.5% in the m2 value of the valuations, minus the cost of selling:

	Quantity	-0.5%	+0.5%
Farmland/rural land	3	274,569	277,328
Land with construction permits	1	49,800	49,800
Constructed buildings	27	5,622,851	5,634,712
	31	**5,947,220**	**5,961,841**
Other assets - Real estate properties		**5,954,530**	**5,954,530**
Impact		-7,310	7,310

The age of the properties (net value) in Caixa Central's portfolio is as follows:

	Quantity	31-Dec-23	Quantity	31-Dec-22
< 1 year	-	-	-	-
1 to 3 years	13	3,612,142	3	2,696,917
3 to 5 years	8	1,895,334	-	-
Over 5 years	10	447,055	4	245,582
	31	**5,954,530**	**7**	**2,942,500**

The rating level of the exposures of “Other receivables”, dispersed over various debtors, is indeterminate.

Caixa Central assesses the credit risk of receivables from third parties based on an assessment of the counterpart's track record, such as fulfilment of its payments to Caixa Central, in addition to an analysis of fulfilment of future payments.

The increased balance of Group Companies under the heading “Miscellaneous receivables” as at 31 December 2023 refers to invoicing of the last quarter, whose settlement was still outstanding at the end of the year, especially related to CA Serviços (see Note 41).

The decrease in margin call values is due to the allocation of liquidity to this specific activity, which results from two tranches. On the one hand, an initial margin, calculated according to the value transferred and the maturity of the exposures and, on the other hand, a variation margin, derived from the market value of the outstanding positions. As at 31 December 2023, the counterparties to these assets are Commerzbank (100.5 million euros) and Citibank Europe (0.2 million euros).

As at 31 December 2023 and 2022, the balance of the heading “Other transactions to be settled” includes the movements of the corresponding demand deposit accounts, namely in foreign currency made by customers of Caixa Central, which remain pending the value date of the movement. These amounts were mostly settled in early January 2024 and 2023, respectively.

The heading “income receivable - for banking services rendered” is mainly due to placement and marketing commissions of the Funds which were only settled in early 2024.

The movement in impairment of "Other assets" is as follows:

	31-Dec-22	2023				31-Dec-23
	Closing balance	Charges	Write-back	Uses	Transf.	Closing balance
Impairment - Other assets						
Real estate properties - credit recovery	44,549	101,419	(21,927)	-	1,241,120	1,365,160
Receivables and other investments	610,291	85,638	(9,906)	(114,160)	-	571,863
	654,840	187,057	(31,834)	(114,160)	1,241,120	1,937,023

	31-Dec-21	2022				31-Dec-22
	Closing Balance	Charges	Write-back	Uses	Transf.	Closing balance
Impairment - Other assets						
Real estate properties - credit recovery	185,128	17,303	(5,742)	-	(152,140)	44,549
Receivables and other investments	646,979	17,939	(6,735)	(47,892)	-	610,291
	832,107	35,242	(12,477)	(47,892)	(152,140)	654,840

Impairment of debtors refers essentially to litigation, where the stage of impairment is level 3.

15. Non-current assets and disposal groups classified as held for sale

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Real estate properties		
Real estate properties received in loan recovery	2,537,470	7,668,389
Equipment received in loan recovery	500,501	417,554
	3,037,971	**8,085,943**
Impairment		
Impairment of real estate properties	(88,289)	(971,611)
Impairment of equipment	(304,996)	(232,048)
	(393,285)	**(1,203,659)**
	2,644,686	**6,882,284**

It can thus be summed up in:

	31-Dec-23	31-Dec-22
Real estate properties	2,449,181	6,696,778
Equipment	195,505	185,506
	2,644,686	**6,882,284**

The type of real estate properties (net value) included is as follows:

	Quantity	31-Dec-23	Quantity	31-Dec-22
Farmland/rural land	-	-	2	301,909
Land with construction permits	-	-	2	163,396
Constructed buildings	30	2,449,181	61	6,231,473
	30	**2,449,181**	**65**	**6,696,778**

Given the current market conditions, it has not been possible in some situations to complete disposals within the expected timeframe and in accordance with the provisions of IFRS 5. As a result, in 2023, real estate and other assets relating to recoveries that do not meet the requirements of IFRS 5 are now recorded under “Other assets”, as described in Note 14.

The method used to calculate the impairment of the real estate properties is the result of the lowest amount between their fair value, obtained through valuation minus costs of sale, and the book value of the credit. The valuations are carried out by external expert valuators, registered at the Portuguese Securities Market Commission (CMVM). The main characteristics of the valuations are related to obtaining the fair value of the real estate property through the market or comparative method. Losses are recognised in the income statement when they arise under the “Profit or loss from non-current assets and disposal groups classified as held for sale and not eligible as discontinued operations” heading.

The movement in non-current assets held for sale during 2023 and 2022 may is presented as follows:

	31-Dec-22			Inflow/outflow			Impairments				31-Dec-23		
Description	**Gross value**	**Impairment**	**Net value**	**Transfers**	**Acquisitions**	**Disposals**	**Transfers**	**Charges**	**Write-back**	**Uses**	**Gross value**	**Impairment**	**Net value**
Real estate properties received in lieu of credit recovery	7,668,389	(971,611)	6,696,778	(4,365,545)	-	(765,374)	1,241,120	(529,196)	5,446	165,952	2,537,470	(88,289)	2,449,181
Equipment received in in lieu of credit recovery	417,554	(232,048)	185,506	-	238,928	(155,981)		(74,027)	1,080	-	500,501	(304,995)	195,506
Total	**8,085,943**	**(1,203,659)**	**6,882,285**	**(4,365,545)**	**238,928**	**(921,355)**	**1,241,120**	**(603,223)**	**6,526**	**165,952**	**3,037,971**	**(393,284)**	**2,644,686**

	31-Dec-21			Inflow/outflow			Impairments				31-Dec-22		
Description	**Gross value**	**Impairment**	**Net value**	**Transfers**	**Acquisitions**	**Disposals**	**Transfers**	**Charges**	**Write-back**	**Uses**	**Gross value**	**Impairment**	**Net value**
Real estate properties received in lieu of credit recovery	10,357,768	(855,520)	9,502,248	1,123,617	169,144	(3,982,140)	(152,140)	(138,265)	4,684	169,630	7,668,389	(971,611)	6,696,778
Equipment received in in lieu of credit recovery	417,554	(232,048)	185,506	-	28,605	(28,605)	-	(2,364)	439	1,925	417,554	(232,048)	185,506
Total	**10,775,322**	**(1,087,568)**	**9,687,754**	**1,123,617**	**197,749**	**(4,010,745)**	**(152,140)**	**(140,629)**	**5,123**	**171,556**	**8,085,943**	**(1,203,659)**	**6,882,284**

Impairment tests were performed on assets transferred to non-current assets held for sale.

The fair value hierarchy of IFRS 13 to which corresponds the fair value calculated for the valuation of the assets is level 3.

Pursuant to Banco de Portugal Instruction 4/2016, Caixa Central has requested extensions of the period of holding and maintaining its real estate assets acquired via credit recovery.

Furthermore, a sensitivity analysis was carried out based on the assumption of a variation of -0.5% and +0.5% in the m2 value of the valuations, minus the cost of selling:

	Quantity	**-0.5%**	**+0.5%**
Farmland/rural land	-	-	-
Land with construction permits	-	-	-
Constructed buildings	30	2,513,906	2,517,499
	30	**2,513,906**	**2,517,499**
Non-current assets held for sale - Real estate properties		**2,449,181**	**2,449,181**
Impact		64,725	68,318

The age of the properties (net value) in Caixa Central's portfolio is as follows:

	Quantity	**31-Dec-23**	**Quantity**	**31-Dec-22**
< 1 year	-	-	1	88,400
1 to 3 years	-	-	16	1,329,314
3 to 5 years	1	80,000	20	3,059
Over 5 years	29	2,369,181	28	2,369,181
	30	**2,449,181**	**65**	**3,789,953**

16. Financial liabilities measured at amortised cost

As at 31 December 2023 and 2022, this heading is detailed as follows:

	31-Dec-23	31-Dec-22
Deposits		
Loans - Banco de Portugal	18 091 361	28 167 692
Associated Caixas i)	9 803 522 431	9 905 502 008
Loans to Other credit institutions	205 743 578	8 958 500
Customer deposits		
Demand	443 696 864	602 331 239
of which Group Companies ii)	*62 376 338*	*69 501 689*
Term	225 341 725	209 018 134
of which Group Companies ii)	*8 700 937*	*2 850 938*
Other customers' funds	35 434 972	40 280 178
Cheques and orders payable	106 639	227 764
Interest payable - Banco de Portugal	30 901	35 915
Interest payable/receivable	61 302 873	10 958 142
of which to the Associated Caixas i)	*59 438 562*	*9 464 193*
of which to Other credit institutions	*369 362*	*2 381*
of which Group Companies ii)	*97 192*	*1 426*
	10 793 271 344	10 805 479 572
Debt securities issued		
Debt issued	550 000 000	300 000 000
Interest payable	11 522 370	1 171 233
	561 522 370	301 171 233
Other financial liabilities		
Loans	20 362 500	36 078 298
Interest payable	382 994	21 040
	20 745 494	36 099 338
	11 375 539 208	11 142 750 143

Of the total balances classified as “Financial liabilities at amortised cost”, 9,862,960,993 euros (2022: 9,914,966,202 euros) refer to balances with the Associated Caixas (see Note 41 i)) and 71,174,467 euros (2022: 72,354,053 euros) refer to balances with Group Companies (see Note 41 ii).

Loans - Banco de Portugal

The table below details the loans granted by Banco de Portugal which are included in this heading, as at 31 December 2023:

Institution	Original currency amount	Currency	Amount in euros	Start date	Repayment date	Rate
Banco de Portugal	20,000,000	USD	18,091,361	12/21/2023	1/4/2024	5.59%
Total			**18,091,361**			

The details of the loans granted by Banco de Portugal as at 31 December 2022 are as follows:

Institution	Original currency amount	Currency	Amount in euros	Start date	Repayment date	Rate
Banco de Portugal	30,000,000	USD	28,167,692	12/22/2022	1/5/2023	4.59%
Total			**28,167,692**			

Deposits (excluding Banco de Portugal) and Other financial liabilities

As at 31 December 2023 and 2022, the residual maturity of the remaining deposits and other financial liabilities is as follows:

	31-Dec-23	31-Dec-22
Up to three months	6 005 028 628	4 373 213 496
Three months to one year	4 252 154 176	5 814 989 132
One year to three years	461 610 236	610 446 320
Three to five years	12 296 531	1 437 169
Over five years	3 119 137	2 310 006
	10 734 208 708	10 802 396 123
Interest payable	61 685 867	10 979 182
	10 795 894 576	**10 813 375 305**

The change in the heading “Loans to other credit institutions” essentially refers to a securities repurchase agreement amounting to 195 million euros, which has since been terminated.

The variation of the heading “Other financial liabilities – loans” is essentially explained by the reduction in credit lines granted by the European Investment Bank (EIB), aimed at funding medium and long-term investments for small and medium-sized enterprises operating in Portugal. The average rate of this loan is 2.96% and the maturity ranges from 6 days to 6 months.

The funds related to the Associated Caixas are remunerated within the range of 0.075% and 3.90% and customer funds are remunerated within the range of 0.00% and 7.43%, according to the maturity of each operation.

Additionally, see the contracted values tiered by repricing periods of the interest rate in Note 43.

Debt securities issued

At the end of October 2021, Caixa Central made its first debt issue in the international market, specifically senior preferred debt securities linked to Social Sustainability. The issue, amounting to 300 million euros, has a maturity of 5 years, with an early repayment option at the end of the fourth year and an issue price of 99.906%, with an annual coupon rate of 2.50% in the first 4 years, and bearing interest at the 3M Euribor rate plus a spread of 260 basis points thereafter. The settlement occurred on 5 November 2021. Moody's Investor Services assigned a rating of "Ba2", with a stable Outlook for this issue.

Original currency amount	Currency	Amount in euros	Start date	Early repayment date	Repayment date	Coupon rate over 4 years	5th year rate
300,000,000	Euros	300,000,000	11/5/2021	4 years	5 years	2.50%	3M Euribor
		300,000,000					

In June 2023, Caixa Central made a second debt issue on the international market for 200 million euros. This issue has a term of 4 years, with an early repayment option at the end of the third year and an issue price of 99.681%, with an annual coupon rate of 8.375%, and subsequently remunerated at the 3M Euribor rate, plus a margin of 497.4 basis points. The settlement occurred on 4 July 2023. Moody's Investor Services assigned a rating of “Ba1”.

As a result of the interest of institutional investors in this debt issue, the Crédito Agrícola Group decided to increase its value by 50 million euros. This tap issue of senior preferred bonds, linked to Social Sustainability, was liquidated on 8 August 2023. Like the second issue, these bonds are listed on the international market. Moody's Investor Services assigned a rating of “Ba1”.

This tap issue is also eligible for MREL, thus enabling the Crédito Agrícola Group to exceed its binding target for the MREL TREA + CBR minimum requirement, which comes into force on 1 January 2024 (25.28%).

Original currency amount	Currency	Amount in euros	Start date	Early repayment date	Repayment date	Coupon rate over 3 years	4th year rate
200,000,000	Euros	200,000,000	7/4/2023	3 years	4 years	8.38%	3M Euribor
50,000,000	Euros	50,000,000	8/8/2023	3 years	4 years	8.38%	3M Euribor
		250,000,000					

17. Provisions and impairment

The movement in provisions and impairment of Caixa Central during 2023 and 2022 is shown in the tables below.

Description	31-Dec-22 Closing balance	2023 Top-ups	2023 Write-backs & annulments	2023 Uses and write-offs	2023 Transf.	2023 Adjust. exch. differences	31-Dec-23 Closing balance
Impairments							
Impairment of Financial assets at FVT OCI (Note 22)	75,713	228,018	(119,902)	-	-	-	183,829
Impairment of Financial assets at amortised cost (Note 8)	56,343,272	65,561,328	(67,582,516)	(7,838,260)	-	-	46,483,824
Impairments of Investments in Subsidiaries, Associates and Joint Ventures (Note 10)	6,484	-	-	-	-	-	6,484
Other impairments:							
- Non-current assets held for sale (Notes 15 and 40)	1,203,659	603,223	(6,526)	(165,952)	(1,241,120)	-	393,284
- Property, plant and equipment (Note 11)	-	-	-	-	-	-	-
- Other assets (Note 14)	654,840	187,057	(31,834)	(114,160)	1,241,120	-	1,937,023
	58,283,969	66,579,626	(67,740,778)	(8,118,372)	-	-	49,004,444
Provisions							
- Guarantees provided and irrevocable commitments	3,058,404	2,307,368	(2,117,811)	-	-	-	3,247,962
- Other risks and expenses	5,488,984	10,486,306	(249,067)	(50,000)	-	-	15,676,223
	8,547,388	12,793,675	(2,366,878)	(50,000)	-	-	18,924,185
Total	**66,831,357**	**79,373,300**	**(70,107,655)**	**(8,168,373)**	**-**	**-**	**67,928,629**

Description	31-Dec-21 Closing balance	2022 Top-ups	2022 Write-backs & annulments	2022 Uses and write-offs	2022 Transf.	2022 Adjust. exch. differences	31-Dec-22 Closing balance
Impairments							
Impairment of Financial assets at FVT OCI (Note 22)	35,211	112,890	(72,388)	-	-	-	75,713
Impairment of Financial assets at amortised cost (Note 8)	50,232,667	45,469,687	(37,886,089)	(1,472,992)	-	-	56,343,272
Impairment of Investments in subsidiaries, joint ventures and associates (Note 10)	3,344,328	-	(3,337,844)	-	-	-	6,484
Other impairments:							
- Non-current assets held for sale (Notes 15 and 40)	1,087,568	140,629	(5,123)	(171,556)	152,140	-	1,203,659
- Property, plant and equipment (Note 11)	-	-	-	-	-	-	-
- Other assets (Note 14)	832,107	35,242	(12,477)	(47,892)	(152,140)	-	654,840
	55,531,881	45,758,449	(41,313,921)	(1,692,440)	-	-	58,283,969
Provisions							
- Guarantees provided and irrevocable commitments	2,458,419	2,867,596	(2,267,611)	-	-	-	3,058,404
- Other risks and expenses	5,329,199	5,549,425	(5,246,264)	(143,377)	-	-	5,488,984
	7,787,618	8,417,021	(7,513,875)	(143,377)	-	-	8,547,388
Total	**63,319,499**	**54,175,470**	**(48,827,796)**	**(1,835,817)**	**-**	**-**	**66,831,357**

As shown in the table above, in 2023 there was a reduction in impairment for assets at amortised cost of about 9.9 million euros. This amount is the result of the impairment reversal by 1.2 million euros in debt securities and in the reversal of approximately 8.7 million euros on loans and advances to customers, which was primarily driven by write-offs and the evolution of the risk associated with the credit portfolio.

It should be noted that the top-ups and reversals of impairment for interest on financial assets at amortised cost in stage 3 are recognised in net interest income. In this way, the movement in the year in terms of impairment of financial assets at amortised cost incorporates a reversal of 30,614 euros in net interest income (2022: increase of 152,096 euros).

As mentioned in Notes 14 and 15, in 2023, non-current assets held for sale were transferred to “Other assets”, and following the provisions of Banco de Portugal Circular Letter no. 21/2023, additional haircuts were applied to the properties received in loan recoveries through which the impairment was aggravated according to the age of the property in Caixa Central's portfolio, whenever applicable.

During 2023, the assessment of impairment for guarantees given and irrevocable commitments recorded under off-balance sheet items resulted in a residual increase in impairment of only 190 thousand euros.

In 2023, there was a residual net increase of impairment for securities at fair value through other comprehensive income of the value of 108 thousand euros.

In terms of provisions, it should be noted that the heading "Provisions for other risks and charges", of the total amount of 15,676,223 euros, essentially corresponds to (i) a provision for a human resources optimisation programme for early retirements to begin after 1 January 2024 (ii) a provision for general business risks (4,095,000 euros), (iii) a provision for legal proceedings (2,234,087 euros) and (iv) a provision for possible liabilities arising from the disposal of assets (878,778 euros).

18. Other liabilities

This heading is detailed as follows:

	31-Dec-23	31-Dec-22
Payables and other funds		
Other funds	4,939,347	3,536,782
Administrative Public Sector		
Tax withholdings at source	1,944,525	1,376,785
Social Security contributions	817,995	914,799
Collections on behalf of third parties	68,435	61,560
Contributions to other health systems	161,702	149,925
Miscellaneous payables		
Payables due to supply of goods (finance leasing)	2,153,086	3,165,292
Payables due to supply of goods (Group companies) ii)	2,575,509	720,986
Payables due to supply of goods (other)	5,107,612	3,391,907
Other payables - Associated Caixas i)	1,068,752	1,167,598
Other payables	581,885	562,166
Lease liabilities	11,562,085	13,558,913
at less than 12 months (fixed payments)	*2,388,455*	*2,337,794*
at more than 12 months (fixed payments)	*9,173,630*	*11,221,119*
	30,980,934	**28,606,712**
Liabilities related to pensions and other benefits (Note 42)		
Total liabilities	13,339,953	-
Pension fund assets	(12,956,805)	-
	383,148	**-**

Charges payable		
Staff expenses		
Provisions for holidays and holiday allowance	2,478,486	2,744,808
Seniority bonus (Note 42)	3,384,044	3,222,414
Other	874,219	1,225,045
	6,736,748	**7,192,266**
Deferred expenses		
Commissions on guarantees provided	107,175	121,578
Rents	5,389	5,389
Other	468,834	409,725
	581,398	**536,693**
Amounts to be settled		
Foreign exchange position	2,873	-
Margin call	630,961,950	879,760,098
Transactions of securities to be settled	391,878	2,235,015
Advances of Promissory Contracts for Purchase and Sale of Real estate properties	2,430,330	1,720,130
Other transactions to be settled - electronic transfers	74,488,057	61,387,839
Other transactions to be settled - protocol agreements	3,066,359	2,745,287
Other transactions to be settled	16,859,413	14,573,970
	728,200,858	**962,422,340**
	766,883,086	**998,758,010**

Of the total balances classified as “Other liabilities”, 1,068,752 euros (2022: 1,167,598 euros) refer to balances with the Associated Caixas (see Note 41 i)) and 2,575,509 euros (2022: 720,986 euros) refer to balances with Group Companies (see Note 41 ii).

The most significant amount under "Other liabilities" is related to the heading "Margin call". The decrease in margin call values is due to the fluctuation in the allocation of liquidity for this specific activity, which is the result of two parts. On the one hand, an initial margin, calculated according to the value transferred and the maturity of the exposures and, on the other hand, a variation margin, derived from the market value of the outstanding positions. The counterparties to these assets are Commerzbank (467.2 million euros), Santander (0.3 million euros) and BBVA (163.5 million euros). The market context has changed significantly since 2022. In fact, the sharp rise in inflation rates in the world economy in 2022, to which the eurozone was not immune, forced the ECB to reverse the course of the accommodative monetary policy followed until then, initiating a rapid rate hike from the July 2022 meeting. For reference, the deposit facility rate, which stood at -0.50% at the start of 2022, ended 2023 at 4.00%. The increase in interest rates had a positive impact on the market value of interest rate swaps from Caixa Central's perspective. The increase in the market value of the derivatives portfolio had a direct impact on the amount of the maintenance margin, which now has a materially relevant positive value.

The heading “Other transactions to be settled – electronic transfers” refers to bank transfers to be dispatched on their value date, through Banco de Portugal.

The maturity of the lease liabilities (buildings, equipment and vehicles) is broken down as follows:

	31-Dec-23	31-Dec-22
Due within 1 year	2,388,455	2,337,794
1 to 2 years	4,245,820	4,368,973
3 to 4 years	3,607,116	3,821,392
Over 5 years	1,320,693	3,030,754
	11,562,085	**13,558,913**

The most significant value of the lease liabilities refers to rented buildings.

The amounts to be settled presented under "Other transactions to be settled – protocol agreements", whose balances refer to amounts charged to Caixa Central customers under the protocol agreements concluded between Caixa Central and other institutions, were settled in the first days of January 2024 and 2023, respectively.

Finally, the balance of the heading "Other transactions to be settled" includes the movements of the Nostro accounts, namely in foreign currency, which continue awaiting the value date of the movement. Most of this amount refers to transactions with value date in early January 2024 and 2023, respectively, with the transactions being settled at that time.

19. Contingent liabilities and commitments

The off-balance-sheet items associated with guarantees provided, irrevocable commitments and other liabilities due to services rendered are shown in the table below:

	31-Dec-23	31-Dec-22
Guarantees provided and any other possible liabilities		
Guarantees granted	26,416,921	30,868,519
of which to the Associated Caixas i)	*5,012,504*	*5,101,693*
of which Group Companies ii)	*779,237*	*985,617*
Open documentary credits	815,368	1,814,320
Assets given as guarantee	3,181,276,258	3,386,233,087
Commitments to third parties		
Due to credit lines		
Irrevocable commitments	116,846,038	121,628,725
of which to the Associated Caixas i)	616,841	1,378,213
of which Group Companies ii)	784,706	13,623,933
Revocable commitments	67,639,305	68,287,323
Due to securities underwritten	78,157,986	56,500,000
Potential liability in relation to the Investor indemnity system	1,662,318	1,469,016
Liabilities due to services rendered		
Deposit and custody of values	1,796,192,070	1,706,612,282
Amounts received for collection	12,928,337	15,813,272
Other	613,725	407,070
	5,282,548,325	**5,389,633,614**

Of the total off-balance sheet balances (contingent liabilities and commitments), 5,629,345 euros (2022: 6,479,906 euros) refer to balances with the Associated Caixas (see Note 41 i)) and 1,563,943 euros (2022: 14,609,550 euros) refer to balances with Group Companies (see Note 41 ii).

As at 31 December 2023 and 2022, the off-balance-sheet heading "Assets given as guarantee - securities" includes the value of the securities included in the pool of collateral at Banco de Portugal to back financing operations from the Eurosystem. This heading also includes securities given as guarantee to cover repos contracted with other non-resident financial institutions.

The entirety of the balance of the heading “Commitments to third parties – Due to subscription of securities” corresponds to the underwriting of commercial paper.

Lastly, in this context, it is important to mention the potential liabilities related to the Resolution Fund, which includes Caixa Central, as described in Note 46 of these Notes. On this reporting date there are no records of contingent liabilities.

20. Capital

Caixa Central's statutory capital, divided and represented by registered equity securities, with the unit value of 5 euros, stands at 314,938,565 euros as at 31 December 2023, being 100% held by the Caixas de Crédito Agrícolas Mútuo comprising SICAM. As at 31 December 2023, Caixa Central's equity stands at 588,160,016 euros (523,735,006 euros in 2022).

In 2023, to ensure compliance with Article 6 of the Articles of Association of Caixa Central, its statutory capital was increased by 2,231,710 euros relative to the following Caixas de Crédito Agrícola:

	Variation
CCAM Centro Litoral, CRL(1) *	19,565
CCAM de Vale de Sousa e Baixo Tâmega, CRL	742,770
CCAM do Vale do Távora e Douro, CRL	293,315
CCAM Beira Douro e Lafões, CRL	102,185
CCAM de Terras de Viriato, CRL	167,090
CCAM Região do Fundão e Sabugal, CRL	126,270
CCAM Vila Verde e Terras do Bouro, CRL	105,310
CCAM Estremoz, Monforte e Arronches, CRL	87,205
CCAM Paredes, CRL	49,755
CCAM da Beira Baixa (Sul), CRL	195,125
CCAM Área Metropolitana do Porto, CRL	41,965
CCAM Aljustrel e Almodovar, CRL	95,960
CCAM Beira Centro, CRL	60,895
CCAM do Ribatejo Sul, CRL	32,985
CCAM da Serra da Estrela, CRL*	51,260
CCAM do Norte Alentejano, CRL	60,055
	2,231,710

(1) - Previously known as CCAM Pombal.

Note (*) - Corresponds to CCAMs with mergers during 2023.

The Legal Framework for Crédito Agrícola Mútuo (RJCAM) currently in force is established in Decree-Law 142/2009 of 16 June, which obliged the adjustment of the Articles of Association of Caixa Central in conformity with its provisions. Accordingly, during 2009, the Articles of Association of Caixa Central were amended and approved at the General Meeting, held on 12 December 2009, to subject the exoneration of the associates to a decision of the General Meeting. For this reason, Caixa Central maintained the capital classification of the registered securities subscribed by the Caixas de Crédito Agrícolas included in SICAM. Pursuant to the provisions of IAS 32, if the Articles of Association of Caixa Central were not changed as described above, this could have placed in question the need to classify part of the capital as a liability.

Pursuant to Article 10 of the Articles of Association of Caixa Central, the conditions of exoneration are as follows:

- The associates may be exonerated after three years have elapsed counted from the date of their admission, by notice of termination.

- The exoneration takes effect on the last day of the year following the year during which the associate has informed the General and Supervisory Board of Caixa Central of its determination to be exonerated.

- Caixa Central may also constrain the effectiveness of the exoneration to Caixa de Crédito Agrícola's prior meeting of all its obligations to Caixa Central, which should be disclosed to the associate within 90 days, counted from the date when the notice of termination was received, with all the obligations with a subsequent due date falling due on the exoneration date.

- In the case of the previous number, all the obligations of Caixa Central to its associate also fall due on the same day.

- The exonerated associate shall be entitled to the reimbursement of its equity securities at their book value on the date that the exoneration takes effect, after exclusion of the required reserves.

- The reimbursement of equity securities in each year is limited to the amount that shall not imply a reduction of Caixa Central's share capital to a value below that recorded at Banco de Portugal.

- The General Meeting of Caixa Central is responsible for approving the terms, periods and conditions of reimbursement.

- An exonerated associate cannot be readmitted until three years have elapsed since the date on which the exoneration took effect, unless determined otherwise at the General Meeting of Caixa Central.

As at 31 December 2023 and 2022, the structure of Caixa Central's corporate capital is as follows:

Institution	31-Dec-23 No. of equity securities	31-Dec-23 Amount	31-Dec-23 Equity holding (%)	31-Dec-22 No. of equity securities	31-Dec-22 Amount	31-Dec-22 Equity holding (%)
CCAM Centro Litoral, CRL(1) *	5,722,261	28,611,305	9.08%	5,582,966	27,914,830	8.93%
CCAM Costa Azul, CRL	2,851,905	14,259,525	4.53%	2,851,905	14,259,525	4.56%
CCAM Batalha, CRL	2,300,054	11,500,270	3.65%	2,300,054	11,500,270	3.68%
CCAM de Alcobaça, Cartaxo, Nazaré, Rio Maior e Santarém, CRL	1,804,830	9,024,150	2.87%	1,804,830	9,024,150	2.89%
CCAM do Noroeste, CRL	1,780,116	8,900,580	2.83%	1,780,116	8,900,580	2.85%
CCAM Açores, CRL	1,661,832	8,309,160	2.64%	1,661,832	8,309,160	2.66%
CCAM C. da Rainha, Óbidos e Peniche, CRL	1,589,699	7,948,495	2.52%	1,589,699	7,948,495	2.54%
CCAM Alto Cávado e Basto, CRL	1,589,246	7,946,230	2.52%	1,589,246	7,946,230	2.54%
CCAM do Baixo Mondego, CRL	1,576,674	7,883,370	2.50%	1,576,674	7,883,370	2.52%
CCAM da Serra da Estrela, CRL*	1,754,786	8,773,930	2.79%	1,563,356	7,816,780	2.50%
CCAM Alto Douro, CRL	1,606,431	8,032,155	2.55%	1,606,431	8,032,155	2.57%
CCAM Alentejo Sul, CRL	1,389,198	6,945,990	2.21%	1,389,198	6,945,990	2.22%
CCAM Terras Sousa, Ave, Basto e Tâmega, CRL	1,280,355	6,401,775	2.03%	1,280,355	6,401,775	2.05%
CCAM de São Teotónio, CRL	1,272,506	6,362,530	2.02%	1,272,506	6,362,530	2.03%
CCAM de Vale de Sousa e Baixo Tâmega, CRL	1,497,010	7,485,050	2.38%	1,348,456	6,742,280	2.16%
CCAM do Algarve, CRL	1,215,671	6,078,355	1.93%	1,215,671	6,078,355	1.94%
CCAM de Cantanhede e Mira, CRL	1,142,477	5,712,385	1.81%	1,142,477	5,712,385	1.83%
CCAM do Baixo Vouga, CRL	1,078,802	5,394,010	1.71%	1,078,802	5,394,010	1.72%
CCAM de Trás-os-Montes e Alto Douro, CRL	1,058,837	5,294,185	1.68%	1,058,837	5,294,185	1.69%
CCAM Alentejo Central, CRL	996,785	4,983,925	1.58%	996,785	4,983,925	1.59%
CCAM da Zona do Pinhal, CRL	986,783	4,933,915	1.57%	986,783	4,933,915	1.58%
CCAM P. Varzim, V. Conde e Esposende, CRL	985,505	4,927,525	1.56%	985,505	4,927,525	1.58%
CCAM do Douro e Côa, CRL	935,503	4,677,515	1.49%	935,503	4,677,515	1.50%
CCAM Alcácer-Sal e Montemor-Novo, CRL	894,550	4,472,750	1.42%	894,550	4,472,750	1.43%
CCAM do Sotavento Algarvio, CRL	878,637	4,393,185	1.39%	878,637	4,393,185	1.40%
CCAM Loures, Sintra e Litoral, CRL	835,628	4,178,140	1.33%	835,628	4,178,140	1.34%
CCAM Alenquer, CRL	814,818	4,074,090	1.29%	814,818	4,074,090	1.30%
CCAM do Vale do Távora e Douro, CRL	860,599	4,302,995	1.37%	801,936	4,009,680	1.28%
CCAM Beira Douro e Lafões, CRL	791,667	3,958,335	1.26%	771,230	3,856,150	1.23%
CCAM do Guadiana Interior, CRL	749,861	3,749,305	1.19%	749,861	3,749,305	1.20%
CCAM Porto de Mós, CRL	744,040	3,720,200	1.18%	744,040	3,720,200	1.19%
CCAM Coimbra, CRL	738,391	3,691,955	1.17%	738,391	3,691,955	1.18%
CCAM Costa Verde, CRL	704,233	3,521,165	1.12%	704,233	3,521,165	1.13%
CCAM Coruche, CRL	688,095	3,440,475	1.09%	688,095	3,440,475	1.10%
CCAM Lourinhã, CRL	679,585	3,397,925	1.08%	679,585	3,397,925	1.09%
CCAM Vale do Dão e Alto Vouga, CRL	666,047	3,330,235	1.06%	666,047	3,330,235	1.06%
CCAM Ribatejo Norte e Tramagal, CRL	611,908	3,059,540	0.97%	611,908	3,059,540	0.98%
CCAM Cadaval, CRL	610,485	3,052,425	0.97%	610,485	3,052,425	0.98%
CCAM Vagos, CRL	604,072	3,020,360	0.96%	604,072	3,020,360	0.97%
CCAM Oliveira Azeméis e Estarreja, CRL	601,192	3,005,960	0.95%	601,192	3,005,960	0.96%
CCAM Pernes e Alcanhões, CRL	599,027	2,995,135	0.95%	599,027	2,995,135	0.96%
CCAM de Moravis, CRL	568,520	2,842,600	0.90%	568,520	2,842,600	0.91%
CCAM Albufeira, CRL	564,599	2,822,995	0.90%	564,599	2,822,995	0.90%
CCAM Douro e Sabor, CRL	545,733	2,728,665	0.87%	545,733	2,728,665	0.87%
CCAM da Bairrada e Aguieira, CRL	534,737	2,673,685	0.85%	534,737	2,673,685	0.86%
CCAM Vila Franca de Xira e Arruda dos Vinhos, CRL*	861,175	4,305,875	1.37%	533,648	2,668,240	0.85%
CCAM Sobral de Monte Agraço, CRL	505,202	2,526,010	0.80%	505,202	2,526,010	0.81%
CCAM de Terras de Viriato, CRL	509,695	2,548,475	0.81%	476,277	2,381,385	0.76%
CCAM Salvaterra de Magos, CRL	456,720	2,283,600	0.73%	456,720	2,283,600	0.73%
CCAM Região do Fundão e Sabugal, CRL	475,793	2,378,965	0.76%	450,539	2,252,695	0.72%
CCAM Médio Ave, CRL	435,241	2,176,205	0.69%	435,241	2,176,205	0.70%
CCAM da Terra Quente, CRL	418,728	2,093,640	0.66%	418,728	2,093,640	0.67%
CCAM Nordeste Alentejano, CRL	363,718	1,818,590	0.58%	363,718	1,818,590	0.58%
CCAM Vila Verde e Terras do Bouro, CRL	383,274	1,916,370	0.61%	362,212	1,811,060	0.58%
CCAM Arruda dos Vinhos, CRL*	-	-	0.00%	327,527	1,637,635	0.52%
CCAM Estremoz, Monforte e Arronches, CRL	352,256	1,761,280	0.56%	334,815	1,674,075	0.54%
CCAM Paredes, CRL	329,527	1,647,635	0.52%	319,576	1,597,880	0.51%
CCAM da Beira Baixa (Sul), CRL	376,673	1,883,365	0.60%	337,648	1,688,240	0.54%
CCAM Área Metropolitana do Porto, CRL	279,071	1,395,355	0.44%	270,678	1,353,390	0.43%
CCAM Aljustrel e Almodovar, CRL	279,896	1,399,480	0.44%	260,704	1,303,520	0.42%
CCAM Azambuja, CRL	227,357	1,136,785	0.36%	227,357	1,136,785	0.36%
CCAM Beira Centro, CRL	214,096	1,070,480	0.34%	201,917	1,009,585	0.32%
CCAM do Ribatejo Sul, CRL	202,137	1,010,685	0.32%	195,540	977,700	0.31%
CCAM Oliveira do Hospital, CRL*	-	-	0.00%	181,178	905,890	0.29%
CCAM do Norte Alentejano, CRL	201,467	1,007,335	0.32%	189,456	947,280	0.30%
CCAM Serras de Ansião, CRL*	-	-	0.00%	135,382	676,910	0.22%
CCAM Entre Tejo e Sado, CRL	98,372	491,860	0.16%	98,372	491,860	0.16%
CCAM Terras de Santa Maria, CRL	546,557	2,732,785	0.87%	546,557	2,732,785	0.87%
CCAM Oliveira do Bairro, Albergaria e Sever, CRL	495,347	2,476,735	0.79%	495,347	2,476,735	0.79%
CCAM Elvas, Campo Maior e Borba, CRL	750,140	3,750,700	1.19%	750,140	3,750,700	1.20%
CCAM Terras do Arade, CRL	861,581	4,307,905	1.37%	861,581	4,307,905	1.38%
Total	**62,987,713**	**314,938,565**	**100%**	**62,541,371**	**312,706,855**	**100%**

(1) - Previously known as CCAM Pombal.

Note (*) - Corresponds to CCAMs with mergers during 2023.

21. Equity instruments issued, except capital

In March 2022, Caixa Central conducted an issue of perpetual and subordinated debt, in the form of investment securities, as ISIN PTCCCF3M0018, eligible for its additional Tier 1 capital for the amount of 100 million euros. This issue was placed exclusively with Caixas Agrícolas, as detailed below:

Institution	Amount
CCAM Centro Litoral, CRL	9,266,000
CCAM Costa Azul, CRL	4,603,000
CCAM Batalha, CRL	3,715,000
CCAM do Noroeste, CRL	2,903,000
CCAM Alcobaça Cartaxo NZ RMaior Santarém CRL	2,901,000
CCAM Açores, CRL	2,702,000
CCAM do Baixo Mondego, CRL	2,567,000
CCAM C. da Rainha, Óbidos e Peniche, CRL	2,555,000
CCAM Alto Cávado e Basto, CRL	2,554,000
CCAM da Serra da Estrela, CRL	2,824,000
CCAM Alto Douro, CRL	2,493,000
CCAM do Alentejo Sul, CRL	2,257,000
CCAM Terras Sousa, Ave, Basto e Tâmega, CRL	2,058,000
CCAM de São Teotónio, CRL	2,045,000
CCAM de Vale de Sousa e Baixo Tâmega, CRL	2,032,000
CCAM do Algarve, CRL	1,954,000
CCAM de Cantanhede e Mira, CRL	1,852,000
CCAM do Baixo Vouga, CRL	1,746,000
CCAM Alentejo Central, CRL	1,607,000
CCAM da Zona do Pinhal, CRL	1,605,000
CCAM P. Varzim, V. Conde e Esposende, CRL	1,584,000
CCAM do Douro e Côa, CRL	1,504,000
CCAM de Trás-os-Montes e Alto Douro, CRL	1,500,000
CCAM Costa Verde, CRL	1,454,000
CCAM Alcácer-Sal e Montemor-Novo, CRL	1,438,000
CCAM do Sotavento Algarvio, CRL	1,420,000
CCAM Loures, Sintra e Litoral, CRL	1,343,000
CCAM Alenquer, CRL	1,310,000
CCAM do Vale do Távora e Douro, CRL	1,261,000
CCAM Beira Douro e Lafões, CRL	1,240,000
CCAM do Guadiana Interior, CRL	1,216,000
CCAM Elvas e Campo Maior, CRL	1,206,000
CCAM Porto de Mós, CRL	1,196,000
CCAM Coimbra, CRL	1,195,000
CCAM Lourinhã, CRL	1,104,000
CCAM Coruche, CRL	1,100,000
CCAM Vale do Dão e Alto Vouga, CRL	1,070,000
CCAM Cadaval, CRL	995,000
CCAM Ribatejo Norte e Tramagal, CRL	983,000
CCAM Vagos, CRL	971,000
CCAM Oliveira Azeméis e Estarreja, CRL	966,000
CCAM de Pernes e Alcanhões, CRL	964,000
CCAM Albufeira, CRL	956,000
CCAM de Moravis, CRL	922,000
CCAM Douro e Sabor, CRL	892,000
CCAM de Terras de Santa Maria, CRL	878,000
CCAM da Bairrada e Aguieira, CRL	859,000
CCAM Vila Franca de Xira e Arruda dos Vinhos, CRL	1,384,000
CCAM Sobral de Monte Agraço, CRL	812,000
CCAM Oliveira do Bairro, Alberg. e Sever CRL	785,000
CCAM Salvaterra de Magos, CRL	748,000
CCAM de Terras de Viriato, CRL	742,000
CCAM Terras do Arade, CRL	733,000
CCAM Região do Fundão e Sabugal, CRL	705,000
CCAM Médio Ave, CRL	700,000
CCAM da Terra Quente, CRL	673,000
CCAM Nordeste Alentejano, CRL	585,000
CCAM Vila Verde e Terras do Bouro, CRL	581,000
CCAM Estremoz, Monforte e Arronches, CRL	513,000
CCAM Paredes, CRL	500,000
CCAM da Beira Baixa (Sul), CRL	474,000
CCAM Área Metropolitana do Porto, CRL	427,000
CCAM Aljustrel e Almodovar, CRL	406,000
CCAM Azambuja, CRL	365,000
CCAM Beira Centro, CRL	324,000
CCAM do Ribatejo Sul, CRL	309,000
CCAM do Norte Alentejano, CRL	299,000
CCAM Entre Tejo e Sado, CRL	169,000
Total	**100,000,000**

In 2023, dividends of the value of 5,606,944 euros relating to this issue were paid.

22. Other accumulated comprehensive income, retained earnings and reserves

A General Meeting was held on 27 May 2023, where the distribution of the net income for 2022 was unanimously approved: 4,468,540 euros for legal reserves, 500 euros for training reserves, 500 euros for mutual reserves, 1,477,281 euros to cover negative retained earnings and 4,600,000 euros for the remuneration of the Associated Caixas' securities. The remaining amount of 11,795,877 euros was allocated to Free reserves.

As at 31 December 2023 and 31 December 2022, the headings of other accumulated comprehensive income, retained earnings and reserves are broken down as follows:

		31-Dec-23	31-Dec-22
Reserves derived from measurement at fair value			
Fair value changes of financial assets at FVTOCI			
Potential gains (Note 7)		(11,277,429)	(18,989,041)
Impairment		183,829	75,713
Sovereign Debt		*86,503*	*10,104*
Other issuers		*97,326*	*65,610*
Deferred taxes		2,939,804	4,633,765
Fair value changes of financial assets at FVTOCI		**(8,153,796)**	**(14,279,562)**
Tangible assets revaluation reserves		460,988	460,988
Deferred taxes on tangible assets revaluation		(7,709)	(7,520)
Other reserves		106,774,368	96,115,896
Actuarial gains or (-) loss on defined benefit pension plans	(Note 42)	(2,828,864)	(2,832,122)
Retained earnings		10,705,055	9,227,774
Profit or loss for the year		66,271,409	22,342,698
		173,221,451	**111,028,151**

The movement of “Other accumulated comprehensive income” in 2023 and 2022 is as follows:

	31-Dec-22	Increases / (decreases) in valuations	Disposals	Impairments	Taxes	31-Dec-23
Items that will not be reclassified to profit and loss						
Actuarial gains or (-) loss on defined benefit pension plans	(2,832,122)	3,258	-	-	-	(2,828,864)
Items that can be reclassified to profit or loss						
Fair value changes of debt instruments measured at fair value through other comprehensive income	(14,287,083)	7,711,612	-	108,116	(1,694,150)	(8,161,505)
Other accumulated comprehensive income	**(17,119,205)**					**(10,990,369)**

	31-Dec-21	Increases / (decreases) in valuations	Disposals	Impairments	Taxes	31-Dec-22
Items that will not be reclassified to profit and loss						
Actuarial gains or (-) loss on defined benefit pension plans	(3,497,414)	665,292	-	-	-	(2,832,122)
Items that can be reclassified to profit or loss						
Fair value changes of debt instruments measured at fair value through other comprehensive income	(403,905)	(18,240,886)	(188,452)	40,502	4,505,658	(14,287,083)
Other accumulated comprehensive income	**(3,901,319)**					**(17,119,205)**

Following the changes in the fair value of the securities and the acquisitions made during 2023, Caixa Central recognised in capital (8,153,796) euros.

In conformity with the provisions in the RJCAM, Caixa Central constitutes a legal reserve up to its concurrence with the share capital. For such, a fraction of not less than 20% of the net income for the year is transferred annually to this reserve, until it reaches the aforesaid amount. If there are accumulated losses of previous years, the value of the profit for the year, after reversal of the legal minimum reserve requirements, is entirely used to cover the losses recorded under retained earnings, until they are fully covered.

As at 31 December 2023, the heading "Other reserves" varied by approximately 10.7 million euros due to the appropriation of results for the year of 2022 and payment of dividends, broken down as follows: (i) free reserves (72,761,592 euros); (ii) legal reserve (33,832,197 euros); (iii) reserve for cooperative training and education (115,230 euros); and (iv) reserve for mutualism (65,350 euros). Moreover, the conditions for movement of reserves can be consulted in the Article 44 of the RJCAM. There are no restrictions of use of the “Other reserves”.

The heading "Retained earnings" varied by around 1.5 million euros as a result of the appropriation of the net income for 2022.

23. Interest income

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Interest of financial assets held for trading		
Debt securities issued by non-residents	-	38,545
Interest rate swaps	6,676,537	402,492
	6,676,537	**441,037**
Interest of financial assets at fair value through other comprehensive income		
Debt securities issued by residents	1,009,284	1,298,225
Debt securities issued by non-residents	2,074,987	338,388
	3,084,271	**1,636,613**
Interest of financial assets at amortised cost		
Interest of securities at amortised cost		
Debt securities issued by residents	50,495,506	49,678,219
Debt securities issued by non-residents	103,646,804	97,834,803
Interest of investments at other credit institutions		
Investments in domestic credit institutions	7,508,121	6,389,735
of which Associated Caixas i)	*6,195,241*	*6,018,857*
Interest on loans and advances to customers		
Loans and advances not represented by securities		
Domestic loans and advances		
Companies and public administration		
Loans	37,155,576	21,097,733
of which Group Companies ii)	*3,267,598*	*1,108,951*
Current account loans and advances	552,002	227,009
of which Group Companies ii)	*104,196*	*28,697*
Demand deposits overdrafts	6,981	13,143
of which Group Companies ii)	*1,019*	*174*
Finance lease operations		
Equipment	6,982,096	2,916,641
Real estate	1,653,508	749,897
Credit card	4,237	3,584
Commercial paper	9,095,625	3,756,608
Individuals		
Mortgage	10,326,338	2,704,856
Consumer	2,492,721	1,882,050
Other purposes		
Loans	929,598	499,744
Current account loans and advances	1,812	2,702
Demand deposits overdrafts	6,681	2,425
Finance lease operations	619,847	314,259

Credit abroad		
Companies and public administration		
Loans	897,242	-
Commercial paper	1,002,794	284,472
Individuals		
Mortgage loans	380,099	101,410
Consumer credit		
Credit card	12,313	10,950
Other loans	12,745	9,949
Other purposes		
Loans	3,724	1,542
Demand deposits overdrafts	32	15
Interest on overdue loans	288,414	345,582
	234,074,816	**188,827,328**
Interest of cash balances and short-term investments at Banco de Portugal	37,980,012	27,008,874
Interest of derivatives	145,712,680	10,509,532
Interest on margin call	3,286,712	1,583,552
Other interest and similar income	1,263,022	754,723
of which Associated Caixas i)	*155,577*	*64,694*
of which Group Companies ii)	*483,889*	*535,820*
	432,078,050	**230,761,659**

Of the total balances classified as “Interest income”, 6,350,818 euros (2022: 6,083,551 euros) refer to balances with the Associated Caixas (see Note 41 i)) and 3,856,702 euros (2022: 1,673,641 euros) refer to balances with Group Companies (see Note 41 ii).

The change in interest income is essentially explained by the increase in interest on: i) derivatives of around 135.2 million euros; ii) loans to companies and public administrations of around 16 million euros; iii) mortgage loans of around 7.6 million euros; and interest on cash and cash equivalents and very short-term investments at Banco de Portugal of 11.0 million euros.

24. Interest expense

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Interest of financial liabilities held for trading		
Interest of securities held for trading	6,498,454	303,923
	6,498,454	**303,923**
Interest of financial liabilities at amortised cost		
Interest of funds of central banks	45,021	36,940
Interest of funds of other credit institutions		
Domestic	139,914,498	30,792,989
of which Associated Caixas i)	*138,842,062*	*30,399,338*
Abroad	5,451,758	168,378
Interest of customer funds and other loans	3,330,394	460,993
of which Group Companies ii)	*111,476*	*19,991*
Interest of bond loans	18,181,693	7,500,000
Interest of subordinated debt - (Associated Caixas i)	-	-
	166,923,364	**38,959,301**
Interest of hedge derivatives		
Interest rate swaps - hedge	34,563,871	26,924,910
	34,563,871	**26,924,910**
Other liabilities		
Interest of leases	226,828	239,322
of which Group Companies ii)	*229*	*884*
Other interest and charges	28,155,503	10,235,205
	28,382,331	**10,474,527**
Interest expense on assets		
Amortisation of the premium on bond transactions in the capital market	53,010,313	69,010,322
Other interest and charges	-	10,663
	53,010,313	**69,020,985**
	289,378,334	**145,683,646**

Of the total balances classified as “Interest expense”, 138,842,062 euros (2022: 30,399,338 euros) refer to balances with the Associated Caixas (see Note 41 i)) and 111,705 euros (2022: 20,874 euros) refer to balances with Group Companies (see Note 41 ii).

The main interest expenses are interest on resources from other credit institutions, amounting to 139.9 million euros, an increase of 109.1 million euros compared to the previous year (around 108.4 million euros refers to the Caixas Agrícolas); interest expenses relating to the amortisation of the premium on bond operations on the capital market, amounting to 53.0 million euros, a decrease of 16.0 million euros compared to 2022; interest on interest rate hedging swaps, with 34.6 million euros, 7.6 million euros more than in 2022; and interest on securities held for trading, with 6.5 million euros, 6.2 million euros more than in 2022.

25. Dividend income

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Dividends of non-trading financial assets mandatorily stated at fair value through profit or loss		
Capital instruments issued by residents	127,507	185,185
Capital instruments issued by non-residents	76,543	73,142
	204,050	**258,328**

26. Fee and commission income

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
From guarantees		
Guarantees and sureties	322,737	353,681
of which Group Companies ii)	*6,427*	*7,789*
Open documentary credits	44,629	54,718
	367,366	408,399
For commitments assumed before third parties		
Irrevocable commitments		
Irrevocable credit lines	620,595	445,126
of which Group Companies ii)	*211,314*	*974*
Other irrevocable commitments	529,380	3,414
	1,149,974	448,540

For services rendered		
Deposit and custody of values	5,252,241	4,463,063
of which Associated Caixas i)	*-*	*2,058*
of which Group Companies ii)	*1,034,494*	*1,063,415*
Collection of values	564,376	500,292
of which Associated Caixas i)	*-*	*24*
of which Group Companies ii)	*387,694*	*377,593*
Transfer of amounts	1,823,059	1,689,956
of which Associated Caixas i)	*278,013*	*257,474*
of which Group Companies ii)	*26,723*	*24,135*
Management of cards	12,169	11,282
Annuities	405,483	306,100
of which Group Companies ii)	*1,802*	*1,549*
Assembly of operations	3,220,411	3,465,050
Credit operations		
Other credit operations	4,482,640	3,072,552
of which Associated Caixas i)	*156,100*	*141,935*
of which Group Companies ii)	*23,767*	*4,094*
Other services rendered		
Other interbank commissions	1,881,276	1,823,884
of which Associated Caixas i)	*2,735*	*2,679*
Intermediation commissions	364,932	327,187
Placement	10,320,309	9,431,865
of which Group Companies ii)	*2,288,396*	*1,136,177*
	28,326,896	25,091,230
For transactions conducted on account of third parties		
For securities		
In Stock Exchange transactions	120,710	158,273
In transactions outside the Stock Exchange	23,753	73,261
Other transactions conducted on behalf of third parties	6,111,225	5,954,068
of which Associated Caixas i)	*218,832*	*205,415*
of which Group Companies ii)	*54*	*38*
	6,255,688	6,185,602
Other commissions received	1,859,910	933,018
of which Group Companies ii)	*48*	*174*
	37,959,835	**33,066,788**

Of the total balances classified as “Fee and commission income”, 655,680 euros (2022: 609,585 euros) refer to balances with the Associated Caixas (see Note 41 i)) and 3,980,719 euros (2022: 2,615,937 euros) refer to balances with Group Companies (see Note 41 ii).

Fee and commission income presented a positive variation of 4.9 million euros from 2022 to 2023, primarily due to the income from services rendered (increase of 3.2 million euros), which include, for example, the fees and commission income from placement and marketing, deposit and custody of values, and credit operations.

27. Fee and commission expenses

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
From banking services		
Deposit and custody of values	1,253,929	893,276
Credit operations (Associated Caixas i)	720,576	745,031
Collection of values	78,317	71,026
of which Associated Caixas i)	*76,959*	*69,581*
	2,052,822	1,709,332
Other commissions paid		
Cards	10,454,261	8,536,887
of which Associated Caixas i)	*61,299*	*62,243*
Intermediation commissions	7,206,362	5,985,073
of which Associated Caixas i)	*7,206,362*	*5,985,073*
Other	6,733,734	6,984,867
of which Associated Caixas i)	*2,681,715*	*2,379,868*
of which Group Companies ii)	*96,749*	*4,518*
	24,394,357	21,506,826
	26,447,179	**23,216,159**

Of the total balances classified as “Fee and commission expenses”, 10,746,911 euros (2022: 9,241,796 euros) refer to balances with the Associated Caixas (see Note 41 i)) and 96,749 euros (2022: 4,518 euros) refer to balances with Group Companies (see Note 41 ii)).

Fee and commission expenses related to cards and intermediation are those that most contribute to this heading.

28. Gains or losses on financial assets and liabilities not measured at fair value through profit or loss, net

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Financial assets at fair value through other comprehensive income		
Securities		
Issued by non-residents		
Debt instruments	-	262,200
	-	262,200
Financial assets at amortised cost		
Securities		
Issued by non-residents		
Debt instruments	(110)	-
Other	118,532	75,767
	118,422	75,767
	118,422	337,967

During 2023 and 2022 no portfolio securities were disposed of at amortised cost.

29. Gains or losses on financial assets held for trading, net

The composition of this heading is as follows:

Description	31-Dec-23 Gains	31-Dec-23 Losses	31-Dec-23 Net	31-Dec-22 Gains	31-Dec-22 Losses	31-Dec-22 Net
Financial assets and liabilities held for trading						
Debt instruments	1,383,937	(135,840)	1,248,097	5,177,068	(4,402,454)	774,614
Trading derivatives	18,166,667	(13,542,017)	4,624,650	26,701,232	(20,726,269)	5,974,963
Total	**19,550,604**	**(13,677,857)**	**5,872,747**	**31,878,300**	**(25,128,723)**	**6,749,577**

Gains and losses on debt instruments refer to capital gains and losses on the disposal of foreign public debt securities divested in 2023.

The net value of debt instruments includes gains of 45 thousand euros related to changes in fair value (see Note 5).

30. Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net

The composition of this heading is as follows:

Description	31-Dec-23 Gains	31-Dec-23 Losses	31-Dec-23 Net	31-Dec-22 Gains	31-Dec-22 Losses	31-Dec-22 Net
Financial assets and liabilities stated at fair value through profit or loss						
Capital instruments	3,505,099	(1,148,143)	2,356,956	5,423,698	(4,927,240)	496,458
Investment fund units	447,753	(15,206,776)	(14,759,023)	23,307,197	(37,656,985)	(14,349,788)
Total	**3,952,852**	**(16,354,919)**	**(12,402,067)**	**28,730,895**	**(42,584,225)**	**(13,853,330)**

The gains or losses arise from capital gains or losses on disposals during the year of financial assets already held at the end of the previous year.

The net value includes 11,737 thousand euros of losses related to changes in fair value (see Note 6).

31. Gains or losses on hedge accounting, net

The composition of this heading is as follows:

Description	31-Dec-23 Gains	31-Dec-23 Losses	31-Dec-23 Net	31-Dec-22 Gains	31-Dec-22 Losses	31-Dec-22 Net
Swaps - Interest rate risk hedge	520,451,509	(512,594,925)	7,856,584	1,019,999,368	(1,020,696,715)	(697,347)
Total	**520,451,509**	**(512,594,925)**	**7,856,584**	**1,019,999,368**	**(1,020,696,715)**	**(697,347)**

The gains and losses recorded under this heading refer to interest rate risk swaps (see Note 9 – Derivatives and hedging).

32. Foreign exchange differences (gains or losses), net

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Earnings from currency revaluation		
Spot foreign exchange transactions	1,733,313	1,947,204
	1,733,313	**1,947,204**

The earnings recorded in this heading refer to the currency revaluation of monetary assets and liabilities expressed in foreign currency, of foreign exchange spot transactions.

Being spot transactions, they are settled within two business days or less.

33. Gains or losses on derecognition of non-financial assets, net

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Gains or (-) losses on non-financial assets		
Other tangible assets	24,206	398,630
Other assets	476	5,783
	24,682	**404,413**

34. Other operating income

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Rents	1,420,746	1,300,355
of which Group Companies ii)	*1,419,996*	*1,289,311*
Reimbursement of expenses	274,753	1,005,868
of which Associated Caixas i)	*158,190*	*552,939*
of which Group Companies ii)	*14,368*	*152,980*
Recovery of credit, interest and expenses		
Recovery of bad debts	6,623,637	2,233,462
Recovery of interest and expenses of overdue loans	347,809	386,615
Income from miscellaneous services rendered	1,082,817	1,030,007
of which Associated Caixas i)	*68,497*	*137,846*
of which Group Companies ii)	*28,167*	*40,557*
Gains relative to previous years	364,394	154,283
of which Group Companies ii)	*40,289*	*24,400*
Other	840,868	707,137
of which Associated Caixas i)	485,860	*91,565*
of which Group Companies ii)	33,648	*850*
	10,955,024	**6,817,727**

Of the total balances classified as “Other operating income”, 712,547 euros (2022: 782,350 euros) refer to balances with the Associated Caixas (see Note 41 i)) and 1,536,468 euros (2022: 1,508,298 euros) refer to balances with Group Companies (see Note 41 ii).

The variation of “Other operating income” is essentially explained by an increase of the recovery in bad debt during 2023, by an additional 4.4 million euros.

35. Other operating expenses

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Levies and donations	125,887	22,205
Annulment of overdue interest	51,878	89,704
Contribution of the banking sector	5,488,877	5,549,848
Other operating charges and expenses	3,071,908	4,714,208
of which Associated Caixas i)	*10*	*21,995*
	8,738,550	**10,375,966**

Of the total balances classified as “Other operating expenses”, 10 euros (2022: 21,995 euros) refer to balances with the Associated Caixas (see Note 41 i)).

The variation of the heading “Other operating expenses” was essentially due to other operating costs and expenses, more specifically the reduction of losses in credit sales.

36. Staff expenses

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Salaries and wages		
Management and Supervisory Bodies	2,778,764	2,820,785
Employees	11,124,053	11,321,150
	13,902,817	14,141,935
Mandatory social security charges		
Pension funds (Note 42)	617,813	727,037
Charges relative to remunerations		
Social Security	2,388,781	2,638,826
SAMS	500,716	503,244
Other	87,296	118,140
Work accident insurance	80,117	121,959
of which Group Companies (Note 41)	*48,548*	*106,083*
	3,674,723	4,109,207
Other staff expenses		
Contractual indemnities	108,949	42,542
Other	237,471	179,120
	346,420	221,662
	17,923,960	**18,472,804**

The average number of Caixa Central employees in 2023 was 639, 21 more than the average number of employees in the previous year.

Position	2023	2022
Directors / Senior Staff / Management	108	101
Other	531	517
Total	**639**	**618**

Of the total 639 employees, 492 are under the multi-employment arrangement (employees of Caixa Central who are simultaneously employees of other companies of the Crédito Agrícola Group, namely of the Group's shared services centre, CA Serviços A.C.E. (471 in 2022)).

37. Other administrative expenses

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Related to supplies		
Water, energy and fuel	205,638	249,278
Consumables	3,804	2,065
Current - Group Companies i)	18,938	24,891
Hygiene and cleaning material	29,740	41,039
Hygiene and cleaning material - Group Companies i)	-	374
Publications	26,916	37,396
Material for assistance and repair	5,407	5,368
Other third party supplies	103,522	96,635
Other third party supplies - Group Companies i)	373	803
	394,338	457,849

Related to services

Rentals and leasing	89,293	108,103
Maintenance and related services	338,210	335,574
of which Group Companies i)	*17,248*	*17,807*
Communications	609,018	465,302
of which Group Companies i)	*183,137*	*145,791*
Advertising and publishing	341,852	824,727
of which Group Companies i)	*1,476*	*3,333*
Travel, hotel and representation	106,641	102,600
Insurance	202,786	199,812
of which Group Companies i)	*170,866*	*170,603*
Staff training	171,248	206,388
Transportation	14,067	11,606
Specialised services:		
IT	1,338,331	1,385,085
of which Group Companies i)	*1,281,906*	*1,326,360*
Retainers and fees	1,100,412	697,027
Security, surveillance and cleaning	630,803	627,128
Information	1,331,211	1,005,293
Occasional manpower	98,205	132,184
Legal and notary expenses	80,977	92,111
Database	545	278
Other specialised services:		
Multibanco services - Group Companies i)	545,051	428,607
External valuators	137,156	121,457
of which Group Companies i)	*7,631*	*27,998*
Other third party services - Group Companies i)	19,389,486	17,201,149
Other third party services	4,591,300	2,541,239
	31,116,592	26,485,670
	31,510,929	**26,943,519**

Of the total balances classified as “Other administrative expenses”, 21,616,112 euros (2022: 19,347,717 euros) refer to balances with Group Companies (see Note 41 ii).

The fees invoiced during the year by the Statutory Audit Firm and other companies in its network are broken down as follows:

Description	2023	2022
PwC fees - Statutory Auditor		
Statutory Audit	820,400	814,810
Non-audit services required by law	413,500	323,170
Non-audit services not required by law	411,300	88,000
Fees from other PwC network companies		
Non-audit services not required by law	205,935	4,000
Total	**1,851,135**	**1,229,980**

The fees for non-audit services, required by the applicable legislation, include the services under Agreed procedures - Contribution to the Single Resolution Fund, the services within the scope of issuing the reports on the impairment of the individual credit portfolio and SICAM and the Report on the safeguarding of customers' assets. With regard to non-audit services, which are not required by the applicable legislation, most of them refer to audits of the Legal and Regulatory Standards Project.

In addition, the statutory auditor provided different auditing services permitted by law to the subsidiaries CA Vida and CA Seguros, relating to anti-fraud policy, remuneration policy, solvency and financial situation of the insurance group and quantitative models, under the terms required by the rules applicable to insurance companies (the latter two also provided to CA SGPS). The statutory auditor also provided CA Vida with services relating to the prudential reporting of pension funds under management.

38. Cash contributions to resolution funds and deposit guarantee schemes

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Contributions to FGCAM	49,659	45,203
Contributions to the Single Resolution Fund	2,464,115	2,415,408
Contributions to the Resolution Fund	846,677	1,693,737
Contributions to the Deposit Guarantee Fund	3,782	3,206
	3,364,233	**4,157,554**

39. Modification gains or losses, net

The composition of this heading is detailed as follows:

	31-Dec-23	31-Dec-22
Modified		
Financial assets at amortised cost	207,157	810,568
	207,157	**810,568**

As a result of contractual modifications made to credit contracts, a net amount of 207 thousand euros was determined to be recognised in gains for the year.

40. Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations

The composition of this heading is as follows:

	31-Dec-23	31-Dec-22
Gains or losses on non-current assets held for sale		
Realised gains and losses	41,904	204,746
Impairment top-ups and reversals	(596,697)	(135,506)
	(554,793)	**69,240**

Additionally, see Note 17 – Provisions and Impairment, with the movement of impairment in 2023.

41. Related institutions

In addition to the subsidiaries and related companies (see Note 10), Caixa Central consolidates with the Associated Caixas de Crédito Agrícola Mútuo and with other companies of the CA Group:

Asset management

Crédito Agrícola Gest - SGOIC S.A.

Insurance

Crédito Agrícola Seguros - Companhia de Seguros de Ramos Reais, S.A.

Crédito Agrícola Vida – Companhia de Seguros, S.A.

Venture Capital

CA Capital - Sociedade de Capital de Risco, S.A.

Other

Crédito Agrícola Serviços - Centro de Serviços Partilhados, ACE

CA Informática – Sistemas de Informação, S.A.

Crédito Agrícola SGPS S.A.

Crédito Agrícola Seguros & Pensões SGPS S.A.

Crédito Agrícola Imóveis, Unipessoal, Lda.

CCCAM Gestão de Investimentos e Consultoria, Unipessoal Lda.

Associação – Fundo de Assistência do Crédito Agrícola Mútuo (FACAM)

Federação Nacional das Caixas de Crédito Agrícolas Mútuo, FCRL (FENACAM)

FEIIA CA Imobiliário

FEIIF ImoValorCA

FII CA Institucionais

The institutions are described below:

- FENACAM - Federação Nacional das Caixas de Crédito Agrícola Mútuo, FCRL, whose corporate object consists of the representation and development of Crédito Agrícola Mútuo, strengthening the spirit of solidarity and cooperation between the associates, as well as the promotion, coordination and conduct of activities of common interest to them, and especially: i) representation of the Caixas Agrícolas and regional unions of their associates before any national, foreign or international institutions in the realisation and defence of the rights and interests of the associates; and ii) promotion of cooperativism within the Group;

- Crédito Agrícola S.G.P.S., S.A. and Crédito Agrícola Seguros e Pensões S.G.P.S., whose purpose is the management of equity holdings in other CA Group companies;

- The insurers Crédito Agrícola Seguros, S.A. and Crédito Agrícola Vida, S.A., dedicated to insurance activity in all non-life technical segments (except for the air, credit, and surety segments) and in the life segment, respectively;

- Crédito Agrícola Serviços – Centro de Serviços Partilhados – ACE, whose purpose is the provision of information technology, operational, technical and management services in a manner complementing the individual and group activities of its Group members;

- Crédito Agrícola Informática – Serviços de Informática, S.A., essentially dedicated to the provision of information technology services, including consulting on matters of selection of software and hardware, the development and support to the development of applications, data processing, staff training and provision of consulting services in organisation and management, as well as the marketing and management of information technology equipment and products;

- Crédito Agrícola GEST - SGOIC, S.A., whose main activity is the management of collective investment undertakings. It also carries out the activity of discretionary and individualised management of portfolios on behalf of others and consultancy for investments in securities. In 2019, it took up the management of Real Estate Collective Investment Undertaking;

- Crédito Agrícola Imóveis Unipessoal, Lda whose purpose is the holding, management and administration of real estate properties and the purchase of real estate properties for resale;

- CCCAM Gestão de Investimentos e Consultoria, Unipessoal, Lda. which, in general, provides economic and financial or specialised strategic advisory services, as well as accounting or consulting services for corporate direction or management and the preparation of economic and financial studies;

- CA Capital – Sociedade de Capital de Risco S.A., which, as a venture capital firm, has the core object of carrying out investments in venture capital reflected in the acquisition of equity instruments, both within and outside the Group in companies showing high potential for development;

- The real estate investment fund “FEIIA CA Imobiliário”, the real estate investment fund "FEIIF Imovalor CA" and the real estate investment fund "FIMF CA Institucionais", managed by Crédito Agrícola GEST;

- Associação – Fundo de Assistência do Crédito Agrícola Mútuo (FACAM) aims to adopt and implement recovery and assistance measures for its Associates experiencing financial difficulties in terms of liquidity or solvency, as well as the other procedures set out in its internal Regulations.

As at 31 December 2023 and 31 December 2022, Caixa Central's financial statements include the following balances and transactions with related institutions: (i) Associated Caixas and (ii) Group companies or associates:

	31-dez-23			31-dez-22		
	Subsidiaries	Associated Caixas	Total	Subsidiaries	Associated Caixas	Total
Assets						
Cash, cash balances at central banks and other demand deposits	-	1,357,861	1,357,861	-	13,067	13,067
Non-trading financial assets mandatorily at fair value through profit or loss	103,320,896	-	103,320,896	119,768,706	-	119,768,706
Financial assets at amortised cost	78,132,256	234,432,849	312,565,104	94,763,250	234,742,241	329,505,492
Investments in subsidiaries, joint ventures and associates	62,500,000	6,484	62,506,484	62,500,000	6,484	62,506,484
Tangible and intangible assets	3,443,096	-	3,443,096	3,440,733	-	3,440,733
Other assets	108,426,468	892,684	109,319,152	109,004,191	1,317,619	110,321,811
	355,822,716	**236,689,878**	**592,512,594**	**389,476,880**	**236,079,412**	**625,556,292**
Liabilities:						
Financial liabilities measured at amortised cost	71,174,467	9,862,960,993	9,934,135,460	72,354,053	9,914,966,202	9,987,320,255
Other liabilities	2,575,509	1,068,752	3,644,261	720,986	1,167,598	1,888,584
	73,749,976	**9,864,029,745**	**9,937,779,721**	**73,075,039**	**9,916,133,800**	**9,989,208,839**
Gains:						
Interest income	3,856,702	6,350,818	10,207,520	1,673,641	6,083,551	7,757,192
Fee and commission income	3,980,719	655,680	4,636,399	2,615,937	609,585	3,225,522
Other operating income	1,536,468	712,547	2,249,015	1,508,298	782,350	2,290,648
	9,373,889	**7,719,044**	**17,092,933**	**5,797,876**	**7,475,486**	**13,273,362**
Losses:						
Interest expense	111,705	138,842,062	138,953,767	20,874	30,399,338	30,420,212
Fee and commission expenses	96,749	10,746,911	10,843,660	4,518	9,241,796	9,246,314
Other operating expenses	-	10	10	-	21,995	21,995
Staff expenses	48,548	-	48,548	106,083	-	106,083
Administrative expenses	21,616,112	-	21,616,112	19,347,717	-	19,347,717
	21,873,114	**149,588,982**	**171,462,097**	**19,479,192**	**39,663,129**	**59,142,320**
Off-balance sheet:						
Guarantees provided and any other possible liabilities	779,238	5,012,504	5,791,741	985,617	5,101,693	6,087,310
Guarantees received	-	5,797,297	5,797,297	-	5,869,386	5,869,386
Commitments to third parties	784,706	616,841	1,401,546	13,623,933	1,378,213	15,002,147
	1,563,943	**11,426,642**	**12,990,585**	**14,609,550**	**12,349,292**	**26,958,843**

The transactions with related institutions are carried out based on the market values on the respective dates.

As at 31 December 2023 and 2022, the amount of loans granted to members of Caixa Central's Governing Bodies and the total remuneration earned by them, who are related parties of Caixa Central, are detailed as follows:

	31-Dec-23		31-Dec-22	
Description	**Loans granted**	**Earned income**	**Loans granted**	**Earned income**
General and Supervisory Board	128	768,600	126,191	724,288
Executive Board of Directors	152,705	2,200,496	161,348	2,403,106
Superior Council	-	137,244	-	202,483
Total	**152,833**	**3,106,340**	**287,540**	**3,329,877**

The benefits attributed to the Governing Bodies (executive and non-executive members) are included in the respective remuneration policy (see the Corporate Governance Report contained in this Annual Report). The members of the Governing Bodies listed above are presented in the Corporate Governance Report).

42. Retirement pensions and healthcare

To determine Caixa Central's liabilities due to past services of active and retired employees/pensioners, actuarial studies were conducted by Companhia de Seguros Crédito Agrícola Vida, S.A.

As at 31 December 2023, the accumulated value recorded under revaluation reserves ("comprehensive income", relative to remeasurement, was negative by 2,828,864, euros (negative by 2,832,122 euros in 2022) (Note 22).

The impact on profit or loss is recognised under the heading “Staff expenses”, which refers to the value of costs related to current service and net interest, jointly with insurance premiums paid by Caixa Central to the employees, of the value of 530 euros (in December 2022 the value was 269,451 euros).

The employees' post-employment benefits also include medical care (SAMS), whose liabilities are calculated based on the same assumptions as the liabilities related to supplementary pensions. The present value of liabilities by type of benefit breaks down as follows:

Benefit	**31-Dec-23**	**31-Dec-22**
Pensions	2,300,501	2,018,543
Early retirement benefits	2,558,781	2,179,537
Contributions to SAMS	8,480,671	7,971,007
Total	**13,339,953**	**12,169,087**

The actuarial and financial assumptions used in the calculation of the liabilities as at 31 December 2023 and 2022 were as follows:

	31-Dec-23	**31-Dec-22**
Demographic assumptions		
Mortality table	TV – 88/90	TV – 88/90
Disability table	EVK 80	EVK 80
Retirement age	**(*)**	**(*)**
Assessment methods	“Projected Unit Credit"	“Projected Unit Credit"
Financial assumptions		
Discount rate:		
- Active workers and Leave with actuarial age < 55 years old	4.00%	3.55%
- Active workers and Leave with actuarial age ≥ 55 years old	4.00%	3.50%
- Early retired, retired and pensioners	3.90%	3.45%
Growth rate of wages and other benefits	2.0%	1.8%
Pension growth rate	1.6%	1.4%
Total wage for Social Security purposes	2.5%	2.3%
Wage revaluation rate for Social Security:		
- pursuant to Decree-Law 187/2007 27(2)	2.13%	2.08%
- pursuant to Decree-Law 187/2007 27(1)	2.13%	2.08%

(*) Pursuant to Decree-Law 167-E/2013

The number of participants of pension plans financed by the pension fund are detailed below:

	31-Dec-23	31-Dec-22
Active workers and those on unpaid leave	666	628
Early retired	26	32
Former participants	-	1
Retired and pensioners	66	52
Total	**758**	**713**

The liabilities related to retirement pensions, healthcare and seniority bonus, as at 31 December 2023 and 2022, as well as their coverage, was detailed as follows:

	31-Dec-23	31-Dec-22
Active and former employees	8,297,816	7,954,297
Unpaid leave	311,750	234,729
Early retired	2,614,123	2,372,863
Retired and pensioners	2,116,264	1,607,198
Total	**13,339,953**	**12,169,087**

In 2023 and 2022, the liabilities related to past services of Caixa Central according to the conducted actuarial studies and the respective assets allocated to their coverage, were detailed as follows:

	31-Dec-23	31-Dec-22
Total liabilities for past services (Notes 14 and 18)	(13,339,953)	(12,169,087)
Pension fund assets (Notes 14 and 18)	12,956,805	12,207,566
(Excess)/(Shortfall) of coverage	(383,148)	38,479
Liability funding level	97.13%	100.32%

Pursuant to Banco de Portugal Notice 12/2001, which establishes the minimum solvency level (with past services of active staff financed at a minimum level of 95%, without prejudice to compliance with the minimum solvency levels determined by the Insurance and Pension Funds Supervisory Authority), the present value of liabilities for past services to be recognised as at 31 December 2023 was 12,909,473 euros (as at 31 December 2022 it was 11,759,634 euros).

Banco de Portugal Notice 4/2005 determines that it is compulsory for pension funds to assure the full financing of pension liabilities under current payment and a minimum level of 95% of liabilities related to past service of current staff.

Pursuant to Banco de Portugal Circular Letter 106/08/DSBDR of 18 December, from 2008 onwards, the cost of current service and net interest were recorded in the heading “Staff expenses”.

The value of liabilities due to past services evolved as follows during the year:

Liabilities as at 31 December 2021	**14,832,271**
Cost of current service:	
Of institution (CCCAM)	182,571
Of the contribution of the participants (employees)	486,808
Net interest	174,853
Remeasurement	
Change of demographic estimates and experience gains and losses; financial assumptions (discount rate)	(3,548,399)
Increased liabilities arising from early retirements	76,737
Increased liabilities arising from early retirements	457,585
Pensions paid by the pension fund	(50,428)
Contributions paid to SAMS	(74,024)
Benefits paid to early retired	(368,888)
Liabilities as at 31 December 2022	**12,169,087**
Cost of current service:	
Of institution (CCCAM)	(7,859)
Of the contribution of the participants (employees)	541,252
Net interest	436,144
Remeasurement	
Change of demographic estimates and experience gains and losses; financial assumptions (discount rate)	117,281
Increased liabilities arising from early retirements	617,282
Pensions paid by the pension fund	(60,331)
Contributions paid to SAMS	(89,747)
Benefits paid to early retired	(383,156)
Liabilities as at 31 December 2023	**13,339,953**

The reconciliation of remeasurement recognised in Equity is as follows (see Comprehensive income statement):

Actuarial deviations as at 31 December 2022	**(2,832,122)**
Insurance premium payment	(282,636)
Profit-sharing in insurance	240,143
Insurance capital received	107,878
Change of demographic estimates and experience gains and losses; financial assumptions (discount rate)	(62,127)
	3,258
Actuarial deviations as at 31 December 2023	**(2,828,864)**

The movement during 2023 relative to the present value of past service liabilities and in the employees' pension fund was as follows:

	Total liabilities for past services	Equity situation of the Pension fund	Net asset/(liability) related to pensions and other benefits
Amount as at 31 December 2022	(12,169,087)	12,207,566	38,479
Recognised through profit or loss (Note 36)			
Cost of current service	7,859	-	7,859
Interest cost related to liabilities	(8,037)	-	(8,037)
Early retirement	(617,282)	-	(617,282)
Payment of ASF supervision fee	-	(352)	(352)
Recognised in equity (Note 22)			
Change of demographic estimates and experience gains and losses; financial assumptions (discount rate)	-	(62,127)	(62,127)
Insurance capital received	-	107,878	107,878
Insurance premium payment	-	(282,636)	(282,636)
Profit-sharing in insurance	-	240,143	240,143
Other			
Contributions made to the Fund by Caixa Central	-	192,928	192,928
Contributions made to the Fund by the employees	(541,252)	541,252	-
Interest costs	(428,107)	-	(428,107)
Amount of participant transfers	-	2,530	2,530
Retirement and survivor's pensions paid	60,331	(60,331)	-
Contributions paid by the Pension fund to SAMS	89,747	(89,747)	-
Benefits paid to early retired	383,156	(383,156)	-
Change of assumptions	(117,281)	542,858	425,577
Amount as at 31 December 2023	(13,339,953)	12,956,805	(383,148)

The value of the expected payment of benefits by maturity period for the entire fund is as follows:

Analysis of maturity of the expected benefits	Amounts in euros
Benefits payment expected within the next 12 months	8,878,781
Benefits payment expected over a period of 1 to 3 years	12,306,696
Benefits payment expected over a period of 3 to 5 years	11,055,342
Benefits payment expected over a period above 5 years	189,487,220
	221,728,038

The estimated contributions to be made in 2024 depend on the amount of liabilities that will be calculated at the end of that year.

For effects of the expected contribution for 2024, the normal cost of the plan is calculated based on the method used in actuarial valuation (Projected Unit Credit). On this basis, the value of the expected contribution for Caixa Central in 2024 is approximately 543,134 euros.

This value does not take into consideration any estimated possible actuarial deviations arising either from differences between the assumptions undertaken and the real values (for example in terms of yield of the fund) or change of assumptions.

The average duration of the liabilities related to pensions, considering the created population groups, was as follows (in years):

	2023	2022
Average duration of the liabilities:		
Active workers and those on unpaid leave aged < 55 years old	18.3	23.3
Active workers and those on unpaid leave aged ≥ 55 years old	18.3	13.9
Early retired, Retired and Pensioners	8.7	9.1

The movement in the Pension Fund (assets of the plan) during 2023 and 2022 was as follows:

Balance as at 31 December 2021	**14,361,935**
Contributions of Caixa Central	570,560
Contributions of the employees	486,808
Insurance capital received	-
Net income from Fund assets	(2,630,746)
Insurance premiums paid	(310,957)
Profit-sharing in insurance	205,310
Retirement and survivor's pensions paid	(50,428)
Contributions paid by the pension fund to SAMS	(74,024)
Payment of ASF supervision fee	(508)
Benefits paid to early retired	(368,888)
Amount of participant transfers	18,504
Balance as at 31 December 2022	**12,207,566**
Contributions of Caixa Central	192,928
Contributions of the employees	541,252
Insurance capital received	107,878
Net income from Fund assets	480,731
Insurance premiums paid	(282,636)
Profit-sharing in insurance	240,143
Retirement and survivor's pensions paid	(60,331)
Contributions paid by the pension fund to SAMS	(89,747)
Payment of ASF supervision fee	(352)
Benefits paid to early retired	(383,157)
Amount of participant transfers	2,530
Balance as at 31 December 2023	**12,956,805**

As at 31 December 2023 and 2022, the assets incorporated in the Crédito Agrícola Pension Fund, valued at fair value, are composed of:

	2023		2022		
	amount	%	amount	%	Listed / Unlisted
Public debt	66,385,715	56%	54,835,020	48%	Listed
Corporate bonds	28,333,420	24%	28,269,838	25%	Listed
Other investment assets	16,581,053	14%	24,082,561	21%	Listed
Shares	6,342,109	5%	5,800,408	5%	Listed
Assets related to real estate investment	1,476,246	1%	1,418,640	1%	Unlisted
Total assets of the CAM Pension Plan	119,118,543	100%	114,406,467	100%	

According to the actuarial report of the Crédito Agrícola Mútuo Pension Fund, the yield of the asset portfolio in 2023 and 2022 was:

	Profitability	
Asset Classes	2023	2022
Public debt bonds	5.17%	-28.50%
Corporate bonds	7.46%	-10.10%
Shares	16.84%	-13.60%
Absolute-return investments	7.74%	-6.60%
Assets related to real estate investment	4.40%	4.50%

The effective income of the Crédito Agrícola Pension Fund can be broken down into the heading “share of net interest” and the respective actuarial deviation. Therefore, the fund’s effective income in 2023 is 480,731 euros, the share of net interest amounts to 428,107 euros, with the difference being used in the determination of the remeasurement (actuarial deviations).

Risks associated with the benefits of the plan:

The plan guarantees pensions for old age, disability, early retirement, early retirement and survivors, as defined in the collective labour agreement for Crédito Agrícola Mútuo institutions. The payment of pension refers to a supplementary scheme beyond the pensions paid by Social Security. The plan also foresees the payment of contributions for medical and social support after retirement.

Hence, the risks associated with the benefits of the plan are as follows:

- Risk of dependency on the benefits provided by the public Social Security schemes.

- Risk of mortality during the period of formation of the benefit and risk of longevity during the retirement period.

- Risk of disability of the participants. Currently, this risk is mitigated as the pension fund has taken out risk insurance to cover the increased liabilities related to the death and disability of active participants.

- Risk relative to early retirement.

Furthermore, the Crédito Agrícola Group is committed to the payment of seniority bonuses to its employees. As at 31 December 2023 and 2022, Caixa Central's liabilities are as follows:

	31-Dec-23	31-Dec-22
Seniority bonus:		
Active and former employees	3,322,667	3,141,038
Unpaid leave	61,377	81,377
Total liabilities related to seniority bonus	3,384,044	3,222,414

The reconciliation of seniority bonus movements is as follows:

	31-Dec-22	Increases	Reversals	Uses	31-Dec-23
Seniority bonus	3,222,414	289,487	-	(127,857)	3,384,044

The presentation of sensitivity analyses on each significant actuarial assumption is as follows:

Amounts in euros

	Amount of liabilities	Variation relative to Central Scenario
DISCOUNT RATE		
Increase by 25 basis points	12,877,825	(462,127)
Decrease by 25 basis points	13,775,509	435,557
Decrease by 40 basis points	14,145,342	805,390
PENSION GROWTH RATE	13,672,286	332,334
Increase by 25 basis points	12,982,540	(357,411)
Decrease by 25 basis points		
MORTALITY TABLE		
Adjustment of -1 year	13,640,239	300,287
GROWTH RATE OF WAGES		
Increase by 25 basis points	13,575,133	235,181
Decrease by 25 basis points	13,122,187	(217,764)

The scenario of adjustment of the mortality table consisted in considering an age for the covered population of 1 year less than the actual age of the participants and beneficiaries.

For the scenario of the wage growth rate, sensitivity analysis was conducted on the assumption of growth of the wage tables of the Collective Labour Agreement as well as on the wage subject to Social Security contributions.

43. Disclosure relative to financial instruments

43.1 Financial Risks

As a result of its activity, Caixa Central is exposed to risks arising from the financial assets and liabilities held in its portfolios. The main risks refer to market risks, foreign exchange risk, interest rate risks, credit risk and liquidity risk.

Market Risk

Market risk represents any potential losses derived from an adverse change in the market value of a financial instrument because of variations in interest rates, exchange rates, share prices, commodity prices, credit spreads or other equivalent variables.

The market risk management rules established by Caixa Central for each portfolio include limits of market risk regarding exposure to credit and liquidity risk, required yield, types of authorised instruments and permissible maximum loss levels.

To mitigate the risks associated with an assessment of the risks incurred, a policy has been implemented of separation of duties between the execution of market transactions and the control of the risk incurred at any time during this execution.

Any hedge operations can be proposed by the portfolio managers or those responsible for risk control, considering the risk limits and authorised instruments.

Sensitivity analysis carried out considering a shock in the market yield as at 31 December 2023:

	Balance Sheet Yield[1)]	Market Yield[1)]
Securities Portfolio	**1.27%**	**3.04%**

[1)] Yield weighted by the volume and residual period.

Geographic distribution	Book Value	Market Value:	Latent capital gains	Minimum Capital Requirements	Balance Sheet Yield[1)]	Market Yield[1)]	Solvency impact [2)]	Considering a shock in yield [3)]: Capital gains impact	Solvency impact [2)]
Dynamic Coverage	**104,741,049**	**93,078,125**	**(11,662,924)**	**2,648,465**	**0.76%**	**3.26%**	**(14,311,390)**	**(718,025)**	**(718,025)**
PORTUGAL	**41,961,521**	**39,842,271**	**(2,119,250)**	**2,235,742**	**1.06%**	**3.55%**	**(4,354,992)**	**(112,025)**	**(112,025)**
PUBLIC DEBT	14,014,750	13,534,871	(479,879)	0	-0.76%	3.69%	(479,879)	154,695	154,695
CI	27,946,771	26,307,400	(1,639,371)	2,235,742	1.94%	3.48%	(3,875,113)	(266,720)	(266,720)
SPAIN	**49,476,431**	**42,057,500**	**(7,418,931)**	**0**	**0.64%**	**2.78%**	**(7,418,931)**	**(606,000)**	**(606,000)**
PUBLIC DEBT	49,476,431	42,057,500	(7,418,931)	0	0.64%	2.78%	(7,418,931)	(606,000)	(606,000)
OTHER	**13,303,097**	**11,178,354**	**(2,124,744)**	**412,724**	**0.25%**	**4.17%**	**(2,537,467)**	**0**	**0**
PUBLIC DEBT	4,975,011	4,353,850	(621,161)	79,600	0.12%	3.27%	(700,761)	0	0
CI	8,328,086	6,824,504	(1,503,582)	333,123	0.33%	4.70%	(1,836,706)	0	0
Base Coverage	**8,293,909,411**	**7,250,250,991**	**(1,043,658,421)**	**27,137,929**	**1.26%**	**3.01%**	**0**	**(92,466,603)**	**0**
PORTUGAL	**1,757,770,373**	**1,637,288,498**	**(120,481,874)**	**856,435**	**1.51%**	**2.79%**	**0**	**(19,975,881)**	**0**
PUBLIC DEBT	1,743,367,987	1,623,283,737	(120,084,250)	0	1.49%	2.78%	0	(19,806,519)	0
CI	12,392,668	12,087,691	(304,977)	695,658	4.03%	4.40%	0	(161,392)	0
CORPORATE	2,009,718	1,917,070	(92,648)	160,777	0.96%	3.41%	0	(7,970)	0
SPAIN	**4,001,750,323**	**3,362,678,662**	**(639,071,661)**	**3,893,090**	**0.91%**	**3.00%**	**0**	**(50,576,057)**	**0**
PUBLIC DEBT	3,915,123,071	3,278,114,000	(637,009,071)	0	0.84%	2.97%	0	(52,298,714)	0
CI	86,627,253	84,564,662	(2,062,591)	3,893,090	3.85%	4.10%	0	1,722,658	0
ITALY	**949,256,232**	**834,885,808**	**(114,370,424)**	**502,408**	**1.38%**	**3.25%**	**0**	**(21,914,665)**	**0**
PUBLIC DEBT	934,335,286	820,356,200	(113,979,086)	0	1.36%	3.25%	0	(21,669,763)	0
CI	14,920,945	14,529,608	(391,337)	502,408	2.53%	3.08%	0	(244,902)	0
OTHER	**1,585,132,484**	**1,415,398,022**	**(169,734,461)**	**21,885,996**	**1.77%**	**3.11%**	**0**	**0**	**0**
PUBLIC DEBT	1,050,000,000	878,419,000	(171,581,000)	0	0.76%	2.81%	0	0	0
CI	525,431,887	527,723,897	2,292,010	21,497,972	3.76%	3.70%	0	0	0
CORPORATE	9,700,596	9,255,125	(445,471)	388,024	1.27%	3.76%	0	0	0
TLTRO II Coverage	**200,639,468**	**197,932,680**	**(2,706,788)**	**0**	**-0.16%**	**3.81%**	**0**	**(90,979)**	**0**
SPAIN	**200,639,468**	**197,932,680**	**(2,706,788)**	**0**	**-0.16%**	**3.81%**	**0**	**(90,979)**	**0**
PUBLIC DEBT	200,639,468	197,932,680	(2,706,788)	0	-0.16%	3.81%	0	(90,979)	0
Liquidity Management	**170,552,755**	**170,938,250**	**385,495**	**0**	**3.79%**	**3.45%**	**385,495**	**(182,000)**	**(182,000)**
SPAIN	**170,552,755**	**170,938,250**	**385,495**	**0**	**3.79%**	**3.45%**	**385,495**	**(182,000)**	**(182,000)**
PUBLIC DEBT	170,552,755	170,938,250	385,495	0	3.79%	3.45%	385,495	(182,000)	(182,000)
Total	**8,769,842,683**	**7,712,200,045**	**(1,057,642,638)**	**29,786,394**	**1.27%**	**3.04%**	**(13,925,894)**	**(93,457,608)**	**(900,025)**

[2)] Calculated in accordance with Banco de Portugal Notice /2013, Article 5(d) and Article 6(d) respectively, on the value of unrealised loss and gains at fair value.

[3)] Variation relative to the portfolio's current position assuming a scenario of **widening spreads** of the debt of European peripheral countries in relation to Germany (excludes treasury bills):

Italy	**+50 bp**
Spain	**+20 bp**
Portugal	**+25 bp**

Note: Unaudited information

The book value includes the Financial assets at FVTOCI (Note 7), with no capital gains, and debt securities, with no interest, at amortised cost (Note 8) except for securities with ISIN PTBRIDOM0005, PTCINIOM0003, PTJLLKOM0009 and PTVSBCOM0008 of the value of 62 million euros.

Foreign Exchange Risk

Foreign exchange risk arises in connection with changes in exchange rates for currencies whenever there is an open position in one of them.

Control and assessment of foreign exchange risk are carried out daily, individually for each branch and in consolidated terms. Amounts and compliance with limits in terms of total position are calculated.

At Caixa Central, foreign exchange risk management is the responsibility of the Financial Department, within the limits approved by the Executive Board Directors.

Caixa Central has low exposure to this type of risk. Effectively, the profile defined for foreign exchange risk is very conservative and embodied in the coverage policy followed.

Interest Rate Risk

Caixa Central incurs interest rate risk whenever, during the course of its activity, it contracts operations with future financial flows whose present value is sensitive to interest rate changes.

The overall interest rate risk incurred derives from various factors, namely:

- different periods regarding maturity or review of the rates of assets, liabilities, and off-balance sheet items (repricing risk);
- alterations of the slope of the interest rate curve (curve risk).
- asymmetric changes of the different market curves which affect the different balance sheet and off-balance sheet values (base risk); and,
- existence of explicit or implicit options in many banking products (option risk).

In order to strengthen its internal mechanisms for risk management, in particular interest rate risk, Caixa Central designed various strategies to mitigate the exposure to this risk, namely by contracting derivative instruments aimed at reconfiguring its profile of exposure to interest rate risk.

The interest rate risk management policy is defined and monitored by the Assets, Liabilities and Capital Committee (ALCCO).

Caixa Central conducts monthly assessments of its exposure to this type of risk, using a methodology based on grouping various assets and liabilities sensitive to interest rate changes at intervals of time in line with their rate review dates. For each interval, the assets and liabilities cash flows are calculated by ascertaining the corresponding gap sensitive to interest rate risk. The impact of the mentioned gaps on the evolution of the net interest income and on the institution's economic value is then assessed in various interest rate evolution scenarios.

The interest rate risk management organisational model at Caixa Central is based on the following core principles:

1. Direct involvement of the senior management in the interest rate risk management process, via direct involvement of the Executive Board of Directors or, indirectly, through the participation of the members of the Executive Board of Directors in ALCO.

2. The separation of the functions of operational management of interest rate risk, on the one hand, and the functions of control and supervision of this same risk, on the other hand, so as to ensure efficiency of management, transparency and an appropriate and independent control of the risk.

3. The independent validation of the interest rate risk management approach, namely:

   a. Of the interest rate risk monitoring process.

   b. Of the methodology and assumptions for risk capture; and

   c. Of the data aggregation process.

The risk/yield relationship is defined within limits and monitored every month by ALCCO in terms of the exposure of net interest income and the economic impact of adverse interest rate changes.

The variable interest rates associated with the loans granted to customers are mainly indexed to the Euribor.

Regarding the "interest rate benchmark reform" (IBOR Reform), as the financial instruments held by Caixa Central are primarily exposed to the Euribor, which was restructured in 2019 to be equivalent to a risk-free interest rate and is not expected to be replaced in the following years, there are no impacts to be considered in the measurement and classification of financial instruments.

As at 31 December 2023 and 2022, the exposure to interest rate risk can be summarised as follows (values in thousand euros):

			31-Dec-23		in thousand euros	
	Fixed Rate	Variable rate	Items without maturity	Subtotal	Not subject to interest rate risk	Total
Assets						
Cash, cash balances at central banks and other demand deposits	1 200 000	-	196 657	1 396 657	79 115	1 475 771
Financial assets held for trading	-	14 988	-	14 988	-	14 988
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	-	130 839	130 839
Financial assets at fair value through other comprehensive income	231 074	33 331	-	264 404	-	264 404
Financial assets at amortised cost	8 044 772	1 832 990	83 678	9 961 440	-	9 961 440
Derivatives - Hedge accounting	-	686 290	-	686 290	-	686 290
	9 475 846	2 567 599	280 334	12 323 779	209 953	12 533 732
Liabilities						
Financial liabilities held for trading	-	9 872	-	9 872	-	9 872
Financial liabilities measured at amortised cost	819 533	211 158	10 344 848	11 375 539	-	11 375 539
Derivatives - Hedge accounting	-	97 297	-	97 297	-	97 297
	810 863	318 327	10 235 399	11 482 708	-	11 482 708
Net exposure	8 664 983	2 249 271	(9 955 065)	841 071	209 953	1 051 024

			31-Dec-22		in thousand euros	
	Fixed Rate	Variable rate	Items without maturity	Subtotal	Not subject to interest rate risk	Total
Assets						
Cash, cash balances at central banks and other demand deposits	1 000 000	-	182 656	1 182 656	46 334	1 228 990
Financial assets held for trading	50 042	5 707	-	55 749	-	55 749
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	-	145 240	145 240
Financial assets at fair value through other comprehensive income	63 670	20 433	-	84 103	-	84 103
Financial assets at amortised cost	8 753 294	1 617 067	61 144	10 431 505	-	10 431 505
Derivatives - Hedge accounting	-	4 473 897	-	4 473 897	-	4 473 897
	9 867 006	6 117 104	243 800	16 227 909	191 574	16 419 483
Liabilities						
Financial liabilities held for trading	-	5 216	-	5 216	-	5 216
Financial liabilities measured at amortised cost	10 135 627	28 915	906 711	11 071 253	-	11 071 253
Derivatives - Hedge accounting	-	4 653 161	-	4 653 161	-	4 653 161
	10 135 627	4 687 292	906 711	15 729 630	-	15 729 630
Net exposure	(268 621)	1 429 812	(662 911)	498 279	191 574	689 853

As at 31 December 2023 and 2022, the distribution of the financial instruments with exposure to interest rate risk according to the interest rate refixing date is presented in the following table (values in thousand euros):

	31-Dec-23						In thousand euros
	Repricing Dates						
	On demand	Up to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Not subject to interest rate risk	Total
Assets							
Cash, cash balances at central banks and other demand deposits	1 201 633	195 023	-	-	-	79 115	1 475 771
Financial assets held for trading	-	4	4 545	5 478	4 960	-	14 988
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	130 839	130 839
Financial assets at fair value through other comprehensive income	-	-	184 620	37 684	42 100	-	264 404
Financial assets at amortised cost	5 612	1 263 952	1 300 627	2 189 452	5 201 798	-	9 961 440
Derivatives - Hedge accounting	-	-	101	82 083	604 106	-	686 290
	1 207 245	1 458 980	1 489 893	2 314 697	5 852 964	209 953	12 533 732
Liabilities							
Financial liabilities held for trading	-	12	-	5 305	4 554	-	9 872
Financial liabilities measured at amortised cost	2 381 376	3 927 111	2 823 462	1 998 885	244 706	-	11 375 539
Derivatives - Hedge accounting	-	-	-	4 943	92 354	-	97 297
	2 381 376	3 927 123	2 823 462	2 009 133	341 615	-	11 482 708
Net exposure	(1 174 130)	(2 468 144)	(1 333 569)	305 565	5 511 349	209 953	1 051 024

	31-Dec-22						In thousand euros
	Repricing Dates						
	On demand	Up to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Not subject to interest rate risk	Total
Assets							
Cash, cash balances at central banks and other demand deposits	1 078 382	104 274	-	-	-	46 334	1 228 990
Financial assets held for trading	-	50 042	-	1 953	3 754	-	55 749
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	145 240	145 240
Financial assets at fair value through other comprehensive income	-	-	-	26 797	57 306	-	84 103
Financial assets at amortised cost	3 331	908 233	1 428 790	2 520 038	6 749 088	-	11 609 480
Derivatives - Hedge accounting	-	1 536 179	2 841 526	73 904	22 288	-	4 473 897
	1 081 713	2 598 728	4 270 316	2 622 693	6 832 436	191 574	17 597 459
Liabilities							
Financial liabilities held for trading	-	-	-	852	4 363	-	5 216
Financial liabilities measured at amortised cost	2 612 962	1 930 287	3 473 844	1 411 213	1 768 176	-	11 196 482
Derivatives - Hedge accounting	-	29 011	93 212	1 003 715	3 527 223	-	4 653 161
	2 612 962	1 959 298	3 567 055	2 415 781	5 299 763	-	15 854 858
Net exposure	(1 531 250)	639 430	703 261	206 912	1 532 674	191 574	1 742 601

Considering the values presented above, there is relevant exposure to interest rate risk both in terms of net interest income and the economic value of the capital. This risk measures the impact of a variation of interest rates, positive or negative, on these indicators according to net exposure in the different time intervals.

The table below presents the analysis of the sensitivity of the economic value, involving both assets and liabilities, to interest rate risk to which Caixa Central is exposed as at 31 December 2023 and 2022. This analysis was based on a simulation involving assets and liabilities sensitive to a 200 basis point change in the reference rate (values in thousand euros):

	31-Dec-23				in thousand euros	
	-200 bp	-100 bp	-50 bp	+50 bp	+100 bp	+200 bp
Assets						
Cash, cash balances at central banks and other demand deposits	821	409	204	(204)	(407)	(811)
Financial assets held for trading	-	-	-	-	-	-
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	10,926	5,281	2,597	(2,514)	(4,949)	(9,594)
Financial assets at amortised cost	1,086,744	515,012	251,000	(238,747)	(465,377)	(886,190)
Derivatives - Hedge accounting	48,366	23,593	11,657	(11,395)	(22,543)	(44,149)
	1,146,857	544,295	265,459	(252,860)	(493,276)	(940,744)
Liabilities						
Financial assets held for trading	-	-	-	-	-	-
Financial liabilities measured at amortised cost	(179,173)	(83,637)	(37,270)	27,336	62,233	130,198
Derivatives - Hedge accounting	(767,713)	(362,352)	(176,165)	166,804	324,857	616,928
	(946,886)	(445,989)	(213,435)	194,140	387,090	747,126
Net exposure	2,093,743	990,284	478,894	(447,000)	(880,365)	(1,687,870)

	31-Dec-22				in thousand euros	
	-200 bp	-100 bp	-50 bp	+50 bp	+100 bp	+200 bp
Assets						
Cash, cash balances at central banks and other demand deposits	337	168	84	(84)	(168)	(336)
Financial assets held for trading	-	-	-	-	-	-
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	-
Financial assets at FVTOCI	11,015	5,278	2,585	(2,481)	(4,863)	(9,349)
Financial assets at amortised cost	1,183,062	558,608	271,002	(257,762)	(504,700)	(963,291)
Derivatives - Hedge accounting	(636,688)	(297,966)	(144,263)	135,494	262,837	495,301
	557,726	266,088	129,408	(124,833)	(246,894)	(477,675)
Liabilities						
Financial assets held for trading	-	-	-	-	-	-
Financial liabilities measured at amortised cost	(375,743)	(140,793)	(29,872)	(1,780)	70,686	208,717
Derivatives - Hedge accounting	(9,923)	(4,816)	(2,372)	2,303	4,537	8,809
	(385,666)	(145,609)	(32,244)	523	75,223	217,526
Net exposure	943,392	411,697	161,652	(125,356)	(322,117)	(695,201)

Liquidity risk

Liquidity risk is associated with Caixa Central's inability to meet its contractual and contingent liabilities, and with Caixa Central's potential inability to finance its assets.

The liquidity management policy is defined and monitored daily by the Financial Department.

To assess the overall exposure to this type of risk in the short, medium, and long-term, reports are prepared which not only enable identifying negative mismatches but assessment of their dynamic coverage. The Group and Caixa

Central also monitor the liquidity ratios from a prudential perspective, calculated according to the rules required by Banco de Portugal.

On matters of liquidity, Crédito Agrícola Group pursues a conservative policy reflected in a loan-to-deposit ratio in each of its areas which is clearly below the average ratio in the domestic banking system.

Surplus funds from Crédito Agrícola Group are channelled to Caixa Central, where they are centrally invested in assets of high credit and liquidity quality, namely public debt bonds of eurozone countries and investments in bonds issued by renowned companies and credit institutions, both domestic and international.

The Crédito Agrícola Group has a solid position in the retail market, distributed evenly over the entire country, reflected in its network of 618 branches and a funding base that is dispersed, stable and with a high degree of permanence.

From the perspective of prevention and management of liquidity risk contingency, the following points are especially considered and monitored:

- Control and containment of any possible concentration of commercial funds which, if this were to develop, could lead to a more permeable portfolio, thus reducing its stability and permanence. Regular simulations are carried out to assess impact, using conservative hypotheses regarding the stability of retail funds and without considering tenders of additional sources of funding.
- Albeit without depending on these supplementary sources of funding, in view of the structural treasury position of the Crédito Agrícola Group, maintenance of financing lines with domestic and international credit institutions, which are regularly tested.
- Regular launch of liability products to enable maintaining the standards of permanence of the projected funds; and
- Maintenance of a cushion of assets with immediate liquidity to cope with any unexpected increased cash outflow.

As at 31 December 2023 and 2022, the contractual residual periods of the financial instruments according to the inherent undiscounted cash flows (nominal value and undiscounted interest), are as follows (values in thousand euros):

	31-Dec-23							In thousand euros
	Contractual residual periods							
	On demand	Up to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Undetermined	Total
Assets								
Cash, cash balances at central banks and other demand deposits	1,475,771	-	-	-	-	-	-	1,475,771
Financial assets held for trading	-	4	4,545	400	5,079	4,960	-	14,988
Non-trading financial assets mandatorily at fair value through profit or loss*	-	-	-	-	-	-	130,839	130,839
Financial assets at fair value through other comprehensive income	-	-	184,620	3,194	34,491	42,100	-	264,404
Financial assets at amortised cost	736	464,992	575,277	1,759,602	1,604,067	6,376,688	-	10,781,363
Hedge derivatives	-	29,589	151,476	206,295	175,973	505,534	-	1,068,867
Shareholders' loans	-	-	92,460	-	-	-	-	92,460
	1,476,507	494,585	1,008,378	1,969,491	1,819,609	6,929,282	130,839	13,828,691
Liabilities								
Financial liabilities held for trading	-	12	-	331	4,974	4,554	-	9,872
Financial liabilities measured at amortised cost	2,394,522	3,949,516	2,830,728	1,370,591	648,514	246,070	-	11,439,942
Hedge derivatives	-	7,251	39,959	92,175	73,513	101,093	-	313,990
	2,394,522	3,956,779	2,870,687	1,463,097	727,001	351,717	-	11,763,804
Net exposure	(918,015)	(3,462,194)	(1,862,309)	506,394	1,092,609	6,577,565	130,839	2,064,887

* Indeterminate as this category only includes equity securities.

	31-Dec-22							In thousand euros
	Contractual residual periods							
	On demand	Up to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Undetermined	Total
Assets								
Cash, cash balances at central banks and other demand deposits	1,228,990	-	-	-	-	-	-	1,228,990
Financial assets held for trading	-	50,042	-	813	1,140	3,754	-	55,749
Non-trading financial assets mandatorily at fair value through profit or loss*	-	-	-	-	-	-	145,240	145,240
Financial assets at FVTOCI	-	-	490	979	15,979	74,601	-	92,049
Financial assets at amortised cost	506	241,177	738,372	1,590,565	1,665,685	7,680,094	-	11,916,400
Hedge derivatives	-	5,812	93,540	273,388	214,579	616,453	-	1,203,772
Shareholders' loans	-	-	99,495	-	-	-	-	99,495
	1,229,496	297,032	931,896	1,865,746	1,897,383	8,374,902	145,240	14,741,695
Liabilities								
Financial liabilities held for trading	-	-	-	720.3642	131.83459	4363.4112	-	5,216
Financial liabilities measured at amortised cost	2,612,962	1,930,265	3,455,239	914,472	515,519	1,769,467	-	11,197,924
Hedge derivatives	-	4,255	29,829	64,074	50,400	86,054	-	234,612
	2,612,962	1,934,520	3,485,067	979,266	566,051	1,859,885	-	11,437,751
Net exposure	(1,383,466)	(1,637,488)	(2,553,171)	886,479	1,331,333	6,515,017	145,240	3,303,944

* Indeterminate as this category only includes equity securities.

As at 31 December 2023, the potential cash flows associated with loan commitments are as follows (values in thousand euros):

	2024	2025	2026	Total
Assets				
Financial assets at amortised cost:				
Debt securities (commercial paper)	2,107	-	-	2,107
Loans and advances	69,761	59,333	50,205	179,300
	71,868	59,333	50,205	181,407
Liabilities				
Financial liabilities at amortised cost:				
Deposits	4,032	744	742	5,518
	4,032	744	742	5,518

Credit Risk

The activities developed concerning risk and capital management seek to endow Caixa Central and the Crédito Agrícola Group with capacity for credit risk management in line with best market practices, through a series of initiatives which include strong coordination with technological aspects and require the development of specific in-house skills, and also ensure the necessary framework for the demanding regulatory challenges currently being experienced.

Credit risk is associated with the risk of loss arising from the inability of customers, debtors or other counterparties to meet their contractual obligations to fully pay, on the due date, the value of principal, interest, collateral and other amounts receivable.

In 2023 and 2022, the inter-stage transfer related to financial assets at amortised cost is presented as follows:

(thousand euros)

	Financial assets at amortised cost				Impairment			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as at 31-12-2022	10 553 317	178 050	79 457	10 810 824	14 729	10 178	34 539	59 446
Transfers:				0				0
Stage 1 to 2	(70 978)	64 895	0	(6 083)	(705)	2 670	0	1 965
Stage 1 to 3	(19 437)	0	18 033	(1 404)	(1 184)	0	4 357	3 173
Stage 2 to 1	51 555	(60 610)	0	(9 055)	1 135	(1 395)	0	(260)
Stage 2 to 3	0	(20 755)	18 977	(1 778)	0	(4 530)	5 271	741
Stage 3 to 2	0	3 974	(5 187)	(1 213)	0	46	(2 195)	(2 149)
Stage 3 to 1	16 029	0	(17 344)	(1 315)	70	0	(3 203)	(3 134)
Annulments/credit sales	0	(3)	(7 831)	(7 834)	0	0	(6 622)	(6 622)
Origination net of amortisations	893 144	16 759	1 879	911 782	1 010	213	388	1 611
Balance as at 31-12-2023	10 559 973	153 352	81 225	10 794 550	13 071	7 399	29 445	49 916

(thousand euros)

	Financial assets at amortised cost				Impairment			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as at 31-12-2021	9 180 354	189 657	82 306	9 452 317	11 024	8 600	33 102	52 726
Transfers:				0				0
Stage 1 to 2	(97 655)	84 650	0	(13 005)	(538)	1 203	0	665
Stage 1 to 3	(21 334)	0	19 464	(1 870)	(45)	0	4 129	4 084
Stage 2 to 1	72 368	(82 795)	0	(10 427)	2 937	(2 317)	0	620
Stage 2 to 3	0	(10 744)	7 959	(2 785)	0	(905)	1 811	905
Stage 3 to 2	0	12 467	(14 578)	(2 111)	0	2 417	(6 039)	(3 622)
Stage 3 to 1	5 287	0	(7 353)	(2 066)	124	0	(987)	(862)
Annulments/credit sales	0	(1)	(1 416)	(1 417)	0	(0)	(1 589)	(1 589)
Origination net of amortisations	1 955 395	16 695	587	1 972 678	1 738	284	222	2 244
Balance as at 31-12-2022	10 553 317	178 050	79 457	10 810 824	14 729	10 178	34 539	59 446

Credit quality for cash balances at credit institutions – “Cash, cash balances at central banks and other demand deposits - Other demand deposits” (Note 4) and “Loans and advances - Funds” without impairment (Note 8)

The table below shows the breakdown of the balance sheet value of investments at credit institutions, with reference to 31 December 2023 and 2022, considering aggregated risk classes (low, medium and high) associated with external ratings (values in euros):

	31-Dec-23	31-Dec-22
Ratings		
Low	4,560,495	10,126,358
Medium	1,065,047	1,194,903
High	38,129	193,900
Without rating	278,038,183	273,067,173
	283,701,854	284,582,333

The ratings of credit institutions in the table above are considered as follows: A/AA/AA as low risk, BBB as medium risk and BB/CCC as high risk.

Credit quality of forborne exposures

31-Dec-23

amounts in thousands of euros

	Gross carrying amount / Nominal amount of exposures with forbearance measures				Accumulated impairments, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne	Of which, in default	Of which, in impairment	On performing forborne exposures	On non-performing forborne exposures		Of which, collateral and financial guarantees received on non-performing exposures with forbearance measures
Loans and advances	**14,985**	**41,944**	**41,944**	**41,944**	**-1,966**	**-16,957**	**36,617**	**24,837**
Central banks	0	0	0	0	0	0	0	0
Central governments	0	0	0	0	0	0	0	0
Credit institutions	0	0	0	0	0	0	0	0
Other financial corporations	0	0	0	0	0	0	0	0
Non-financial corporations	8,557	33,614	33,614	33,614	-1,486	-14,598	24,730	18,880
Individuals	6,428	8,330	8,330	8,330	-480	-2,358	11,887	5,957
Debt securities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Signature credit (Off-balance sheet)	**276**	**155**	**155**	**155**	**1**	**11**	**408**	**136**
Total	**15,261**	**42,099**	**42,099**	**42,099**	**-1,965**	**-16,946**	**37,025**	**24,973**

31-Dec-22

amounts in thousands of euros

	Gross carrying amount / Nominal amount of exposures with forbearance measures				Accumulated impairments, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne	Of which, in default	Of which, in impairment	On performing forborne exposures	On non-performing forborne exposures		Of which, collateral and financial guarantees received on non-performing exposures with forbearance measures
Loans and advances	**49,592**	**58,158**	**58,158**	**58,158**	**-5,472**	**-27,058**	**73,806**	**30,741**
Central banks	0	0	0	0	0	0	0	0
Central governments	0	0	0	0	0	0	0	0
Credit Institutions	0	0	0	0	0	0	0	0
Other financial corporations	0	0	0	0	0	0	0	0
Non-financial corporations	46,243	55,766	55,766	55,766	-4,495	-25,400	71,239	30,014
Individuals	3,349	2,392	2,392	2,392	-977	-1,658	2,567	727
Debt securities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Signature credit (Off-balance sheet)	**245**	**45**	**45**	**45**	**4**	**12**	**273**	**33**
Total	**49,837**	**58,203**	**58,203**	**58,203**	**-5,468**	**-27,046**	**74,078**	**30,775**

Credit quality of performing and non-performing exposures by days in arrears

31-Dec-23

amounts in thousands of euros

	Gross carrying amount / Nominal amount											
	Performing exposures			Non-performing exposures								
		No arrears or arrears ≤ 30 days	In arrears > 30 days ≤ 90 days		Low probability of payment in no arrears or in arrears for ≤ 90 days	In arrears > 90 days ≤ 180 days	In arrears > 180 days ≤ 1 year	In arrears > 1 year ≤ 2 years	In arrears > 2 years ≤ 5 years	In arrears > 5 years ≤ 7 years	In arrears > 7 years	Of which, in default
Loans and advances	**1,676,523**	**1,672,844**	**3,679**	**71,692**	**62,582**	**1,955**	**4,694**	**1,467**	**567**	**38**	**390**	**71,677**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0
Central governments	129,758	129,758	0	0	0	0	0	0	0	0	0	0
Credit institutions	267,230	267,230	0	0	0	0	0	0	0	0	0	0
Other financial corporations	58,138	58,138	0	0	0	0	0	0	0	0	0	0
Non-financial corporations	867,908	867,368	540	58,147	52,336	993	3,608	780	226	28	176	58,140
Of which, SME	708,179	707,640	540	58,130	52,319	993	3,608	780	226	28	176	58,123
Individuals	353,488	350,348	3,139	13,545	10,246	962	1,086	687	341	9	214	13,537
Debt securities	**8,524,297**	**8,524,297**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0
Central governments	6,497,091	6,497,091	0	0	0	0	0	0	0	0	0	0
Credit institutions	1,543,164	1,543,164	0	0	0	0	0	0	0	0	0	0
Other financial corporations	209,037	209,037	0	0	0	0	0	0	0	0	0	0
Non-financial corporations	275,005	275,005	0	0	0	0	0	0	0	0	0	0
Signature credit (Off-balance sheet)	**425,419**			**8,422**								**8,346**
Central banks	0			0								0
Central governments	14,040			0								0
Credit institutions	149,340			0								0
Other financial corporations	5,544			0								0
Non-financial corporations	200,777			8,029								8,026
Individuals	55,719			393								321
Total	**10,626,239**	**10,197,141**	**3,679**	**80,115**	**62,582**	**1,955**	**4,694**	**1,467**	**567**	**38**	**390**	**80,023**

31-Dec-22

amounts in thousands of euros

	Gross carrying amount / Nominal amount											
	Performing exposures			Non-performing exposures								
		No arrears or arrears <= 30 days	In arrears > 30 days <= 90 days		Reduced probability of payment in no arrears or in arrears for <= 90 days	In arrears > 90 days <= 180 days	In arrears > 180 days <= 1 year	In arrears > 1 year <= 2 years	In arrears > 2 years <= 5 years	In arrears > 5 years <= 7 years	In arrears > 7 years	Of which, in default
Loans and advances	**1,693,450**	**1,691,300**	**2,150**	**72,016**	**61,579**	**3,864**	**3,487**	**1,507**	**990**	**140**	**450**	**72,004**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0
Central governments	136,567	136,567	0	0	0	0	0	0	0	0	0	0
Credit Institutions	263,870	263,870	0	0	0	0	0	0	0	0	0	0
Other financial corporations	63,765	63,765	0	0	0	0	0	0	0	0	0	0
Non-financial corporations	887,032	886,202	831	66,933	59,132	3,428	2,547	1,008	638	135	44	66,926
Of which, SME	743,455	742,624	831	63,211	55,410	3,428	2,547	1,008	638	135	44	63,204
Individuals	342,216	340,897	1,319	5,083	2,447	436	940	499	351	5	405	5,078
Debt securities	**8,301,040**	**8,301,040**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0
Central governments	6,343,214	6,343,214	0	0	0	0	0	0	0	0	0	0
Credit Institutions	1,659,642	1,659,642	0	0	0	0	0	0	0	0	0	0
Other financial corporations	7,575	7,575	0	0	0	0	0	0	0	0	0	0
Non-financial corporations	290,609	290,609	0	0	0	0	0	0	0	0	0	0
Signature credit (Off-balance sheet)	**475,877**			**6,670**								**6,604**
Central banks	0			0								0
Central governments	16,669			0								0
Credit Institutions	208,280			0								0
Other financial corporations	26,937			0								0
Non-financial corporations	171,140			6,464								6,450
Individuals	52,851			206								154
Total	**10,470,367**	**9,992,340**	**2,150**	**78,686**	**61,579**	**3,864**	**3,487**	**1,507**	**990**	**140**	**450**	**78,608**

Performing and non-performing exposures and their provisions

31-Dec-23

amounts in thousands of euros

	Gross carrying amount / Nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures - accumulated impairments and provisions			Non-performing exposures - accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On Performing overexposures	On non-performing overexposures
		Of which, stage 1	Of which, stage 2		Of which, stage 2	Of which, stage 3		Of which, stage 1	Of which, stage 2		Of which, stage 2	Of which, stage 3			
Loans and advances	**1,676,523**	**1,546,792**	**125,098**	**71,692**	**16**	**59,736**	**-15,088**	**-7,950**	**-6,777**	**-26,856**	**-2**	**-22,758**	**0**	**846,267**	**39,271**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Central governments	129,758	129,482	277	0	0	0	-65	-65	-0	0	0	0		2,500	0
Credit institutions	267,230	267,230	0	0	0	0	-39	-39	0	0	0	0		0	0
Other financial corporations	58,138	58,138	0	0	0	0	-123	-123	0	0	0	0		55,501	0
Non-financial corporations	867,908	806,787	57,328	58,147	7	47,742	-10,654	-6,996	-3,528	-22,571	-1	-18,977	0	488,526	30,546
Of which, SME	708,179	658,476	45,911	58,130	7	47,725	-10,554	-6,919	-3,505	-22,558	-1	-18,964	0	450,261	30,546
Individuals	353,488	285,154	67,494	13,545	9	11,994	-4,208	-728	-3,248	-4,284	-1	-3,780	0	299,741	8,725
Debt securities	**8,524,297**	**8,524,297**	**0**	**0**	**0**	**0**	**-4,724**	**-4,724**	**0**	**0**	**0**	**0**		**0**	**0**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Central governments	6,497,091	6,497,091	0	0	0	0	-3,313	-3,313	0	0	0	0		0	0
Credit institutions	1,543,164	1,543,164	0	0	0	0	-908	-908	0	0	0	0		0	0
Other financial corporations	209,037	209,037	0	0	0	0	-312	-312	0	0	0	0		0	0
Non-financial corporations	275,005	275,005	0	0	0	0	-190	-190	0	0	0	0		0	0
Signature credit (Off-balance sheet)	**425,419**	**402,423**	**22,915**	**8,422**	**73**	**8,289**	**1,023**	**765**	**258**	**2,225**	**1**	**2,220**		**87,647**	**4,586**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Central governments	14,040	14,040	0	0	0	0	2	2	0	0	0	0		0	0
Credit institutions	149,340	149,248	92	0	0	0	15	15	0	0	0	0		0	0
Other financial corporations	5,544	5,544	0	0	0	0	20	20	0	0	0	0		1,687	0
Non-financial corporations	200,777	183,894	16,801	8,029	3	8,019	951	717	233	2,195	0	2,191		81,502	4,430
Individuals	55,719	49,697	6,022	393	70	271	36	12	24	30	0	29		4,459	156
Total	**10,626,239**	**10,473,512**	**148,013**	**80,115**	**89**	**68,025**	**-18,789**	**-11,909**	**-6,519**	**-24,631**	**-2**	**-20,537**	**0**	**933,914**	**43,857**

31-Dec-22

amounts in thousands of euros

	Gross carrying amount / Nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures - accumulated impairments and provisions			Non-performing exposures - accumulated impairment, accumulated negative changes in fair value due to credit risk and				On Performing overexposures	On non-performing overexposures
		Of which, stage 1	Of which, stage 2		Of which, stage 2	Of which, stage 3		Of which, stage 1	Of which, stage 2		Of which, stage 2	Of which, stage 3			
Loans and advances	**1,693,450**	**1,529,985**	**147,243**	**72,016**	**12**	**56,980**	**-18,404**	**-8,437**	**-8,031**	**-32,074**	**-0**	**-24,670**	**0**	**892,847**	**37,823**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Central governments	136,567	136,567	0	0	0	0	-65	-65	0	0	0	0		2,500	0
Credit Institutions	263,870	263,870	0	0	0	0	-57	-57	0	0	0	0		0	0
Other financial corporations	63,765	63,765	0	0	0	0	-209	-209	0	0	0	0		49,583	0
Non-financial corporations	887,032	778,079	93,467	66,933	7	52,963	-15,932	-7,933	-6,316	-29,029	-0	-22,577	0	535,293	36,207
Of which, SME	743,455	645,642	82,327	63,211	7	49,241	-15,818	-7,873	-6,262	-28,973	-0	-22,521	0	502,761	32,552
Individuals	342,216	287,704	53,775	5,083	5	4,017	-2,141	-173	-1,714	-3,045	-0	-2,094	0	305,470	1,616
Debt securities	**8,301,040**	**8,295,071**	**5,969**	**0**	**0**	**0**	**-5,941**	**-5,938**	**-3**	**0**	**0**	**0**		**0**	**0**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Central governments	6,343,214	6,343,214	0	0	0	0	-4,750	-4,750	0	0	0	0		0	0
Credit Institutions	1,659,642	1,659,642	0	0	0	0	-843	-843	0	0	0	0		0	0
Other financial corporations	7,575	7,575	0	0	0	0	-22	-22	0	0	0	0		0	0
Non-financial corporations	290,609	284,641	5,969	0	0	0	-325	-322	-3	0	0	0		0	0
Signature credit (Off-balance sheet)	**475,877**	**457,244**	**18,463**	**6,670**	**62**	**6,559**	**986**	**737**	**249**	**2,072**	**0**	**2,060**		**71,965**	**3,023**
Central banks	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Central governments	16,669	16,669	0	0	0	0	3	3	0	0	0	0		0	0
Credit Institutions	208,280	208,280	0	0	0	0	11	11	0	0	0	0		0	0
Other financial corporations	26,937	26,937	0	0	0	0	32	32	0	0	0	0		596	0
Non-financial corporations	171,140	156,380	14,591	6,464	13	6,405	915	682	233	2,062	0	2,050		66,798	2,997
Individuals	52,851	48,979	3,872	206	49	154	25	10	15	10	0	10		4,571	25
Total	**10,470,367**	**10,282,301**	**171,674**	**78,686**	**74**	**63,539**	**-23,359**	**-13,637**	**-7,785**	**-30,002**	**-0**	**-22,610**	**0**	**964,811**	**40,846**

Credit quality of loans and advances by sector of activity

31-Dec-23

amounts in thousands of euros

	Gross carrying amount	Of which, non-performing	Of which, in default	Of which, loans and advances subject to impairment	Accumulated impairments	Accumulated negative changes in fair value due to credit risk on non-performing exposures
Agriculture, forestry and fisheries	55,003	5,074	5,073	55,003	-2,227	0
Mining	2,256	107	107	2,256	-97	0
Manufacturing Industries	88,151	7,111	7,110	88,151	-5,914	0
Production and distribution of electricity, gas, steam and air conditioning	39,391	0	0	39,391	-73	0
Water supply	35,358	533	533	35,358	-194	0
Construction	28,544	1,319	1,318	28,544	-415	0
Wholesale and retail trade	84,028	5,557	5,556	84,028	-1,594	0
Transport and storage	41,167	1,723	1,723	41,167	-812	0
Accommodation and catering activities	82,439	7,468	7,465	82,439	-3,403	0
Information and communication	83,757	856	856	83,757	-760	0
Financial and insurance activities	50,084	1,874	1,874	50,084	-1,055	0
Real estate activities	250,678	17,382	17,381	250,678	-12,975	0
Consulting, scientific and technical activities	28,064	4,034	4,034	28,064	-1,990	0
Administrative and support service activities	24,458	3,938	3,937	24,458	-1,159	0
Public administration and defence, mandatory social security	6	0	0	6	-0	0
Education	17,568	297	297	17,568	-233	0
Health services and social work	10,090	491	491	10,090	-97	0
Artistic, entertainment and recreational activities	1,997	326	326	1,997	-156	0
Other services	3,016	57	57	3,016	-72	0
Total	926,055	58,147	58,140	926,055	-33,225	0

31-Dec-22

amounts in thousands of euros

	Gross carrying amount	Of which, non-performing	Of which, in default	Of which, loans and advances subject to impairment	Accumulated impairments	Accumulated negative changes in fair value due to credit risk in non-performing exposures
Agriculture, forestry and fisheries	72,917	2,969	2,969	72,917	-2,413	0
Mining	1,825	104	104	1,825	-108	0
Manufacturing Industries	98,302	11,256	11,256	98,302	-10,160	0
Production and distribution of electricity, gas, steam and air conditioning	15,334	0	0	15,334	-49	0
Water supply	43,978	71	71	43,978	-142	0
Construction	31,567	645	645	31,567	-476	0
Wholesale and retail trade	84,220	5,546	5,545	84,220	-2,125	0
Transport and storage	26,202	922	922	26,202	-960	0
Accommodation and catering activities	85,387	5,690	5,689	85,387	-7,153	0
Information and communication	92,062	651	651	92,062	-789	0
Financial and insurance activities	38,030	1,118	1,118	38,030	-2,678	0
Real estate activities	265,561	28,025	28,024	265,561	-12,176	0
Consulting, scientific and technical activities	21,254	5,077	5,076	21,254	-3,239	0
Administrative and support service activities	28,710	4,346	4,346	28,710	-1,323	0
Public administration and defence, mandatory social security	16	0	0	16	-0	0
Education	17,581	104	104	17,581	-310	0
Health services and social work	8,987	2	1	8,987	-32	0
Artistic, entertainment and recreational activities	3,080	204	204	3,080	-176	0
Other services	18,951	202	199	18,951	-652	0
Total	**953,965**	**66,933**	**66,926**	**953,965**	**-44,961**	**0**

Exposure and impairment by segment and type of analysis (collective and individual)

31-Dec-23

Unit: thousand euros, except %

Segment	Exposure						Impairment						Degree of coverage		
	Collective analysis	%	Individual Analysis	%	Total	%	Collective analysis	%	Individual Analysis	%	Total	%	Collective analysis	Individual Analysis	Total
Corporate	**1 198 981**	**11.3%**	**156 931**	**88.0%**	**1 355 911**	**12.6%**	**9 243**	**49.3%**	**29 569**	**94.9%**	**38 812**	**77.8%**	**0.8%**	**18.8%**	**2.9%**
Business	109 235	1.0%	4 531	2.5%	113 766	1.1%	3 547	18.9%	1 614	5.2%	5 161	10.3%	3.2%	35.6%	4.5%
Large and SME	823 793	7.8%	63 922	35.9%	887 714	8.2%	4 400	23.4%	14 770	47.4%	19 170	38.4%	0.5%	23.1%	2.2%
Construction and real estate activities	265 953	2.5%	88 478	49.6%	354 431	3.3%	1 296	6.9%	13 185	42.3%	14 481	29.0%	0.5%	14.9%	4.1%
Individuals, of which:	**376 722**	**3.5%**	**21 358**	**12.0%**	**398 080**	**3.7%**	**4 752**	**25.3%**	**1 582**	**5.1%**	**6 334**	**12.7%**	**1.3%**	**7.4%**	**1.6%**
Mortgage loans	278 256	2.6%	20 192	11.3%	298 449	2.8%	3 721	19.8%	1 419	4.6%	5 140	10.3%	1.3%	7.0%	1.7%
Consumer credit	32 509	0.3%	449	0.3%	32 958	0.3%	829	4.4%	83	0.3%	911	1.8%	2.5%	18.4%	2.8%
Other	**171 445**	**1.6%**	**0**	**0.0%**	**171 445**	**1.6%**	**91**	**0.5%**	**0**	**0.0%**	**91**	**0.2%**	**0.05%**	**0.00%**	**0.05%**
Sub-total	**1 747 148**	**16.5%**	**178 288**	**100.0%**	**1 925 436**	**17.8%**	**14 086**	**75.1%**	**31 151**	**100.0%**	**45 237**	**90.6%**	**0.8%**	**17.5%**	**2.3%**
Investments in securities	**8 869 114**	**83.5%**	**0**	**0.0%**	**8 869 114**	**82.2%**	**4 679**	**24.9%**	**0**	**0.0%**	**4 679**	**9.4%**	**0.05%**	**0.00%**	**0.05%**
Total	**10 616 261**	**100.0%**	**178 288**	**100.0%**	**10 794 550**	**100.0%**	**18 765**	**100.0%**	**31 151**	**100.0%**	**49 916**	**100.0%**	**0.2%**	**17.5%**	**0.5%**

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amounts in thousands of euros

Segment	Exposure						Impairment						Coverage ratio		
	Collective analysis		Individual analysis		Total	%	Collective analysis		Individual analysis		Total	%	Collective analysis	Individual analysis	Total
	Value	%	Value	%			Value	%	Value	%			Value	Value	
Companies	**1,203,573**	**11.3%**	**111,007**	**98.2%**	**1,314,580**	**12.2%**	**13,697**	**59.7%**	**35,279**	**96.7%**	**48,976**	**82.4%**	**1.1%**	**31.8%**	**3.7%**
Business	112,299	1.0%	2,032	1.8%	114,331	1.1%	2,905	12.7%	721	2.0%	3,626	6.1%	2.5%	35.5%	2.5%
Large and SME	806,579	7.5%	71,202	63.0%	877,780	8.1%	5,490	23.9%	26,148	71.6%	31,637	53.2%	0.7%	36.7%	0.7%
Construction and Real Estate Activities	284,696	2.7%	37,773	33.4%	322,469	3.0%	5,302	23.1%	8,410	23.0%	13,713	23.1%	1.9%	22.3%	1.9%
Individuals, of which:	**422,934**	**4.0%**	**2,071**	**1.8%**	**425,006**	**3.9%**	**3,441**	**15.0%**	**1,219**	**3.3%**	**4,660**	**7.8%**	**0.8%**	**58.9%**	**1.1%**
Mortgage	319,478	3.0%	1,199	1.1%	320,676	3.0%	2,414	10.5%	420	1.1%	2,834	4.8%	0.8%	35.0%	0.8%
Consumer	34,393	0.3%	814	0.7%	35,207	0.3%	786	3.4%	775	2.1%	1,560	2.6%	2.3%	95.2%	2.3%
Other	**175,814**	**1.6%**	**-**	**0.0%**	**175,814**	**1.6%**	**80**	**0.3%**	**-**	**0.0%**	**80**	**0.1%**	**0.0%**	**-**	**0.0%**
Sub-total	**1,802,322**	**16.8%**	**113,078**	**100.0%**	**1,915,400**	**17.7%**	**17,218**	**75.0%**	**36,498**	**100.0%**	**53,716**	**90.4%**	**1.0%**	**32.3%**	**2.8%**
Investments in securities	**8,895,424**	**83.2%**	**-**	**0.0%**	**8,895,424**	**82.3%**	**5,730**	**25.0%**	**-**	**0.0%**	**5,730**	**9.6%**	**0.1%**	**-**	**0.1%**
Total	**10,697,745**	**100.0%**	**113,078**	**100.0%**	**10,810,824**	**100.0%**	**22,948**	**100.0%**	**36,498**	**100.0%**	**59,446**	**100.0%**	**0.2%**	**32.3%**	**0.5%**

Note – The reconciliation of the balances in this table and the following is as follows (values in thousand euros):

	31-Dec-23			31-Dec-22		
	G. Amount	Impairment		G. Amount	Impairment	
Securities portfolio						
Financial assets at FVTOCI (Note 7 and 22)	264 404	184		84 103	76	
Financial assets at CA (Note 8.1)	8 055 963	4 495		7 973 348	5 655	
Closing balance	**8 320 368**	**4 679**		**8 057 451**	**5 730**	
Presented balance	**8 869 114**			**8 895 424**		
Accrued interest (Note 8.1)	0			0		
Capital gains/losses against reserves (Note 7)	11 277			18 989		
Financial assets at AC - hedge adjustment (Note 8.1)	(560 024)			(856 962)		
	8 320 368			**8 057 451**		
Segmental analysis (Credit)	On-balance sheet	Off-balance sheet		On-balance sheet	Off-balance sheet	
Financial assets at CA - Commercial paper (Note 8.1)	203 745			243 514		
Financial assets at CA - Loans and advances (Note 8.2)	1 748 215			1 765 467		
	1 951 961			**2 008 980**		
Loan commitments made (Note 43 - maximum exposure)		195 004			178 129	
Financial guarantees given (Note 43 - maximum exposure)		171 198			236 131	
Other commitments made (Note 43 - maximum exposure)		67 639			68 287	
		433 841			**482 547**	
	On-balance sheet	Off-balance sheet	Presented balance	On-balance sheet	Off-balance sheet	Presented balance
Customer balances under analysis	1 641 826	283 611	**1 925 436**	1 680 565	234 835	**1 915 400**
Group balances (Caixa Agrícolas and Group Companies)	312 338	6 265		329 275	44 264	
Commissions (deferred income - Note 8.2)	(2 049)			(1 951)		
Commissions (deferred expenses - Note 8.2)	1 103			1 104		
Commercial Paper interest (discounted) (Note 8.1)	(1 463)					
Assets given as guarantee (Note 19)		142 303			201 979	
Liability related to investor compensation scheme (Note 19)		1 662			1 469	
Modified	206					
Other	1			(13)		
	1 951 961	**433 841**		**2 008 980**	**482 547**	
Segmental analysis (Impairment)	On-balance sheet	Off-balance sheet	Presented balance	On-balance sheet	Off-balance sheet	Presented balance
Financial assets at CA - Commercial paper (Note 8.1)	45			211		
Financial assets at CA - Loans and advances (Note 8.2)	41 944			50 478		
	41 989			**50 689**		
Guarantees and sureties (Note 17)		3 248			3 058	
Closing balance	**41 989**	**3 248**	**45 237**	**50 689**	**3 058**	**53 747**

The calculation of the probabilities of default is based on Hazard models (for all segments except the credit card segment), which consist of the explicit modelling of the performance over time of the probability of default in view of the contracting and maturity of each operation/customer. In addition, prospective scenarios reflecting current and future macroeconomic conditions are introduced. For the forward-looking adjustment, macroeconomic variables obtained from an external institution accredited as an ECAI were considered, taking into account the basic, optimistic (S1) and adverse (S3) macroeconomic scenarios. The macroeconomic regression model is used to obtain future forecasts, considering the existence of explanatory variables at those dates (3 years) and it is considered that in the long run the curve tends towards the average default rate of the portfolio by applying a convergence factor for 3 years. The explanatory variables to be used for each portfolio were selected based on the Pearson correlation coefficient analysis, between the regressors and the dependent variable, as well as the correlation between the explanatory variables themselves.

The tables with the main indicators used in these scenarios are presented below:

31-Dec-23

Macroeconomic variables	Moody's																	
	Actual						Base				Optimistic				Adverse			
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026
GDP	3.1	2.7	3.1	-9.2	9.8	2.8	-3.4	2.2	2.0	1.5	-3.3	4.1	1.7	1.4	-3.6	-3.9	3.0	2.6
Unemployment rate	8.0	6.6	6.9	6.7	6.1	6.6	6.1	5.8	5.4	5.3	6.1	5.4	5.1	5.1	6.2	8.0	7.3	6.3
10-yr bond yields - Portugal	1.9	1.8	0.3	0.1	0.5	3.3	4.4	5.1	4.5	3.3	4.4	5.1	4.6	3.6	4.3	5.6	4.2	2.4
Harmonised Price Index	1.3	0.7	0.5	0.0	2.7	9.8	1.9	2.0	1.4	1.4	1.9	2.3	1.4	1.4	1.9	0.7	0.4	1.0
Inflation	2.0	1.8	1.3	2.3	1.0	8.3	3.4	1.6	1.2	1.2	3.4	1.8	1.3	1.1	3.3	0.6	0.5	1.2
Real Estate Price Index	7.5	-1.2	5.4	6.2	8.6	4.1	3.4	-3.9	0.8	4.2	3.5	-1.6	0.0	3.5	3.1	-15.4	3.2	10.1
3M Euribor	-0.3	-0.3	-0.4	-0.5	-0.6	2.1	4.1	3.2	1.9	1.8	4.1	3.7	2.5	1.9	4.1	1.3	1.0	1.0
Household Income	4.0	1.0	3.1	-3.2	2.7	3.9	1.0	3.7	2.2	1.1	1.0	5.1	2.6	1.0	1.1	-0.1	0.9	1.8

31-Dec-22

Macroeconomic variables	Moody's																	
	Actual					Baseline - Dec22				S1 (Upside 10th Percentile) - Dec22				S3 (Downside 90th Percentile) - Dec22				
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	
PIB	3.2	2.7	2.8	-6.6	6.6	2.6	1.6	2.3	2.1	2.6	3.6	2.0	2.0	2.6	-4.4	2.9	3.3	
Unemployment rate	8.2	6.7	6.7	7.1	6.1	6.4	6.6	6.0	5.5	6.4	6.2	5.6	5.3	6.4	8.7	7.8	6.6	
10-yr bond yields - Portugal	2.1	1.9	0.3	0.1	0.4	3.3	4.0	3.4	3.1	3.3	4.3	4.0	3.7	3.3	4.5	3.2	2.6	
Harmonised Price Index	9.9	-1.9	5.6	5.5	8.9	4.4	-3.9	1.3	1.7	4.4	-1.8	3.0	1.7	4.4	-12.3	-1.7	4.0	
Inflation	1.8	1.7	1.7	1.6	1.4	6.8	2.7	1.4	1.4	6.8	2.6	1.7	1.4	6.8	0.8	0.5	1.2	
Euribor 3M	-0.3	-0.3	-0.4	-0.5	-0.6	1.3	2.5	1.5	1.5	1.3	2.4	1.5	1.5	1.3	1.6	0.0	0.0	
Household Income	2.6	1.2	3.2	-2.9	1.7	-2.4	0.9	2.5	1.9	-2.4	4.2	2.5	1.6	-2.4	-2.8	1.3	1.9	

The impacts of sensitivity analysis of macroeconomic variables on the quantification of impairment are presented as follows:

(thousand euros)

	Impact on the quantification of impairment
Unemployment rate	
Source: Data buffet Moody's | Unemployment Rate | Dec-23: 6.09 (%, SA)	
+10%	566
Private Consumption	
Source: Data buffet Moody's | Private Consumption Expenditure: Actual | Dec-23: 137.46 (Bil. 2016 EUR, CDASAAR)	
-1%	17
-10%	207

Exposure by segment and stage – Collective and individual analysis

31-Dec-23

Unit: thousand euros, except %

Segment	Exposure										Total	%
	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Of which: restructured	%	Assets in default (Stage 3)	%	Of which: restructured	%		
Corporate	**1 199 149**	**11.4%**	**86 630**	**56.5%**	**8 765**	**57.3%**	**70 132**	**86.3%**	**35 704**	**84.5%**	**1 355 911**	**12.6%**
Business	87 322	0.8%	14 337	9.3%	863	5.6%	12 107	14.9%	844	2.0%	113 766	1.1%
Large and SME	803 305	7.6%	50 317	32.8%	7 751	50.7%	34 092	42.0%	22 576	53.4%	887 714	8.2%
Construction and real estate activities	308 522	2.9%	21 976	14.3%	151	1.0%	23 933	29.5%	12 285	29.1%	354 431	3.3%
Individuals, of which:	**320 634**	**3.0%**	**66 353**	**43.3%**	**6 537**	**42.7%**	**11 093**	**13.7%**	**6 574**	**15.5%**	**398 080**	**3.7%**
Mortgage loans	238 030	2.3%	51 030	33.3%	6 127	40.0%	9 389	11.6%	6 016	14.2%	298 449	2.8%
Consumer credit	25 939	0.2%	5 754	3.8%	396	2.6%	1 265	1.6%	334	0.8%	32 958	0.3%
Other	**171 077**	**1.6%**	**369**	**0.2%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**171 445**	**1.6%**
Sub-total	**1 690 859**	**16.0%**	**153 352**	**100.0%**	**15 302**	**100.0%**	**81 225**	**100.0%**	**42 278**	**100.0%**	**1 925 436**	**17.8%**
Investments in securities	**8 869 114**	**84.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**8 869 114**	**82.2%**
Total	**10 559 973**	**100.0%**	**153 352**	**100.0%**	**15 302**	**100.0%**	**81 225**	**100.0%**	**42 278**	**100.0%**	**10 794 550**	**100.0%**

31-Dec-22

amounts in thousands of euros

Segment	Exposure										Total	%
	Assets without significant increased risk (Stage 1)		Assets with significant increased risk (Stage 2)				Assets in default (Stage 3)					
	Value	%	Value	%	Of which: restructured	%	Value	%	Of which: restructured	%		
Companies	**1,126,068**	**10.7%**	**114,806**	**64.5%**	**27,777**	**94.1%**	**73,707**	**92.8%**	**55,433**	**95.4%**	**1,314,580**	**12.2%**
Business	87,172	0.8%	21,673	12.2%	822	2.8%	5,487	6.9%	645	1.1%	114,331	1.1%
Large and SME	776,247	7.4%	65,740	36.9%	22,262	75.4%	35,793	45.0%	27,638	47.6%	877,780	8.1%
Construction and Real Estate Activities	262,649	2.5%	27,393	15.4%	4,693	15.9%	32,427	40.8%	27,150	46.7%	322,469	3.0%
Individuals, of which:	**356,012**	**3.4%**	**63,244**	**35.5%**	**1,737**	**5.9%**	**5,751**	**7.2%**	**2,664**	**4.6%**	**425,006**	**3.9%**
Mortgage	266,836	2.5%	50,592	28.4%	1,463	5.0%	3,249	4.1%	1,286	2.2%	320,676	3.0%
Consumer	28,199	0.3%	4,899	2.8%	151	0.5%	2,109	2.7%	1,335	2.3%	35,207	0.3%
Other	**175,814**	**1.7%**	-	-	-	-	-	-	-	-	**175,814**	**1.6%**
Sub-total	**1,657,893**	**15.7%**	**178,050**	**100.0%**	**29,514**	**100.0%**	**79,457**	**100.0%**	**58,097**	**100.0%**	**1,915,400**	**17.7%**
Investments in securities	**8,895,424**	**84.3%**	-	-	**0**	**0.0%**	-	-	**0**	**0.0%**	**8,895,424**	**82.3%**
Total	**10,553,317**	**100.0%**	**178,050**	**100.0%**	**29,514**	**100.0%**	**79,457**	**100.0%**	**58,097**	**100.0%**	**10,810,824**	**100.0%**

Impairment by segment and stage – Collective and individual analysis

31-Dec-23

Unit: thousand euros, except %

Segment	Exposure										Total	%
	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Of which: restructured	%	Assets in default (Stage 3)	%	Of which: restructured	%		
Corporate	**1 199 149**	**11.4%**	**86 630**	**56.5%**	**8 765**	**57.3%**	**70 132**	**86.3%**	**35 704**	**84.5%**	**1 355 911**	**12.6%**
Business	87 322	0.8%	14 337	9.3%	863	5.6%	12 107	14.9%	844	2.0%	113 766	1.1%
Large and SME	803 305	7.6%	50 317	32.8%	7 751	50.7%	34 092	42.0%	22 576	53.4%	887 714	8.2%
Construction and real estate activities	308 522	2.9%	21 976	14.3%	151	1.0%	23 933	29.5%	12 285	29.1%	354 431	3.3%
Individuals, of which:	**320 634**	**3.0%**	**66 353**	**43.3%**	**6 537**	**42.7%**	**11 093**	**13.7%**	**6 574**	**15.5%**	**398 080**	**3.7%**
Mortgage loans	238 030	2.3%	51 030	33.3%	6 127	40.0%	9 389	11.6%	6 016	14.2%	298 449	2.8%
Consumer credit	25 939	0.2%	5 754	3.8%	396	2.6%	1 265	1.6%	334	0.8%	32 958	0.3%
Other	**171 077**	**1.6%**	**369**	**0.2%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**171 445**	**1.6%**
Sub-total	**1 690 859**	**16.0%**	**153 352**	**100.0%**	**15 302**	**100.0%**	**81 225**	**100.0%**	**42 278**	**100.0%**	**1 925 436**	**17.8%**
Investments in securities	**8 869 114**	**84.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**8 869 114**	**82.2%**
Total	**10 559 973**	**100.0%**	**153 352**	**100.0%**	**15 302**	**100.0%**	**81 225**	**100.0%**	**42 278**	**100.0%**	**10 794 550**	**100.0%**

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amounts in thousands of euros

Segment	Impairment													Coverage ratio		
	Assets without significant increased risk (Stage 1)		Assets with significant increased risk (Stage 2)				Assets in default (Stage 3)				Total	%	Assets without significant increased risk (Stage 1)	Assets with significant increased risk (Stage 2)	Assets in default (Stage 3)
	Value	%	Value	%	Of which: restructured	%	Value	%	Of which: restructured	%					
Companies	**8,762**	**59.5%**	**8,980**	**88.2%**	**5,376**	**99.7%**	**31,235**	**90.4%**	**25,228**	**93.2%**	**48,976**	**82.4%**	**0.8%**	**7.8%**	**42.4%**
Business	333	2.3%	651	6.4%	145	2.7%	2,642	7.6%	558	2.1%	3,626	6.1%	0.4%	3.0%	48.2%
Large and SME	6,961	47.3%	7,976	78.4%	5,165	95.7%	16,700	48.4%	14,240	52.6%	31,637	53.2%	0.9%	12.1%	46.7%
Construction and Real Estate Activities	1,467	10.0%	352	3.5%	66	1.2%	11,893	34.4%	10,431	38.5%	13,713	23.1%	0.6%	1.3%	36.7%
Individuals, of which:	**157**	**1.1%**	**1,198**	**11.8%**	**18**	**0.3%**	**3,304**	**9.6%**	**1,842**	**6.8%**	**4,660**	**7.8%**	**0.0%**	**1.9%**	**57.5%**
Mortgage	95	0.6%	1,017	10.0%	18	0.3%	1,721	5.0%	807	3.0%	2,834	4.8%	0.0%	2.0%	53.0%
Consumer	28	0.2%	121	1.2%	0	0.0%	1,411	4.1%	1,007	3.7%	1,560	2.6%	0.1%	2.5%	66.9%
Other	**80**	**0.5%**	-	-	-	-	-	-	-	-	**80**	**0.1%**	**0.0%**	-	-
Sub-total	**8,999**	**61.1%**	**10,178**	**100.0%**	**5,394**	**100.0%**	**34,539**	**100.0%**	**27,069**	**100.0%**	**53,716**	**90.4%**	**0.5%**	**5.7%**	**43.5%**
Investments in securities	**5,730**	**38.9%**	-	-	**0**	**0.0%**	-	-	**0**	**0.0%**	**5,730**	**9.6%**	**0.1%**	-	-
Total	**14,729**	**100.0%**	**10,178**	**100.0%**	**5,394**	**100.0%**	**34,539**	**100.0%**	**27,069**	**100.0%**	**59,446**	**100.0%**	**0.1%**	**5.7%**	**43.5%**

Note – See reconciliation of balances in the table above

Exposure by segment, stage and days in arrears – Collective and individual analysis

31-Dec-23

Unit: thousand euros

Segment	Assets without significant increased risk (Stage 1)	Assets with significant increased risk (Stage 2)				Non-performing assets (Stage 3)				Total
		≤ 30 days overdue	> 30 and < 90 days in	> 90 days in arrears	Total	≤ 30 days overdue	> 30 and < 90 days in	> 90 days in arrears	Total	
Corporate	**1 199 149**	**86 065**	**559**	**7**	**86 630**	**60 823**	**3 391**	**5 918**	**70 132**	**1 355 911**
Business	87 322	14 018	314	5	14 337	8 629	1 221	2 257	12 107	113 766
Large and SME	803 305	50 314	4	0	50 317	29 214	2 081	2 797	34 092	887 714
Construction and real estate activities	308 522	21 733	241	2	21 976	22 980	90	864	23 933	354 431
Individuals, of which:	**320 634**	**63 205**	**3 141**	**7**	**66 353**	**7 438**	**369**	**3 286**	**11 093**	**398 080**
Mortgage loans	238 030	48 176	2 854	0	51 030	7 034	318	2 037	9 389	298 449
Consumer credit	25 939	5 530	218	7	5 754	172	47	1 046	1 265	32 958
Other	**171 077**	**277**	**0**	**92**	**369**	**0**	**0**	**0**	**0**	**171 445**
Sub-total	**1 690 859**	**149 546**	**3 699**	**107**	**153 352**	**68 261**	**3 760**	**9 204**	**81 225**	**1 925 436**
Investments in securities	**8 869 114**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**8 869 114**
Total	**10 559 973**	**149 546**	**3 699**	**107**	**153 352**	**68 261**	**3 760**	**9 204**	**81 225**	**10 794 550**

31-Dec-22

amounts in thousands of euros

Segment	Assets without significant increased risk (Stage 1)	Assets with significant increased risk (Stage 2)				Assets in default (Stage 3)				Total
		≤ 30 days overdue	> 30 and < 90 days in arrears	> 90 days in arrears	Total	≤ 30 days overdue	> 30 and < 90 days in arrears	> 90 days in arrears	Total	
Companies	**1,126,068**	**114,015**	**747**	**44**	**114,806**	**64,415**	**1,652**	**7,640**	**73,707**	**1,314,580**
Business	87,172	21,107	561	4	21,673	3,839	168	1,479	5,487	114,331
Large and SME	776,247	65,700	-	40	65,740	29,842	1,288	4,663	35,793	877,780
Construction and Real Estate Activities	262,649	27,208	185	0	27,393	30,734	195	1,497	32,427	322,469
Individuals, of which:	**356,012**	**61,828**	**1,410**	**5**	**63,244**	**2,614**	**247**	**2,890**	**5,751**	**425,006**
Mortgage	266,836	49,371	1,221	-	50,592	1,785	221	1,242	3,249	320,676
Consumer	28,199	4,756	139	4	4,899	604	18	1,486	2,109	35,207
Other	**175,814**	-	-	-	-	-	-	-	-	**175,814**
Sub-total	**1,657,893**	**175,844**	**2,157**	**49**	**178,050**	**67,029**	**1,899**	**10,530**	**79,457**	**1,915,400**
Investments in securities	**8,895,424**	**0**	**0**	**0**	-	**0**	**0**	**0**	-	**8,895,424**
Total	**10,553,317**	**175,844**	**2,157**	**49**	**178,050**	**67,029**	**1,899**	**10,530**	**79,457**	**10,810,824**

Note – See reconciliation of balances in the table above

Disclosure of changes in the measurement of impairments during 2023 and 2022 respectively, and the reasons for those changes by class of financial instrument:

31-Dec-23

Changes in Quantification of Impairment	Reasons for the Changes
The quantification of impairment of the GCA debt securities portfolio has not changed.	n.a.
Compared to the last report, with reference to 31 December 2023, the following improvements were made to the impairment quantification process: • Annual review of the risk parameters and updating of the macroeconomic scenarios (forward-looking component) of the impairment model in order to keep it up to date and in line with the behaviour of Crédito Agrícola's financial assets; • Methodology for identifying operations with signs of a significant increase in credit risk (SICR) classified as level 2: contracts/customers who see an improvement in their internal risk level (scoring/rating) compared to the initial moment (granting) will not be classified as level 2 even if the variation in the probability of default (PD) between the lifetime PD and the PD assigned to the customer at the initial moment (granting) is greater than 200%. As a result of the application of this improvement, there may be a reclassification from level 2 to level 1 in the contracts/customers that are covered by this criterion; • As in previous periods, the GCA maintains an impairment reinforcement (overlay) in order to incorporate the impact, in terms of the impairment of the loan portfolio, of the foreseeable worsening of the credit risk in a group of customersoperations considered to be vulnerable and falling into the following areas: **Mortgage loan operations** that cumulatively meet the following criteria: (i) had modifications to their contractual conditions in the period between 31 December 2022 and 31 December 2023 (e.g. increase in the residual term of the loan, reduction in the spread, deferral of capital, introduction or increase in the capital grace period, etc.) and (ii) that were not identified by the institution as "restructured" under the terms of article 47-B of the CRR following the modification of the contractual conditions and (iii) customer with a score higher than 4 as at 31 December 2023 and who meets at least one of the following criteria: - Effort rate higher than 36% on the date of the contractual change; Average liability balances (term deposits and savings) of zero in the last 12 months; Non-compliance with the CRC in the last 24 months; Failure to pay the instalment (at least twice) in the 12 months prior to the date of the contractual change; Introduction of a capital grace period. **Companies**: customers with exposure > €1,000,000 for CCCAM or €500,000 for CCAM who cumulatively meet the following criteria: - Potential universe of customers on the watch list with reference to 30 November 2023 through the automatic criteria (customers whose current or worsened rating is equal to or greater than 5 in the case of vulnerable sectors of activity and 6 or greater in the remaining sectors of activity, which were the subject of sensitivity analyses given the customer's high exposure, through the dimensions/input variables related to income (turnover), costs of goods sold and materials consumed (CMVMC) and financial charges, or whose degree of impairment coverage exceeds or equals 10% with a rating greater than or equal to 5, or the customer with a rating greater than or equal to 4 and with impairment level 2 and no financial difficulties) - Financial expense coverage ratio (EBITDA / Interest and similar expenses incurred) ≤ 0.5.	Regulatory guidelines. Introduction of improvement opportunities.

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	Changes in Quantification of Impairment	Reasons for the Changes
- Debt securities	The quantification of impairment of the GCA debt securities portfolio has not changed.	n.a.
- Credit portfolio	The following methodological changes with no material impact are noted: - Definition of default (e.g. correcting historical information on the marking of forborne loans caused by financial difficulties, correcting the wrong marking of signals of significative financial difficulties in the historic); - Methodology for identification of operations with signs of a Significant Increase in Credit Risk (SICR) classified as level 2 (e.g. review of the process for identification of information at origin when the original operations have a revolving/overdraft nature); - Loss Given Default (LGD) (e.g. consideration of direct costs associated with the credit recovery process). - Individual analysis: Apply the most severe impairment in the credit areas' analyses and the benchmark criteria (going/ gone approach - MOAI, based on Circular Letter No. 2018/62) for exposures from the individual analysis rated at level 3 that have a degree of impairment coverage below 40%	Regulatory guidelines. Introduction of improvement opportunities.

Exposure and impairment by segment, stage and credit rating – Collective and individual analysis

31-Dec-23

Unit: thousand euros, except %

Segment | Risk rating	Exposure						Impairment					
	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Total	%	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Total	%
Corporate	**1 199 149**	**78.9%**	**86 630**	**56.6%**	**1 285 779**	**76.9%**	**7 967**	**95.9%**	**5 150**	**69.6%**	**13 118**	**83.5%**
Business	87 322	5.7%	14 337	9.4%	101 660	6.1%	756	9.1%	409	5.5%	1 165	7.4%
Low	36 669	2.4%	1 672	1.1%	38 341	2.3%	44	0.5%	12	0.2%	56	0.4%
Medium	50 457	3.3%	11 596	7.6%	62 052	3.7%	680	8.2%	321	4.3%	1 001	6.4%
High	197	0.0%	1 070	0.7%	1 266	0.1%	33	0.4%	75	1.0%	109	0.7%
Large and SME	803 305	52.9%	50 317	32.9%	853 622	51.0%	3 123	37.6%	4 182	56.5%	7 305	46.5%
Low	438 624	28.9%	23 719	15.5%	462 343	27.6%	284	3.4%	185	2.5%	469	3.0%
Medium	364 367	24.0%	23 768	15.5%	388 135	23.2%	2 837	34.2%	2 728	36.9%	5 565	35.4%
High	314	0.0%	2 830	1.8%	3 144	0.2%	2	0.0%	1 269	17.2%	1 271	8.1%
Construction and real estate activities	308 522	20.3%	21 976	14.4%	330 497	19.8%	4 087	49.2%	560	7.6%	4 647	29.6%
Low	36 038	2.4%	485	0.3%	36 524	2.2%	21	0.3%	2	0.0%	23	0.1%
Medium	272 330	17.9%	21 199	13.9%	293 528	17.5%	4 066	49.0%	528	7.1%	4 594	29.3%
High	154	0.0%	292	0.2%	445	0.0%	1	0.0%	29	0.4%	30	0.2%
Individuals, of which:	**320 634**	**21.1%**	**66 353**	**43.4%**	**386 987**	**23.1%**	**338**	**4.1%**	**2 248**	**30.4%**	**2 587**	**16.5%**
Mortgage loans	238 030	15.7%	51 030	33.4%	289 060	17.3%	296	3.6%	1 952	26.4%	2 248	14.3%
Low	148 408	9.8%	10 942	7.2%	159 349	9.5%	32	0.4%	55	0.7%	87	0.6%
Medium	89 622	5.9%	10 610	6.9%	100 232	6.0%	265	3.2%	335	4.5%	600	3.8%
High	0	0.0%	29 479	19.3%	29 479	1.8%	0	0.0%	1 562	21.1%	1 562	9.9%
Consumer credit	25 939	1.7%	5 754	3.8%	31 693	1.9%	25	0.3%	199	2.7%	224	1.4%
Low	13 277	0.9%	623	0.4%	13 900	0.8%	7	0.1%	3	0.0%	10	0.1%
Medium	12 662	0.8%	2 825	1.8%	15 487	0.9%	18	0.2%	46	0.6%	64	0.4%
High	0	0.0%	2 306	1.5%	2 306	0.1%	0	0.0%	150	2.0%	150	1.0%
Total	**1 519 783**	**100.0%**	**152 983**	**100.0%**	**1 672 766**	**100.0%**	**8 306**	**100.0%**	**7 399**	**100.0%**	**15 704**	**100.0%**

31-Dec-22

amounts in thousands of euros

Segment | Risk rating	Exposure						Impairment					
	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Total	%	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Total	%
Companies	**1,128,782**	**76.0%**	**114,806**	**64.5%**	**1,243,588**	**74.8%**	**8,762**	**98.2%**	**8,980**	**88.2%**	**17,741**	**92.9%**
Business	89,886	6.1%	21,673	12.2%	111,559	6.7%	333	3.7%	651	6.4%	984	5.2%
Reduced	34,764	2.3%	942	0.5%	35,706	2.1%	34	0.4%	13	0.1%	47	0.2%
Medium	54,359	3.7%	19,421	10.9%	73,780	4.4%	282	3.2%	530	5.2%	812	4.3%
High	764	0.1%	1,309	0.7%	2,073	0.1%	16	0.2%	108	1.1%	125	0.7%
Large and SME	776,247	52.3%	65,740	36.9%	841,987	50.6%	6,961	78.0%	7,976	78.4%	14,937	78.2%
Reduced	347,068	23.4%	10,776	6.1%	357,844	21.5%	444	5.0%	48	0.5%	492	2.6%
Medium	429,046	28.9%	49,739	27.9%	478,785	28.8%	6,505	72.9%	6,566	64.5%	13,071	68.4%
High	132	0.0%	5,225	2.9%	5,357	0.3%	12	0.1%	1,362	13.4%	1,373	7.2%
Construction and Real Estate Activities	262,649	17.7%	27,393	15.4%	290,042	17.4%	1,467	16.5%	352	3.5%	1,820	9.5%
Reduced	10,759	0.7%	416	0.2%	11,175	0.7%	15	0.2%	1	0.0%	16	0.1%
Medium	251,840	17.0%	22,145	12.4%	273,986	16.5%	1,450	16.3%	227	2.2%	1,676	8.8%
High	49	0.0%	4,832	2.7%	4,881	0.3%	3	0.0%	125	1.2%	127	0.7%
Individuals, of which:	**356,012**	**24.0%**	**63,244**	**35.5%**	**419,255**	**25.2%**	**157**	**1.8%**	**1,198**	**11.8%**	**1,356**	**7.1%**
Mortgage	266,836	18.0%	50,592	28.4%	317,427	19.1%	95	1.1%	1,017	10.0%	1,113	5.8%
Reduced	165,228	11.1%	6,785	3.8%	172,013	10.3%	43	0.5%	8	0.1%	51	0.3%
Medium	101,608	6.8%	20,000	11.2%	121,608	7.3%	52	0.6%	74	0.7%	127	0.7%
High	-	-	23,807	13.4%	23,807	1.4%	-	-	934	9.2%	934	4.9%
Consumer	28,199	1.9%	4,899	2.8%	33,098	2.0%	28	0.3%	121	1.2%	149	0.8%
Reduced	15,759	1.1%	957	0.5%	16,716	1.0%	7	0.1%	2	0.0%	9	0.0%
Medium	12,440	0.8%	2,034	1.1%	14,474	0.9%	21	0.2%	24	0.2%	45	0.2%
High	-	-	1,908	1.1%	1,908	0.1%	-	-	95	0.9%	95	0.5%
Total	**1,484,793**	**100.0%**	**178,050**	**100.0%**	**1,662,843**	**100.0%**	**8,919**	**100.0%**	**10,178**	**100.0%**	**19,097**	**100.0%**

Note – See reconciliation of balances in the table above

Exposure and impairment by segment, stage and probability of default – Collective analysis

31-Dec-23

Unit: thousand euros, except %

Segment | Probability of default	Exposure						Impairment					
	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Total	%	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Total	%
Corporate	**1 102 082**	**77.6%**	**71 275**	**59.3%**	**1 173 357**	**76.2%**	**1 746**	**0.1%**	**711**	**0.6%**	**2 458**	**0.2%**
Business	88 884	6.3%	13 506	11.2%	102 390	6.7%	250	0.0%	219	0.2%	468	0.0%
0% to 0.10%	322	0.0%	0	0.0%	322	0.0%	0	0.0%	0	0.0%	0	0.0%
0.11% to 0.40%	1 061	0.1%	0	0.0%	1 062	0.1%	0	0.0%	0	0.0%	0	0.0%
0.41% to 1.00%	39 281	2.8%	1 691	1.4%	40 971	2.7%	44	0.0%	12	0.0%	56	0.0%
1.01% to 3.00%	31 789	2.2%	4 781	4.0%	36 570	2.4%	81	0.0%	28	0.0%	109	0.0%
3.01% to 6.00%	2 616	0.2%	112	0.1%	2 728	0.2%	9	0.0%	0	0.0%	9	0.0%
6.01% to 11.00%	13 678	1.0%	6 000	5.0%	19 677	1.3%	113	0.0%	122	0.1%	234	0.0%
11.01% to 17.00%	0	0.0%	20	0.0%	20	0.0%	0	0.0%	0	0.0%	0	0.0%
17.01% to 25.00%	137	0.0%	436	0.4%	573	0.0%	3	0.0%	18	0.0%	22	0.0%
25.01% +	0	0.0%	466	0.4%	466	0.0%	0	0.0%	38	0.0%	38	0.0%
Large and SME	768 202	54.1%	40 471	33.7%	808 673	52.5%	1 067	0.1%	422	0.4%	1 489	0.1%
0% to 0.10%	107 477	7.6%	0	0.0%	107 478	7.0%	9	0.0%	0	0.0%	9	0.0%
0.11% to 0.40%	83 033	5.8%	300	0.2%	83 333	5.4%	16	0.0%	3	0.0%	19	0.0%
0.41% to 1.00%	377 390	26.6%	27 938	23.2%	405 328	26.3%	348	0.0%	200	0.2%	548	0.0%
1.01% to 3.00%	172 717	12.2%	5 348	4.5%	178 065	11.6%	388	0.0%	62	0.1%	450	0.0%
3.01% to 6.00%	66	0.0%	97	0.1%	163	0.0%	0	0.0%	1	0.0%	1	0.0%
6.01% to 11.00%	27 519	1.9%	6 673	5.6%	34 193	2.2%	305	0.0%	151	0.1%	456	0.0%
11.01% to 17.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
17.01% to 25.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
25.01% +	0	0.0%	114	0.1%	114	0.0%	0	0.0%	6	0.0%	6	0.0%
Construction and real estate activities	244 997	17.3%	17 298	14.4%	262 294	17.0%	430	0.0%	71	0.1%	501	0.0%
0% to 0.10%	71	0.0%	0	0.0%	71	0.0%	0	0.0%	0	0.0%	0	0.0%
0.11% to 0.40%	25 729	1.8%	160	0.1%	25 889	1.7%	5	0.0%	0	0.0%	5	0.0%
0.41% to 1.00%	843	0.1%	63	0.1%	906	0.1%	1	0.0%	0	0.0%	1	0.0%
1.01% to 3.00%	200 662	14.1%	15 981	13.3%	216 643	14.1%	328	0.0%	55	0.0%	383	0.0%
3.01% to 6.00%	17 689	1.2%	874	0.7%	18 563	1.2%	95	0.0%	9	0.0%	104	0.0%
6.01% to 11.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
11.01% to 17.00%	2	0.0%	35	0.0%	37	0.0%	0	0.0%	1	0.0%	1	0.0%
17.01% to 25.00%	0	0.0%	185	0.2%	185	0.0%	0	0.0%	6	0.0%	6	0.0%
25.01% +	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Individuals, of which:	**317 417**	**22.4%**	**48 907**	**40.7%**	**366 324**	**23.8%**	**103**	**0.0%**	**1 262**	**1.0%**	**1 364**	**0.1%**
Mortgage loans	234 829	16.5%	34 583	28.8%	269 412	17.5%	63	0.0%	1 016	0.8%	1 079	0.1%
0% to 0.10%	125	0.0%	6	0.0%	131	0.0%	0	0.0%	0	0.0%	0	0.0%
0.11% to 0.40%	234 703	16.5%	8 006	6.7%	242 709	15.8%	63	0.0%	32	0.0%	95	0.0%
0.41% to 1.00%	0	0.0%	4	0.0%	4	0.0%	0	0.0%	0	0.0%	0	0.0%
1.01% to 3.00%	0	0.0%	24 085	20.0%	24 085	1.6%	0	0.0%	676	0.6%	676	0.0%
3.01% to 6.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6.01% to 11.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
11.01% to 17.00%	0	0.0%	1	0.0%	1	0.0%	0	0.0%	0	0.0%	0	0.0%
17.01% to 25.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
25.01% +	0	0.0%	2 482	2.1%	2 482	0.2%	0	0.0%	308	0.3%	308	0.0%
Consumer credit	25 933	1.8%	5 395	4.5%	31 328	2.0%	23	0.0%	193	0.2%	216	0.0%
0% to 0.10%	1 222	0.1%	47	0.0%	1 269	0.1%	0	0.0%	0	0.0%	0	0.0%
0.11% to 0.40%	16 914	1.2%	918	0.8%	17 832	1.2%	11	0.0%	5	0.0%	16	0.0%
0.41% to 1.00%	6 688	0.5%	200	0.2%	6 888	0.4%	8	0.0%	1	0.0%	9	0.0%
1.01% to 3.00%	1 109	0.1%	1 935	1.6%	3 044	0.2%	4	0.0%	37	0.0%	41	0.0%
3.01% to 6.00%	0	0.0%	12	0.0%	12	0.0%	0	0.0%	0	0.0%	0	0.0%
6.01% to 11.00%	0	0.0%	1 612	1.3%	1 612	0.1%	0	0.0%	72	0.1%	72	0.0%
11.01% to 17.00%	0	0.0%	1	0.0%	1	0.0%	0	0.0%	0	0.0%	0	0.0%
17.01% to 25.00%	0	0.0%	1	0.0%	1	0.0%	0	0.0%	0	0.0%	0	0.0%
25.01% +	0	0.0%	668	0.6%	668	0.0%	0	0.0%	78	0.1%	78	0.0%
Total	**1 419 499**	**100.0%**	**120 182**	**100.0%**	**1 539 681**	**100.0%**	**1 849**	**0.1%**	**1 973**	**1.6%**	**3 822**	**0.2%**

31-Dec-22

amounts in thousands of euros

Segment | Probability of default	Exposure						Impairment					
	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Total	%	Assets without significant increased risk (Stage 1)	%	Assets with significant increased risk (Stage 2)	%	Total	%
Companies	**1,078,681**	**75.2%**	**95,011**	**60.2%**	**1,173,692**	**73.7%**	**3,298**	**95.4%**	**1,370**	**55.6%**	**4,668**	**78.9%**
Business	89,505	6.2%	21,083	13.4%	110,587	6.9%	297	8.6%	410	16.6%	707	11.9%
<= 0.10%	309	0.0%	-	-	309	0.0%	0	0.0%	-	-	0	0.0%
>= 0.11% and <= 0.40%	838	0.1%	46	0.0%	884	0.1%	0	0.0%	0	0.0%	0	0.0%
>= 0.41% and <= 1.00%	35,788	2.5%	1,349	0.9%	37,138	2.3%	36	1.0%	7	0.3%	43	0.7%
>= 1.01% and <= 3.00%	36,845	2.6%	7,309	4.6%	44,155	2.8%	111	3.2%	53	2.2%	164	2.8%
>= 3.01% and <= 6.00%	14,961	1.0%	11,074	7.0%	26,034	1.6%	134	3.9%	243	9.9%	377	6.4%
>= 6.01% and <= 11.00%	-	-	11	0.0%	11	0.0%	-	-	0	0.0%	0	0.0%
>= 11.01% and <= 17.00%	764	0.1%	773	0.5%	1,537	0.1%	16	0.5%	48	2.0%	64	1.1%
>= 17.01% and <= 25.00%	-	-	3	0.0%	3	0.0%	-	-	0	0.0%	0	0.0%
> 25.01%	-	-	517	0.3%	517	0.0%	-	-	57	2.3%	57	1.0%
Large and SME	748,365	52.2%	46,567	29.5%	794,931	49.9%	1,876	54.3%	614	24.9%	2,490	42.1%
<= 0.10%	70,070	4.9%	1,300	0.8%	71,370	4.5%	7	0.2%	0	0.0%	7	0.1%
>= 0.11% and <= 0.40%	85,679	6.0%	845	0.5%	86,523	5.4%	24	0.7%	0	0.0%	25	0.4%
>= 0.41% and <= 1.00%	280,552	19.6%	15,968	10.1%	296,521	18.6%	308	8.9%	52	2.1%	360	6.1%
>= 1.01% and <= 3.00%	215,420	15.0%	14,373	9.1%	229,793	14.4%	787	22.8%	71	2.9%	858	14.5%
>= 3.01% and <= 6.00%	96,581	6.7%	13,419	8.5%	110,001	6.9%	749	21.7%	460	18.7%	1,209	20.4%
>= 6.01% and <= 11.00%	-	-	-	-	-	-	-	-	-	-	-	-
>= 11.01% and <= 17.00%	-	-	21	0.0%	21	0.0%	-	-	1	0.0%	1	0.0%
>= 17.01% and <= 25.00%	62	0.0%	555	0.4%	617	0.0%	1	0.0%	23	0.9%	24	0.4%
> 25.01%	-	-	86	0.1%	86	0.0%	-	-	7	0.3%	7	0.1%
Construction and Real Estate Activities	240,812	16.8%	27,361	17.3%	268,173	16.8%	1,126	32.6%	346	14.0%	1,472	24.9%
<= 0.10%	4	0.0%	0	0.0%	4	0.0%	0	0.0%	0	0.0%	0	0.0%
>= 0.11% and <= 0.40%	222	0.0%	34	0.0%	256	0.0%	0	0.0%	0	0.0%	0	0.0%
>= 0.41% and <= 1.00%	20,546	1.4%	395	0.3%	20,940	1.3%	25	0.7%	1	0.0%	26	0.4%
>= 1.01% and <= 3.00%	166,985	11.6%	12,095	7.7%	179,079	11.2%	685	19.8%	88	3.6%	773	13.1%
>= 3.01% and <= 6.00%	53,030	3.7%	10,100	6.4%	63,130	4.0%	415	12.0%	133	5.4%	548	9.3%
>= 6.01% and <= 11.00%	-	-	2	0.0%	2	0.0%	-	-	0	0.0%	0	0.0%
>= 11.01% and <= 17.00%	4	0.0%	4,059	2.6%	4,063	0.3%	0	0.0%	93	3.8%	93	1.6%
>= 17.01% and <= 25.00%	22	0.0%	272	0.2%	295	0.0%	1	0.0%	6	0.2%	6	0.1%
> 25.01%	-	-	404	0.3%	404	0.0%	-	-	26	1.1%	26	0.4%
Individuals, of which:	**356,009**	**24.8%**	**62,717**	**39.8%**	**418,726**	**26.3%**	**157**	**4.6%**	**1,093**	**44.4%**	**1,251**	**21.1%**
Mortgage	266,836	18.6%	50,092	31.8%	316,928	19.9%	95	2.8%	917	37.2%	1,013	17.1%
<= 0.10%	105	0.0%	59	0.0%	165	0.0%	0	0.0%	0	0.0%	0	0.0%
>= 0.11% and <= 0.40%	220,683	15.4%	9,366	5.9%	230,049	14.4%	57	1.7%	12	0.5%	69	1.2%
>= 0.41% and <= 1.00%	46,048	3.2%	17,320	11.0%	63,368	4.0%	38	1.1%	71	2.9%	109	1.8%
>= 1.01% and <= 3.00%	-	-	21	0.0%	21	0.0%	-	-	0	0.0%	0	0.0%
>= 3.01% and <= 6.00%	-	-	21,686	13.7%	21,686	1.4%	-	-	615	25.0%	615	10.4%
>= 6.01% and <= 11.00%	-	-	-	-	-	-	-	-	-	-	-	-
>= 11.01% and <= 17.00%	-	-	-	-	-	-	-	-	-	-	-	-
>= 17.01% and <= 25.00%	-	-	-	-	-	-	-	-	-	-	-	-
> 25.01%	-	-	1,641	1.0%	1,641	0.1%	-	-	219	8.9%	219	3.7%
Consumer	28,199	2.0%	4,872	3.1%	33,070	2.1%	28	0.8%	116	4.7%	144	2.4%
<= 0.10%	250	0.0%	7	0.0%	257	0.0%	0	0.0%	0	0.0%	0	0.0%
>= 0.11% and <= 0.40%	15,687	1.1%	957	0.6%	16,645	1.0%	7	0.2%	2	0.1%	9	0.2%
>= 0.41% and <= 1.00%	10,821	0.8%	797	0.5%	11,618	0.7%	15	0.4%	5	0.2%	20	0.3%
>= 1.01% and <= 3.00%	1,439	0.1%	1,240	0.8%	2,679	0.2%	6	0.2%	19	0.8%	26	0.4%
>= 3.01% and <= 6.00%	-	-	21	0.0%	21	0.0%	-	-	0	0.0%	0	0.0%
>= 6.01% and <= 11.00%	-	-	1,528	1.0%	1,528	0.1%	-	-	65	2.6%	65	1.1%
>= 11.01% and <= 17.00%	-	-	1	0.0%	1	0.0%	-	-	0	0.0%	0	0.0%
>= 17.01% and <= 25.00%	-	-	10	0.0%	10	0.0%	-	-	0	0.0%	0	0.0%
> 25.01%	-	-	312	0.2%	312	0.0%	-	-	24	1.0%	24	0.4%
Total	**1,434,690**	**100.0%**	**157,728**	**100.0%**	**1,592,418**	**100.0%**	**3,456**	**100.0%**	**2,463**	**100.0%**	**5,919**	**100.0%**

Exposure and impairment by segment, stage and loss due to default – Collective analysis

31-Dec-23

Unit: thousand euros, except %

Segment | Loss due to default	Exposure						Impairment					
	Assets in default (Stage 1/ Stage 2)	%	Assets in default (Stage 3)	%	Total	%	Assets in default (Stage 1/ Stage 2)	%	Assets in default (Stage 3)	%	Total	%
Corporate	**1 173 357**	**76.2%**	**28 782**	**73.5%**	**1 202 139**	**76.1%**	**2 458**	**64.3%**	**6 789**	**66.7%**	**9 246**	**66.1%**
Business	102 390	6.7%	10 003	25.5%	112 393	7.1%	468	12.3%	3 082	30.3%	3 551	25.4%
Mortgage Guarantees	14 156	0.9%	3 062	7.8%	17 217	1.1%	121	3.2%	594	5.8%	716	5.1%
0% to 20%	12 855	0.8%	905	2.3%	13 760	0.9%	97	2.6%	127	1.2%	224	1.6%
21% to 40%	1 301	0.1%	2 031	5.2%	3 331	0.2%	24	0.6%	356	3.5%	379	2.7%
41% to 60%	0	0.0%	10	0.0%	10	0.0%	0	0.0%	6	0.1%	6	0.0%
61% to 80%	0	0.0%	35	0.1%	35	0.0%	0	0.0%	25	0.2%	25	0.2%
81% +	0	0.0%	81	0.2%	81	0.0%	0	0.0%	81	0.8%	81	0.6%
Non-mortgage guarantees	88 234	5.7%	6 942	17.7%	95 176	6.0%	347	9.1%	2 488	24.4%	2 835	20.3%
0% to 20%	78 263	5.1%	2 871	7.3%	81 134	5.1%	273	7.1%	412	4.0%	685	4.9%
21% to 40%	1 112.0	0.1%	1 213	3.1%	2 325	0.1%	7	0.2%	322	3.2%	329	2.4%
41% to 60%	8 859	0.6%	487	1.2%	9 346	0.6%	67	1.8%	191	1.9%	258	1.8%
61% to 80%	0	0.0%	527	1.3%	527	0.0%	0	0.0%	167	1.6%	167	1.2%
81% +	0	0.0%	1 843	4.7%	1 843	0.1%	0	0.0%	1 395	13.7%	1 395	10.0%
Large and SME	808 673	52.5%	15 120	38.6%	823 793	52.2%	1 489	38.9%	2 911	28.6%	4 400	31.4%
Mortgage Guarantees	216 150	14.0%	11 310	28.9%	227 460	14.4%	802	21.0%	1 149	11.3%	1 951	13.9%
0% to 20%	174 789	11.4%	3 208	8.2%	177 997	11.3%	602	15.7%	260	2.6%	861	6.2%
21% to 40%	41 361	2.7%	5 961	15.2%	47 322	3.0%	200	5.2%	627	6.2%	827	5.9%
41% to 60%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
61% to 80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
81% +	0	0.0%	2 141	5.5%	2 141	0.1%	0	0.0%	262	2.6%	262	1.9%
Non-mortgage guarantees	592 523	38.5%	3 810	9.7%	596 333	37.8%	687	18.0%	1 762	17.3%	2 449	17.5%
0% to 20%	483 830	31.4%	925	2.4%	484 755	30.7%	483	12.6%	135	1.3%	619	4.4%
21% to 40%	93 258	6.1%	708	1.8%	93 965	6.0%	142	3.7%	101	1.0%	243	1.7%
41% to 60%	15 435	1.0%	198	0.5%	15 633	1.0%	61	1.6%	82	0.8%	143	1.0%
61% to 80%	0	0.0%	325	0.8%	325	0.0%	0	0.0%	181	1.8%	181	1.3%
81% +	0	0.0%	1 655	4.2%	1 655	0.1%	0	0.0%	1 264	12.4%	1 264	9.0%
Construction and real estate activities	262 294	17.0%	3 658	9.3%	265 953	16.8%	501	13.1%	796	7.8%	1 296	9.3%
Mortgage Guarantees	229 886	14.9%	499	1.3%	230 386	14.6%	450	11.8%	111	1.1%	561	4.0%
0% to 20%	168 158	10.9%	0	0.0%	168 158	10.7%	295	7.7%	0	0.0%	295	2.1%
21% to 40%	61 729	4.0%	356	0.9%	62 084	3.9%	155	4.1%	83	0.8%	238	1.7%
41% to 60%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
61% to 80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
81% +	0	0.0%	143	0.4%	143	0.0%	0	0.0%	27	0.3%	27	0.2%
Non-mortgage guarantees	32 408	2.1%	3 159	8.1%	35 567	2.3%	51	1.3%	685	6.7%	736	5.3%
0% to 20%	29 928	1.9%	356	0.9%	30 284	1.9%	43	1.1%	59	0.6%	102	0.7%
21% to 40%	58	0.0%	507	1.3%	565	0.0%	0	0.0%	97	1.0%	98	0.7%
41% to 60%	2 422	0.2%	141	0.4%	2 563	0.2%	7	0.2%	61	0.6%	68	0.5%
61% to 80%	0	0.0%	57	0.1%	57	0.0%	0	0.0%	18	0.2%	18	0.1%
81% +	0	0.0%	2 098	5.4%	2 098	0.1%	0	0.0%	450	4.4%	450	3.2%
Individuals, of which:	**366 324**	**23.8%**	**10 398**	**26.5%**	**376 722**	**23.9%**	**1 364**	**35.7%**	**3 387**	**0**	**4 752**	**33.9%**
Mortgage loans	269 412	17.5%	8 844	22.6%	278 256	17.6%	1 079	28.2%	2 642	26.0%	3 721	26.6%
Mortgage Guarantees	268 544	17.4%	8 805	22.5%	277 350	17.6%	1 078	28.2%	2 603	25.6%	3 682	26.3%
0% to 20%	268 544	17.4%	0	0.0%	268 544	17.0%	1 078	28.2%	0	0.0%	1 078	7.7%
21% to 40%	0	0.0%	7 766	19.8%	7 766	0.5%	0	0.0%	1 808	17.8%	1 808	12.9%
41% to 60%	0	0.0%	401	1.0%	401	0.0%	0	0.0%	208	2.0%	208	1.5%
61% to 80%	0	0.0%	131	0.3%	131	0.0%	0	0.0%	95	0.9%	95	0.7%
81% +	0	0.0%	507	1.3%	507	0.0%	0	0.0%	493	4.8%	493	3.5%
Non-mortgage guarantees	868	0.1%	39	0.1%	906	0.1%	0	0.0%	39	0.4%	39	0.3%
0% to 20%	868	0.1%	0	0.0%	868	0.1%	0	0.0%	0	0.0%	0	0.0%
21% to 40%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
41% to 60%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
61% to 80%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
81% +	0	0.0%	39	0.1%	39	0.0%	0	0.0%	39	0.4%	39	0.3%
Consumer credit	31 328	2.0%	1 181	3.0%	32 509	2.1%	216	5.7%	612	6.0%	829	5.9%
Mortgage Guarantees	10 238	0.7%	314	0.8%	10 552	0.7%	110	2.9%	196	1.9%	305	2.2%
0% to 20%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
21% to 40%	10 238	0.7%	72	0.2%	10 310	0.7%	110	2.9%	19	0.2%	128	0.9%
41% to 60%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
61% to 80%	0	0.0%	192	0.5%	192	0.0%	0	0.0%	134	1.3%	134	1.0%
81% +	0	0.0%	50	0.1%	50	0.0%	0	0.0%	42	0.4%	42	0.3%
Non-mortgage guarantees	21 090	1.4%	867	2.2%	21 957	1.4%	107	2.8%	417	4.1%	524	3.7%
0% to 20%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
21% to 40%	21 079	1.4%	489	1.2%	21 568	1.4%	105	2.8%	152	1.5%	257	1.8%
41% to 60%	0	0.0%	72	0.2%	72	0.0%	0	0.0%	34	0.3%	34	0.2%
61% to 80%	11	0.0%	52	0.1%	63	0.0%	1	0.0%	20	0.2%	22	0.2%
81% +	0	0.0%	254	0.6%	254	0.0%	0	0.0%	211	2.1%	211	1.5%
Total	**1 539 681**	**100.0%**	**39 179**	**100.0%**	**1 578 860**	**100.0%**	**3 822**	**100.0%**	**10 176**	**100.0%**	**13 998**	**100.0%**

31-Dec-22

amounts in thousands of euros

Segment | Loss due to default	Exposure						Impairment					
	Assets in default (Stage 1/ Stage 2)	%	Assets in default (Stage 3)	%	Total	%	Assets in default (Stage 1/ Stage 2)	%	Assets in default (Stage 3)	%	Total	%
Companies	**1,173,692**	**73.7%**	**32,595**	**88.6%**	**1,206,288**	**74.0%**	**4,668**	**78.9%**	**9,029**	**80.5%**	**13,697**	**79.9%**
Business	110,587	6.9%	4,426	12.0%	115,013	7.1%	707	11.9%	2,198	19.6%	2,905	17.0%
Mortgage Guarantees	17,246	1.1%	578	1.6%	17,824	1.1%	233	3.9%	287	2.6%	520	3.0%
<= 20%	15,445	1.0%	-	-	15,445	0.9%	185	3.1%	-	-	185	1.1%
>= 21% and <= 40%	1,801	0.1%	411	1.1%	2,212	0.1%	49	0.8%	154	1.4%	202	1.2%
>= 41% and <= 60%	-	-	78	0.2%	78	0.0%	-	-	45	0.4%	45	0.3%
>= 61% and <= 80%	-	-	-	-	-	-	-	-	-	-	-	-
> =81%	-	-	89	0.2%	89	0.0%	-	-	89	0.8%	89	0.5%
Non-mortgage guarantees	93,342	5.9%	3,848	10.5%	97,190	6.0%	474	8.0%	1,911	17.0%	2,384	13.9%
<= 20%	81,318	5.1%	377	1.0%	81,695	5.0%	387	6.5%	45	0.4%	432	2.5%
>= 21% and <= 40%	1,630	0.1%	945	2.6%	2,574	0.2%	16	0.3%	176	1.6%	192	1.1%
>= 41% and <= 60%	-	-	296	0.8%	296	0.0%	-	-	106	0.9%	106	0.6%
>= 61% and <= 80%	10,394	0.7%	271	0.7%	10,665	0.7%	71	1.2%	141	1.3%	212	1.2%
> =81%	-	-	1,959	5.3%	1,959	0.1%	-	-	1,443	12.9%	1,443	8.4%
Large and SME	794,931	49.9%	11,647	31.6%	806,579	49.5%	2,490	42.1%	3,000	26.7%	5,490	32.0%
Mortgage Guarantees	260,259	16.3%	9,728	26.4%	269,987	16.6%	1,568	26.5%	1,895	16.9%	3,463	20.2%
<= 20%	232,815	14.6%	-	-	232,815	14.3%	1,451	24.5%	-	-	1,451	8.5%
>= 21% and <= 40%	27,444	1.7%	6,490	17.6%	33,935	2.1%	117	2.0%	722	6.4%	839	4.9%
>= 41% and <= 60%	-	-	1,746	4.7%	1,746	0.1%	-	-	777	6.9%	777	4.5%
>= 61% and <= 80%	-	-	553	1.5%	553	0.0%	-	-	339	3.0%	339	2.0%
> =81%	-	-	939	2.6%	939	0.1%	-	-	56	0.5%	56	0.3%
Non-mortgage guarantees	534,672	33.6%	1,919	5.2%	536,592	32.9%	922	15.6%	1,105	9.9%	2,027	11.8%
<= 20%	463,348	29.1%	63	0.2%	463,411	28.4%	707	11.9%	13	0.1%	720	4.2%
>= 21% and <= 40%	59,403	3.7%	430	1.2%	59,833	3.7%	129	2.2%	75	0.7%	204	1.2%
>= 41% and <= 60%	-	-	288	0.8%	288	0.0%	-	-	136	1.2%	136	0.8%
>= 61% and <= 80%	11,921	0.7%	102	0.3%	12,023	0.7%	85	1.4%	54	0.5%	139	0.8%
> =81%	-	-	1,037	2.8%	1,037	0.1%	-	-	828	7.4%	828	4.8%
Construction and Real Estate Activities	268,173	16.8%	16,522	44.9%	284,696	17.5%	1,472	24.9%	3,831	34.1%	5,302	30.9%
Mortgage Guarantees	233,603	14.7%	13,476	36.6%	247,079	15.2%	1,337	22.6%	3,121	27.8%	4,457	26.0%
<= 20%	225,615	14.2%	69	0.2%	225,684	13.9%	1,273	21.5%	13	0.1%	1,286	7.5%
>= 21% and <= 40%	7,987	0.5%	13,346	36.3%	21,333	1.3%	64	1.1%	3,071	27.4%	3,135	18.3%
>= 41% and <= 60%	-	-	-	-	-	-	-	-	-	-	-	-
>= 61% and <= 80%	-	-	45	0.1%	45	0.0%	-	-	33	0.3%	33	0.2%
> =81%	-	-	17	0.0%	17	0.0%	-	-	3	0.0%	3	0.0%
Non-mortgage guarantees	34,571	2.2%	3,046	8.3%	37,617	2.3%	135	2.3%	710	6.3%	845	4.9%
<= 20%	32,688	2.1%	44	0.1%	32,732	2.0%	119	2.0%	8	0.1%	127	0.7%
>= 21% and <= 40%	141	0.0%	162	0.4%	304	0.0%	1	0.0%	41	0.4%	42	0.2%
>= 41% and <= 60%	-	-	25	0.1%	25	0.0%	-	-	12	0.1%	12	0.1%
>= 61% and <= 80%	1,741	0.1%	111	0.3%	1,853	0.1%	15	0.2%	64	0.6%	79	0.5%
> =81%	-	-	2,704	7.3%	2,704	0.2%	-	-	585	5.2%	585	3.4%
Individuals, of which:	**418,726**	**26.3%**	**4,208**	**11.4%**	**422,934**	**26.0%**	**1,251**	**21.1%**	**2,190**	**19.5%**	**3,441**	**20.1%**
Mortgage	316,928	19.9%	2,549	6.9%	319,478	19.6%	1,013	17.1%	1,401	12.5%	2,414	14.1%
Mortgage Guarantees	315,663	19.8%	2,484	6.7%	318,148	19.5%	1,011	17.1%	1,336	11.9%	2,347	13.7%
<= 20%	315,663	19.8%	225	0.6%	315,889	19.4%	1,011	17.1%	45	0.4%	1,056	6.2%
>= 21% and <= 40%	-	-	852	2.3%	852	0.1%	-	-	238	2.1%	238	1.4%
>= 41% and <= 60%	-	-	403	1.1%	403	0.0%	-	-	205	1.8%	205	1.2%
>= 61% and <= 80%	-	-	523	1.4%	523	0.0%	-	-	369	3.3%	369	2.2%
> =81%	-	-	481	1.3%	481	0.0%	-	-	479	4.3%	479	2.8%
Non-mortgage guarantees	1,265	0.1%	65	0.2%	1,330	0.1%	2	0.0%	65	0.6%	67	0.4%
<= 20%	1,265	0.1%	-	-	1,265	0.1%	2	0.0%	-	-	2	0.0%
>= 21% and <= 40%	-	-	-	-	-	-	-	-	-	-	-	-
>= 41% and <= 60%	-	-	-	-	-	-	-	-	-	-	-	-
>= 61% and <= 80%	-	-	-	-	-	-	-	-	-	-	-	-
> =81%	-	-	65	0.2%	65	0.0%	-	-	65	0.6%	65	0.4%
Consumer	33,070	2.1%	1,322	3.6%	34,393	2.1%	144	2.4%	641	5.7%	786	4.6%
Mortgage Guarantees	10,042	0.6%	578	1.6%	10,620	0.7%	76	1.3%	272	2.4%	347	2.0%
<= 20%	-	-	-	-	-	-	-	-	-	-	-	-
>= 21% and <= 40%	10,042	0.6%	329	0.9%	10,371	0.6%	76	1.3%	119	1.1%	195	1.1%
>= 41% and <= 60%	-	-	192	0.5%	192	0.0%	-	-	109	1.0%	109	0.6%
>= 61% and <= 80%	-	-	50	0.1%	50	0.0%	-	-	36	0.3%	36	0.2%
> =81%	-	-	8	0.0%	8	0.0%	-	-	8	0.1%	8	0.0%
Non-mortgage guarantees	23,028	1.4%	744	2.0%	23,772	1.5%	69	1.2%	369	3.3%	438	2.6%
<= 20%	-	-	-	-	-	-	-	-	-	-	-	-
>= 21% and <= 40%	23,021	1.4%	356	1.0%	23,377	1.4%	69	1.2%	105	0.9%	174	1.0%
>= 41% and <= 60%	-	-	73	0.2%	73	0.0%	-	-	26	0.2%	26	0.1%
>= 61% and <= 80%	7	0.0%	41	0.1%	48	0.0%	0	0.0%	31	0.3%	31	0.2%
> =81%	-	-	274	0.7%	274	0.0%	-	-	207	1.8%	207	1.2%
Total	**1,592,418**	**100.0%**	**36,804**	**100.0%**	**1,629,222**	**100.0%**	**5,919**	**100.0%**	**11,219**	**100.0%**	**17,138**	**100.0%**

31-Dec-23

Unit: thousand euros, except %

Segment | loan to value	Exposure						Impairment					
	Non-performing assets (Stage 1/ Stage 2)	Average LTV	Non-performing assets (Stage 3)	Average LTV	Total	Average LTV	Non-performing assets (Stage 1/ Stage 2)	%	Non-performing assets (Stage 3)	%	Total	%
Department	**450,740**		**14,612**		**465,352**		**1,373**	**0.2%**	**1,854**	**7.8%**	**3,227**	**0.4%**
Business	9,157	35.2%	2,813	41.6%	11,970	36.4%	121	0.0%	594	2.5%	716	0.1%
Large and SME	212,951	56.7%	11,304	43.7%	224,255	54.5%	802	0.1%	1,149	4.8%	1,951	0.3%
Construction and real estate activities	228,632	42.6%	495	47.0%	229,127	42.8%	450	0.1%	111	0.5%	561	0.1%
Individuals, of which:	**280,145**		**9,120**		**289,265**		**1,193**	**0.2%**	**2,799**	**11.8%**	**3,991**	**0.5%**
Mortgage	268,544	36.8%	8,805	43.1%	277,350	37.0%	1,078	0.1%	2,603	11.0%	3,682	0.5%
Consumer	10,238	31.8%	314	23.7%	10,552	31.4%	110	0.0%	196	0.8%	305	0.0%
Total	**730,885**		**23,731**		**754,616**		**2,566**	**0.4%**	**4,653**	**19.6%**	**7,219**	**1.0%**

Notes: (a) Previous years' reports presented the concept of 'Loan to Value' in terms of the relationship between the loan and the lower of the appraised value of the property and the mortgage amount. This report presents the concept 'Loan to Value' which corresponds to the relationship between the loan and the appraised value of the property and is therefore not comparable.
(b) Exposure definition [outstanding principal + overdue principal (>1 day) + overdue interest (total) + accrued interest + off balance sheet].

31-Dec-22

Unit: thousand euros, except %

Segment | loan to value	Exposure						Impairment					
	Assets in default (Stage 1/ Stage 2)	Average LTV	Assets in default (Stage 3)	Average LTV	Total	Average LTV	Assets in default (Stage 1/ Stage 2)	%	Assets in default (Stage 3)	%	Total	%
Companies	**511,108**		**23,782**		**534,890**		**3,138**	**0.4%**	**5,302**	**19.7%**	**8,441**	**1.0%**
Business	17,246	39.6%	578	22.5%	17,824	38.7%	233	0.0%	287	1.1%	520	0.1%
Large and SME	260,259	54.0%	9,728	42.5%	269,987	52.7%	1,568	0.2%	1,895	7.0%	3,463	0.4%
Construction and real estate activities	233,603	40.5%	13,476	41.2%	247,079	40.5%	1,337	0.2%	3,121	11.6%	4,457	0.5%
Individuals, of which:	**327,395**		**3,105**		**330,500**		**1,092**	**0.1%**	**1,636**	**6.1%**	**2,728**	**0.3%**
Mortgage	315,663	36.8%	2,484	32.9%	318,148	36.8%	1,011	0.1%	1,336	5.0%	2,347	0.3%
Consumer	10,042	33.1%	578	20.5%	10,620	32.4%	76	0.0%	272	1.0%	347	0.0%
Total	**838,502**		**26,887**		**865,390**		**4,231**	**0.5%**	**6,939**	**25.8%**	**11,169**	**1.3%**

Notes: (a) Previous years' reports presented the concept of 'Loan to Value' in terms of the relationship between the loan and the lower of the appraised value of the property and the mortgage amount. This report presents the concept 'Loan to Value' which corresponds to the relationship between the loan and the appraised value of the property and is therefore not comparable.
(b) Exposure definition [outstanding principal + overdue principal (>1 day) + overdue interest (total) + accrued interest + off balance sheet].
(c) Does not include properties associated with real estate leasing.

Guarantees obtained by repossession and execution procedures

amounts in thousands of euros

	31-Dec-23		31-Dec-22	
	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
Property, plant and equipment	**0**	**0**	**0**	**0**
Other, except Property, plant and equipment	**11,224**	**(2,624)**	**11,882**	**(2,090)**
Residential immovable property	4,185	(793)	4,320	(406)
Commercial immovable property	3,925	(1,526)	2,967	(1,149)
Movable property (vehicles, boats, etc.)	501	(305)	418	(232)
Equity and debt instruments	0	0	0	0
Other	2,613	0	4,178	(303)
Total	**11,224**	**(2,624)**	**11,882**	**(2,090)**

Maximum exposure to credit risk

As at 31 December 2023 and 2022, the maximum exposure to credit risk by type of financial instrument, excluding the securities in portfolio, may be summarised as follows (values in thousand euros):

As at 31 December 2023	Maximum exposure	Collateral	Credit improvement	Total
Cash, cash balances at central banks and other demand deposits	1,475,771	-	-	1,475,771
Financial assets held for trading:				
Derivatives	14,988	-	-	14,988
Non-trading financial assets mandatorily at fair value through profit or loss:				
Equity instruments	130,839	-	-	130,839
Financial assets at fair value through other comprehensive income:				
Debt securities	264,404		-	264,404
Financial assets at amortised cost:				
Debt securities	8,255,169	696,549	-	7,558,620
Loans and advances	1,706,272	829,380	56,159	820,733
Derivatives - Hedge accounting	686,290	-	-	686,290
	12,533,732	1,525,929	56,159	10,951,645
Off-balance sheet	433,841	64,568	-	369,273
	433,841	64,568	-	369,273

As at 31 December 2022	Maximum exposure	Collateral	Credit improvement	Total
Cash, cash balances at central banks and other demand deposits	1,228,990	-	-	1,228,990
Financial assets held for trading:				
Derivatives	55,749	-	-	55,749
Debt securities	50,042	-	-	50,042
Non-trading financial assets mandatorily at fair value through profit or loss:				
Equity instruments	145,240	-	-	145,240
Financial assets at fair value through other comprehensive income:				
Debt securities	84,103	-	-	84,103
Financial assets at amortised cost:				
Debt securities	8,210,996	561,150	-	7,649,846
Loans and advances	1,714,989	870,131	60,539	784,319
Derivatives - Hedge accounting	885,429	-	-	885,429
	12,375,539	1,431,281	60,539	10,883,719
Off-balance sheet	482,547	54,221	-	428,325
	482,547	54,221	-	428,325

Governance and Control System

The Crédito Agrícola Group is a cooperative financial group, composed of the Sistema Integrado do Crédito Agrícola Mútuo (SICAM or Integrated System of Crédito Agrícola Mútuo) which, in turn, consists of Caixa Central de Crédito Agrícola Mútuo and the Caixas de Crédito Agrícola Mútuo, and a group of specialised companies. In this context, a governance model and control system were established that accommodate the Group's characteristics. The duties of each intervenor are stipulated so as to ensure the validity and sustainability of the process of quantification of impairment, namely in terms of bodies of approval, areas of supervision and supporting areas, in particular involving:

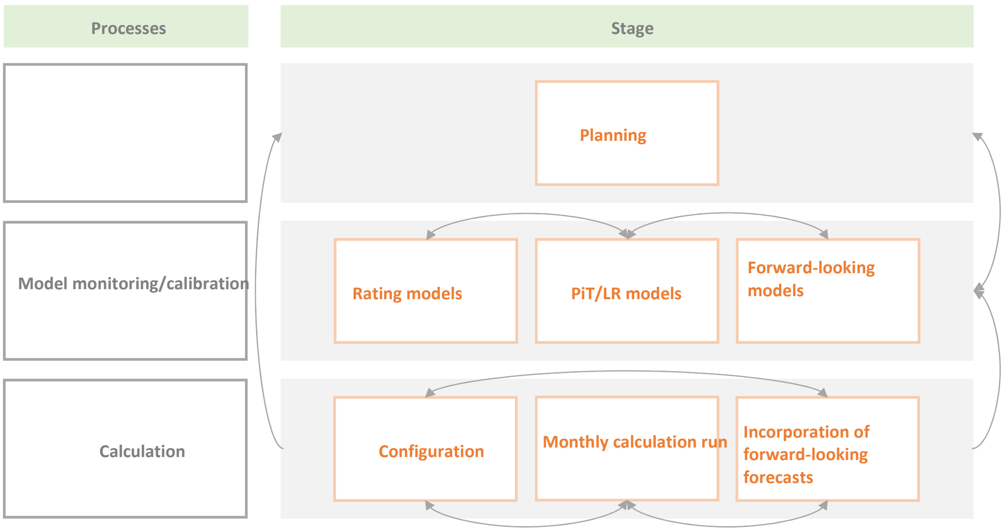
- The description of the intervenors of the process.
- Identification of the core activities associated with the process of monthly calculation of impairment losses and respective scheduling.
- Consideration of the process of recalibration of the models, configuration and updating of parameters.

In order to ensure the effective management of the impairment loss model, a cycle of activities is established by the governance model, as presented below:

i. The planning process should take place in accordance with the rules currently in force at the Crédito Agrícola Group, implying the intervention of the different bodies established therein.

ii. Definition, maintenance, and approval of the necessary models for calculation of impairment losses. This process presumes a periodic review of the model's reflection of reality. Whenever the calculations are made, their result should be incorporated in the decision-making process. The management cycle of the impairment model also seeks to ensure that it continues to appropriately reflect the individual and collective impairment;

iii. The configuration and calculation of impairment losses should be done on a monthly basis at the very minimum. When the calculation is made, a quarterly report must be drawn up with the corresponding conclusions. Furthermore, the forward-looking forecasts of macroeconomic variables should be incorporated on a monthly basis.



Investment Policy

Caixa Central has established an Investment Policy with the concepts, principles, rules and business model applicable to the control of the activity in financial markets in concordance with the Investment Policy of the Crédito Agrícola Group.

The investment policy pursues the main purpose, embodying its mission, of ensuring that the remuneration of the available surplus liquidity is in keeping with adequate risk control in its application, in particular, credit risk, loan-to-deposit risk (i.e. lack of alignment between the permanence of assets and liabilities) and interest rate risk. This is reflected in the following general criteria:

- Investment in fixed yield securities with high credit risk quality, aimed at guaranteed repayment of capital upon maturity.
- Mitigation of the consumption of own funds.
- Maintenance of the risk of the portfolio under management at suitable levels.
- Acquisition of issues that comply with the SPPI criteria.

Business models

In the context of the financial market activity, the following business models have been defined:

i. The Base Coverage of Surplus Funds Business Model (MN CBRE) frames the management of an investment portfolio consisting solely of financial assets whose cash flows can be considered principal and interest (SPPI), particularly public debt bonds, but not necessarily exclusively, aimed at ensuring the profitability of SICAM's commercial resources not directly allocated to funding its lending activity. In terms of earnings, the critical aspect associated with the Base Coverage of Surplus Funds Business Model is the generation of a stable margin over the cost of the financial resources used in the financing of the portfolio. In this case, the evolution of the fair value of the financial assets is not a critical aspect in assessment of the earnings associated with the Base Coverage of Surplus Funds Business Model, and the remuneration of its managers does not depend primarily on the fair value of the portfolio. This business model aims at holding assets to receive contractual financial flows, where the assets associated with the Base Coverage of Surplus Funds Business Model should be measured at amortised cost.

ii. The Coverage of Targeted Longer-term Refinancing Operations Business Model (MB CTLTRO) frames the management of an investment portfolio consisting solely of financial assets whose cash flows can be considered principal and interest (SPPI), particularly public debt bonds, but not necessarily exclusively, aimed at ensuring the profitability of SICAM's resources via participation in TLTRO II promoted by the ECB. In terms of earnings, the critical aspect associated with the Coverage of Targeted Longer-term Refinancing Operations Business Model is the generation of a stable margin over the cost of the financial resources used in the financing of the portfolio. In this case, the evolution of the fair value of the financial assets is not a critical aspect in the assessment of the earnings associated with the Coverage of Targeted Longer-term Refinancing Operations Business Model, and the remuneration of its managers does not depend primarily on the fair value of the portfolio. This business model aims at holding assets to receive contractual financial flows, where the assets associated with the Coverage of Targeted Longer-term Refinancing Operations Business Model should be measured at amortised cost.

iii. The Dynamic Coverage of Surplus Funds Business Model (MN CDRE), complementing the Base Coverage of Surplus Funds Business Model (MN CBRE), frames the management of an investment portfolio consisting exclusively of financial assets whose cash flows can be considered solely principal and interest (SPPI), particularly public debt bonds, but not exclusively. This business model aims to ensure profitability by combining the generation of net interest income and net trading income of SICAM's commercial resources not directly allocated to funding its lending activity. In terms of earnings, the critical aspect associated with the Dynamic Coverage of Surplus Funds Business Model is the combination of the generation of a stable margin over the cost of the financial resources used in the financing of the portfolio with the potential achievement of net trading income associated with sales in the case of a particularly favourable evolution of the fair value of the financial assets. This is a relevant aspect in the assessment of the earnings associated with the Dynamic Coverage of Surplus Funds Business Model, although not primarily determinant in the remuneration of its managers. This business model aims at holding assets to receive contractual financial flows and/or sell. The assets associated with the Dynamic

Coverage of Surplus Funds Business Model should be measured at fair value through other comprehensive income.

iv. The Dynamic Management of Own Treasury Positions Business Model (MN GDPPT) frames the management of a trading book consisting of financial assets whose cash flows can or cannot be considered solely principal and interest (SPPI), including derivative instruments. This business model aims to ensure profitability of own treasury positions, in particular through the achievement of net financial assets income. The critical aspect associated with the Dynamic Management of Own Treasury Positions Business Model is the achievement of net trading income associated with financial asset purchase and sale operations. Therefore, the evolution of the fair value of the financial assets is particularly relevant in the assessment of the earnings associated with the Dynamic Management of Own Treasury Positions Business Model, although not primarily determinant in the remuneration of its managers. The objective of this business model is not sale; hence, the assets associated with the Dynamic Management of Own Treasury Positions Business Model should be measured at fair value through profit or loss.

v. The Dynamic Management of Own Treasury Positions by Third Parties Business Model (MN GDPPTRT) frames the management of a trading book by external institutions consisting of financial assets whose cash flows can or cannot be considered solely principal and interest (SPPI), including derivative instruments. This business model aims to ensure profitability of own treasury positions, in particular through the achievement of net financial assets income. The critical aspect associated with the Dynamic Management of Own Treasury Positions by Third Parties Business Model is the achievement of net trading income associated with purchase and sale operations of financial assets. Therefore, the evolution of the fair value of the financial assets is particularly relevant in the assessment of the earnings associated with the Dynamic Management of Own Treasury Positions by Third Parties Business Model, although not primarily determinant in the remuneration of its managers. The objective of this business model is not sale; hence, the assets associated with the Dynamic Management of Own Treasury Positions by Third Parties Business Model should be measured at fair value through profit or loss.

vi. The Short-Term Liquidity Management Business Model (MN GLCP) frames the management of a portfolio of financial assets with short-term maturity whose cash flows can be considered solely principal and interest (SPPI), particularly treasury bills or equivalent assets, aimed at permitting the maintenance at all times of a comfortable level of immediate liquidity. The generation of earnings, whether associated with the generation of net interest income or net trading income, is not particularly relevant in the Short-Term Liquidity Management Business Model. The evolution of the fair value of the financial assets is not a critical aspect of assessment of the earnings associated with the Short-Term Liquidity Management Business Model, and the remuneration of its managers does not primarily depend on the fair value of the portfolio. The assets associated with the Short-Term Liquidity Management Business Model should be measured at fair value through other comprehensive income; and

vii. The Operations of the Corporate Area Business Model (MB OPAE) frames the loans structured by Caixa Central's Corporate Department (DE) in the form of securitised loans, consisting of financial assets whose cash flows can be considered capital and interest (SPPI). In the case of operations that have their origin in the credit activity of the corporate area, they are allocated to the respective cost centre. In terms of earnings, the critical aspect associated with the Operations of the Corporate Area Business Model is the generation of a stable margin over the cost of the financial resources used in the financing of the portfolio. In this case, the evolution of the value of the financial assets is not a critical aspect in assessment of the earnings associated with the Operations of the Corporate Area Business Model, and the remuneration of its managers does not depend on the fair value of the portfolio. The generation of net trading income is not a relevant factor in the Operations of the Corporate Area Business Model. This business model aims at holding assets to receive contractual financial flows, where the assets associated with the Operations of the Corporate Area Business Model should be measured at amortised cost.

Management of the activity in financial markets

Considering the regulatory changes introduced by IFRS 9, it was decided that it was necessary to promote the internal development of an appropriate system for management of activity in financial markets, which incorporates processes of identification, measurement, analysis and monitoring of investments. To this end, under the previously mentioned Policy, organisational and control procedures were developed, which shall be reviewed and updated at least annually or whenever considered necessary, with a view to prudent risk management. In the process of acquisition of debt instruments, there are managers responsible for accomplishing the SPPI test, ensuring the correct classification of the securities in the appropriate business models, compliance with the limits presented in the Investment Policy, the correct justification of exclusion from sales of indicators on the frequency of sales, if applicable, the annual process of monitoring the frequency and amount of sales to check compliance with the business model of each portfolio.

Credit quality of the financial assets without default or impairment (except for loans and commercial paper)

As at 31 December 2023 and 2022, the credit quality of Caixa Central's financial assets with internal reference rating can be summarised as follows (in thousand euros):

	31-Dec-23									
Assets	Aaa	Aa1	Aa2	Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	C	Undetermined	Total
Investments in credit institutions	-	-	-	-	-	-	-	-	266,953	266,953
Other bank deposits	-	-	-	-	-	-	-	-	16,749	16,749
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	-	-	-	130,839	130,839
Financial assets held for trading	-	-	-	-	-	-	-	-	14,988	14,988
Financial assets at FVTOCI	-	-	-	-	231,074	23,310	3,194	-	6,827	264,404
Securities at amortised cost (without interest and without commercial paper)	324,964	-	11,653	62,235	5,353,806	895,908	4,967	-	1,338,568	7,992,101
	324,964	-	11,653	62,235	5,584,880	919,218	8,161	-	1,774,923	8,686,033

	31-Dec-22									
Assets	Aaa	Aa1	Aa2	Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	C	Undetermined	Total
Investments in credit institutions	-	-	-	-	-	-	-	-	263,597	263,597
Other bank deposits	-	-	-	-	-	-	-	-	20,985	20,985
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	-	-	-	145,240	145,240
Financial assets held for trading	-	-	50,042	-	-	-	-	-	5,707	55,749
Financial assets at FVTOCI	-	-	-	-	42,937	26,797	7,928	-	6,441	84,103
Securities at amortised cost (without interest and without commercial paper)	324,955	-	1,995	59,615	3,959,406	2,441,838	9,319	-	1,113,011	7,910,139
	324,955	-	52,038	59,615	4,002,343	2,468,634	17,247	-	1,554,982	8,479,813

The rating used by Caixa Central, when there are ratings attributed by more than one External Credit Assessment Institution (ECAI), is the rating arising from the application of the following rules:

i. When only one credit assessment is available, relative to a given exposure, this assessment is used to determine the risk parameter.

ii. When there are two credit assessments, with different ratings, the lowest rating is applied; and

iii. When there are more than two credit assessments, the two highest ratings serve as a reference, and if they are different, the lowest is applied; if they are the same, that rating is applied.

43.2 Fair value of financial and non-financial assets and liabilities

The comparison between the fair value and book value of the main assets and liabilities as at 31 December 2023 and 2022, is presented in the table below (amounts in thousand euros):

	31-Dec-23				
	Balances analysed				
	At fair value through profit or loss	At fair value through reserves	Amortised cost	Book value	Fair value
Assets					
Cash, cash balances at central banks and other demand deposits	-	-	1,475,771	1,475,771	1,475,771
Financial assets held for trading	14,988	-	-	14,988	14,988
Non-trading financial assets mandatorily at fair value through profit or loss	130,839	-	-	130,839	130,839
Financial assets at fair value through other comprehensive income	-	264,404	-	264,404	264,404
Financial assets at amortised cost	-	-	9,961,440	9,961,440	9,262,979
Derivatives - Hedge accounting	686,290	-	-	686,290	686,290
Non-current assets held for sale - real estate properties	2,449	-	-	2,449	5,818
Other assets - real estate properties	5,955	-	-	5,955	6,487
	840,520	264,404	11,437,211	12,542,136	11,847,575
Liabilities					
Financial liabilities held for trading	9,872	-	-	9,872	9,872
Financial liabilities measured at amortised cost	-	-	11,375,539	11,375,539	11,209,259
Derivatives - Hedge accounting	97,297	-	-	97,297	97,297
	107,169	-	11,375,539	11,482,708	11,316,428

	31-Dec-22				
	Balances analysed				
	At fair value through profit or loss	At fair value through reserves	Amortised cost	Book value	Fair value
Assets					
Cash, cash balances at central banks and other demand deposits	-	-	1,228,990	1,228,990	1,228,990
Financial assets held for trading	55,749	-	-	55,749	55,749
Non-trading financial assets mandatorily at fair value through profit or loss	145,240	-	-	145,240	145,240
Financial assets at fair value through other comprehensive income	-	84,103	-	84,103	84,103
Financial assets at amortised cost	-	-	9,925,985	9,925,985	9,408,837
Derivatives - Hedge accounting	885,429	-	-	885,429	885,429
Non-current assets held for sale - real estate properties	6,697	-	-	6,697	7,639
Other assets - real estate properties	2,942	-	-	2,942	3,053
	1,096,058	84,103	11,154,975	12,335,135	11,819,040
Liabilities					
Financial liabilities held for trading	5,216	-	-	5,216	5,216
Financial liabilities measured at amortised cost	-	-	11,142,750	11,142,750	10,635,022
Derivatives - Hedge accounting	27,415	-	-	27,415	27,415
	32,631	-	11,142,750	11,175,381	10,667,653

The main considerations on the fair value of the financial and non-financial assets and liabilities are as follows:

- For on demand balances, it was considered that the book value corresponds to fair value.
- The fair value for remaining instruments was determined by Caixa Central based on discounted cash flow models, taking into account the contractual conditions of the operations involved and using appropriate interest rates for the instruments, which included:
  a) Market interest rates for "Funds at credit institutions" and "Other subordinated debt”.
  b) The interest rate applied by Caixa Central for comparable credit operations.
  c) Reference interest rates for issue of products for retail placement; and
  d) Interest rates applied in intergroup operations conducted under the Legal Framework of Crédito Agrícola, namely the taking of funds from the Associated Caixas for centralised investment at Caixa Central.

As established in IFRS 13, for purposes of presentation, the financial instruments recorded in the balance sheet at fair value are classified according to the following hierarchy:

Level 1 – Prices in active markets

This level includes financial instruments valued based on active market prices (executable bids), disclosed through trading platforms;

Level 2 – Valuation techniques based on market data

This level considers financial instruments valued by inhouse models which use observable market data, namely interest rate or exchange rate curves.

These are currency forwards valued in accordance with the future cash flows method which updates the contractual flows using the interest rate curves of each currency observable in the market.

Level 3 - Valuation techniques using inputs not based on observable market data

This level includes financial instruments valued based on in-house valuation methods essentially considering inputs not observable in markets with significant impact on the valuation of the instrument or valued based on indicative bids calculated by third parties through valuation models. Internal valuation is based on the net position of the institution.

As at 31 December 2023 and 2022, the method of calculation of the fair value of the financial and non-financial instruments reflected in the financial statements can be summarised as follows:

	31-Dec-23			
		Valuation Techniques		
	Prices in active market (1)	Market data (2)	Models (3)	Total
Financial assets held for trading	-	14 987 602	-	14 987 602
Non-trading financial assets mandatorily stated at FVTPL	-	103 320 896	27 517 628	130 838 524
Financial assets at FVTOCI	264 404 200	-	-	264 404 200
Financial assets at amortised cost	8 055 963 400	-	-	8 055 963 400
Non-current assets and disposal groups classified as held for sale	-	-	2 644 685	2 644 685
Other Assets (real estate properties)	-	-	5 954 530	5 954 530
	8 320 367 600	118 308 498	36 116 843	8 474 792 941
Financial liabilities held for trading	-	9 871 752	-	9 871 752
	-	9 871 752	-	9 871 752

	31-Dec-22			
		Valuation Techniques		
	Prices in active market (1)	Market data (2)	Models (3)	Total
Financial assets held for trading	50 042 283	5 706 994	-	55 749 277
Non-trading financial assets mandatorily stated at FVTPL	-	119 768 706	25 471 775	145 240 481
Financial assets at FVTOCI	84 102 644	-	-	84 102 644
Financial assets at amortised cost	7 973 347 885	-	-	7 973 347 885
Non-current assets and disposal groups classified as held for sale	-	-	6 882 284	6 882 284
Other Assets (real estate properties)	-	-	2 942 500	2 942 500
	8 107 492 813	125 475 699	35 296 558	8 268 265 071
Financial liabilities held for trading	-	5 215 793	-	5 215 793
	-	5 215 793	-	5 215 793

(1) Apart from the financial instruments listed on the stock exchange, this category includes securities valued based on active market prices, disclosed through trading platforms (Level 1).

(2) Valuation based on market interest rates, namely interest rate curves, swap curves and exchange rates (Level 2).

This category includes instruments valued with quoted prices for identical or similar instruments in markets that are considered less active, or other valuation techniques in which all inputs are directly or indirectly observable from market data;

(3) Corresponds to securities valued through indicative bids disclosed by the issuer (Level 3).

This category includes financial instruments where the valuation technique includes inputs based on unobservable data and the unobservable inputs have a significant effect on the valuation of the instrument. This category includes instruments that are valued on the basis of similar income quotations where there is a need for significant unobservable adjustments or assumptions to reflect the differences between the instruments. When calculating the book value of these instruments, the shareholders' equity of the entities classified in this fair value level is considered, as a non-observable market items.

The movement occurred in the financial instruments, in 2023 and 2022, classified at Level 3 was as follows:

	31-Dec-22		2023							31-Dec-23	
Nature	Opening Balance		Additions		Disposals		Reimbursements		Changes	Closing Balance	
	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	in Fair Value	Quantity	Fair value
Capital instruments	3,236,396	25,471,775	226,290	237,341	(63,643)	(74,968)	(236,249)	(481,703)	2,365,184	3,162,794	27,517,628
Total - Non-trading financial assets mandatorily at FVTPL	**3,236,396**	**25,471,775**	**226,290**	**237,341**	**(63,643)**	**(74,968)**	**(236,249)**	**(481,703)**	**2,365,184**	**3,162,794**	**27,517,628**

	31-Dec-21		2022							31-Dec-22	
Nature	Opening Balance		Additions		Disposals		Reimbursements		Changes	Closing Balance	
	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	in Fair Value	Quantity	Fair value
Capital instruments	3,375,531	25,185,733	20,068	21,706	(159,203)	(254,658)	-	-	518,993	3,236,396	25,471,775
Total - Non-trading financial assets mandatorily at FVTPL	**3,375,531**	**25,185,733**	**20,068**	**21,706**	**(159,203)**	**(254,658)**	**-**	**-**	**518,993**	**3,236,396**	**25,471,775**

The following table shows the main valuation methods used for assets included in level 3 of the fair value hierarchy:

31-Dec-23

Assets classified at stage 3	Valuation model	Analysed variable	Book Value
Non-trading financial assets mandatorily stated at FVTPL			
Investment fund units	Valuation of the holding company	Net Asset Value **(b)**	12,590,435
Shares	Market data	**(c)**	14,927,193
Non-current assets and disposal groups classified as held for sale			
Real estate properties (Note 15)	Valuation by expert valuators	Real State Property valuation **(d)**	2,449,181
Equipment and other assets	Valuation by expert valuators	**(a)**	195,505
Other assets			
Properties acquired through credit recovery (Note 14)	Valuation by expert valuators	Real State Property valuation **(d)**	5,954,530
Total			**36,116,843**

(a) No sensitivity analysis was carried out for this category as it includes assets of an individually immaterial value.

(b) In the specific case of the participation units valued in accordance with the quotation provided by the respective management company, it is not reasonable to carry out an analysis of the impact of changes of the variables underlying the determination of the quotation by that entity.

(c) In the specific case of shares, which are measured at fair value, it is therefore not reasonable to analyse the impact of changes in shareholders' equity underlying the determination of the fair value of those entities.

(d) No sensitivity analysis was carried out of the properties included in the portfolios of non-current (i) assets and disposal groups classified as held for sale and (ii) Other assets, as most of the properties are recorded at acquisition cost.

31-Dec-22

Assets classified at stage 3	Valuation model	Analysed variable	Book Value
Non-trading financial assets mandatorily stated at FVTPL			
Investment fund units	Valuation of the holding company	Net Asset Value **(b)**	12,651,234
Shares	Market data	**(c)**	12,820,541
Non-current assets and disposal groups classified as held for sale			
Real estate properties (Note 15)	Valuation by expert valuators	Real State Property valuation **(d)**	6,696,778
Equipment and other assets	Valuation by expert valuators	**(a)**	185,506
Other assets			
Properties acquired through credit recovery (Note 14)	Valuation by expert valuators	Real State Property valuation **(d)**	2,942,500
Total			**35,296,558**

(a) No sensitivity analysis was carried out for this category as it includes assets of an individually immaterial value.

(b) In the specific case of the participation units valued in accordance with the quotation provided by the respective management company, it is not reasonable to carry out an analysis of the impact of changes of the variables underlying the determination of the quotation by that entity.

(c) In the specific case of shares, which are measured at fair value, it is therefore not reasonable to analyse the impact of changes in shareholders' equity underlying the determination of the fair value of those entities.

(d) No sensitivity analysis was carried out of the properties included in the portfolios of non-current (i) assets and disposal groups classified as held for sale and (ii) Other assets, as most of the properties are recorded at acquisition cost.

The portfolio of sovereign debt in 2023 and 2022 is broken down by country in the table below:

	31-Dec-23		31-Dec-22	
Country	Nominal	Value	Nominal	Value
Portugal	1,714,087,000	1,626,560,877	1,821,337,000	1,691,984,601
Spain	4,203,000,000	3,973,658,155	4,183,000,000	3,786,718,217
Italy	882,500,000	842,200,432	882,500,000	807,149,569
France	-	-	50,212,000	50,042,283
Iceland	5,000,000	4,353,850	5,000,000	4,148,000
	6,804,587,000	6,446,773,315	6,942,049,000	6,340,042,671

The portfolio of private debt, as at 31 December 2023 and 2022, is broken down by country in the table below:

	31-Dec-23			31-Dec-22	
Country	Nominal	Value	Country	Nominal	Value
Germany	868,800,000	868,151,322	Germany	861,900,000	860,855,242
Finland	211,500,000	211,064,285	Finland	211,500,000	210,828,219
USA	138,300,000	135,645,443	USA	141,300,000	137,254,750
France	135,400,000	136,114,515	France	132,000,000	131,148,097
Spain	98,700,000	98,945,052	Spain	90,200,000	89,795,796
Portugal	102,400,000	101,065,959	Portugal	71,400,000	66,777,021
Netherlands	44,000,000	42,355,527	Netherlands	41,500,000	38,433,322
Denmark	29,880,000	29,553,368	Denmark	31,880,000	31,282,645
United Kingdom	30,350,000	29,592,667	United Kingdom	31,550,000	29,837,675
Japan	24,300,000	23,444,053	Japan	24,300,000	22,858,147
Canada	28,000,000	27,104,249	Canada	24,000,000	22,300,846
Sweden	25,300,000	24,861,738	Sweden	17,500,000	16,608,098
Italy	15,000,000	14,900,852	Italy	13,000,000	12,724,690
Belgium	11,500,000	11,515,269	Belgium	10,000,000	9,852,315
Ireland	9,000,000	8,978,426	Ireland	9,000,000	8,983,998
Luxembourg	8,417,000	6,827,239	Luxembourg	8,417,000	6,440,899
Czech Republic	5,000,000	5,208,545	Czech Republic	5,000,000	5,368,341
Australia	1,500,000	1,494,745	Australia	1,500,000	1,492,097
Austria	18,600,000	18,777,830	Switzerland	1,000,000	999,183
Norway	9,000,000	9,043,229	Austria	400,000	399,456
Switzerland	5,000,000	5,087,325		1,727,347,000	1,704,240,838
	1,819,947,000	1,809,731,637			

Securities at amortised cost do not include interest.

The impairment of these securities is calculated taking into consideration what is disclosed in Note 2.3(e).

Hedging derivatives and financial instruments designated as hedge items.

Hedged item				Hedging instrument	
Nominal value	Value net of impairment	Fair value corrections	Book value	Nominal value	Fair value
5,075,880,000	4,724,233,716	(560,023,501)	5,284,257,217	5,075,880,000	588,993,175
5,075,880,000	**4,724,233,716**	**(560,023,501)**	**5,284,257,217**	**5,075,880,000**	**588,993,175**

44. Provision of insurance or reinsurance mediation services

Caixa Central is registered with the Insurance and Pension Funds Supervisory Authority as a Tied Insurance Intermediary, in accordance with Article 8(a)(i) of Decree-Law 144/2006, of 31 July, carrying on intermediation activities on an exclusive basis with the insurance companies of the Crédito Agrícola Group, namely Crédito Agrícola Seguros - Companhia de Seguros de Ramos Reais, S.A. (CA Seguros), which is engaged in the insurance business for all Non-Life Sectors and with Crédito Agrícola Vida - Companhia de Seguros, S.A. (CA Vida), which is engaged in life insurance and pension fund activities.

Under its insurance mediation services, Caixa Central sells insurance contracts and subscriptions to Pension Funds, provides after-sales support to the insured persons and participates in forwarding insurance claims that are submitted at Caixa Central branches.

In exchange for the insurance mediation services provided to these insurers, Caixa Central receives remuneration for insurance mediation and for the placement of subscriptions in Pension Funds, which are defined in the agreement established between Caixa Central and these insurers.

The insurance mediation remunerations are recognised as an income in the Income Statement, under the heading “Fee and commission income”. The remuneration values payable by the insurers, as at 31 December of each year, are recognised as a Balance Sheet asset under the heading “Other assets”. On the reporting date of these financial statements, the mediation remuneration payable as at 31 December 2023 had already been fully paid by these insurers.

The table below shows the total value of the insurance mediation remunerations earned by Caixa Central over the last 3 years (value in euros):

Origin	Insurer	2021	2022	2023	% by Origin 2023
Non-Life Sector	CA Seguros	484,475	706,419	766,136	71.4%
Life Insurance Business	CA Vida	245,949	397,743	288,285	26.9%
Pension funds	CA Vida	31,793	31,470	18,005	1.68%
Total		762,217	1,135,632	1,072,426	100.0%

Caixa Central does not charge premiums on behalf of the insurers, nor does it carry out movements of any other type of funds relative to insurance contracts. Therefore, there are no other assets, liabilities, income or expenses to report in relation to the insurance mediation activity pursued by Caixa Central.

45. Prudential ratios

From 1 January 2014 onwards, European banking solvency has been assessed through the Common Equity Tier 1 (CET1) ratio, under the Basel III Agreement.

As at 31 December 2023, Common Equity Tier 1 stood at 20.69% and Tier 1 stood at 22.1%. Overall, the total capital ratio stood at 24.95% (total capital ratio, including profit or loss for the year, of 24.95%), clearly meeting the minimum requirements set by the Regulator.

Thousand euros, except %	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Δ Sep-23/Dec-23
Total Own Funds	**522,378**	**541,806**	**559,472**	**561,610**	**586,623**	**4.45%**
Common Equity Tier 1	422,378	441,806	459,472	461,610	486,623	5.42%
Tier 1	522,378	541,806	559,472	561,610	586,623	4.45%
Tier 2	0	0	0	0	0	0.00%
Exposure value [(b)]	**15,305,616**	**12,314,457**	**11,727,355**	**12,179,550**	**12,274,008**	**0.78%**
Risk weighted exposure amounts	**2,246,027**	**2,329,578**	**2,233,820**	**2,306,891**	**2,351,435**	**1.93%**
Loans	2,074,838	2,159,642	2,063,883	2,136,889	2,110,010	-1.26%
Market	1,251	0	0	0	7,519	100.00%
Operational	142,222	142,222	142,222	142,222	208,886	46.87%
Credit valuation adjustment (CVA)	27,716	27,714	27,714	27,780	25,020	-9.94%
Solvency ratios [(a)]						
Common Equity Tier 1	18.81%	18.97%	20.57%	20.01%	20.69%	0.68 pp
Tier 1	23.26%	23.26%	25.05%	24.34%	24.95%	0.6 pp
Total	23.26%	23.26%	25.05%	24.34%	24.95%	0.6 pp
Leverage ratio	4.06%	4.40%	4.69%	4.54%	4.71%	0.17 pp
Texas Ratio [(c)]	12.57%	10.19%	9.77%	11.32%	11.41%	0.08 pp
Net Income [(d)]	**22,343**	**24,985**	**41,566**	**44,380**	**67,123**	**51.24%**

(a) The ratios are calculated in accordance with the rules of Directive 2013/36/EU (CRD IV - Capital Requirements Directive) and Regulation (EU) 575/2013 (CRR - Capital Requirements Regulation).

(b) Includes on-balance-sheet and off-balance sheet positions and derivatives, net of impairment.

(c) Determined by: NPL / (Tangible common equity + Stock of impairments)

(d) From December 2021 it also considers results awaiting approval from previous years.

(e) Considers the total Net Income.

Note: Unaudited information

The measurements and indicators used by Caixa Central to monitor its capital are as follows:

Type	Indicator	Risk Profile	Alert Limit
Capital	Common Equity Tier 1	> 14%	12%
Capital	Total Own Funds	> 16%	15%
Capital	Leverage Ratio	> 6%	4%

46. Resolution Fund

Under the banking resolution mechanisms implemented over the last few years at a European level, SICAM's institutions, like most of the financial institutions operating in Portugal, are participants in the Portuguese Resolution Fund and in the European Single Resolution Fund.

a) Portuguese Resolution Fund

The Resolution Fund is a legal person governed by public law with administrative and financial autonomy, created by Decree-Law 31-A/2012 of 10 February, which is ruled by the Legal Framework of Credit Institutions and

Financial Companies (RGICSF) and by its regulation. Its mission is to provide financial support to the resolution measures applied by Banco de Portugal, as the national resolution authority, and to perform all other duties entrusted by the law concerning the execution of these measures.

Caixa Central (individually and in representation of the Caixas Agrícolas), as is the case of most of the financial institutions operating in Portugal, is one of the participant institutions in the Resolution Fund, making contributions derived from the application of a rate defined annually by Banco de Portugal, essentially based on the amount of its liabilities. In 2023, the regular contribution made by Caixa Central was 846,677 euros.

Under its responsibility as the supervisory and resolution authority of the Portuguese financial sector, Banco de Portugal, on 3 August 2014, decided to apply a resolution measure to Banco Espírito Santo, S.A. ("BES"), under Article 145-G(5) of the Legal Framework of Credit Institutions and Financial Companies (RGICSF), which consisted of the transfer of most of its assets to a transition bank, named Novo Banco, S.A. ("Novo Banco"), created especially for the purpose.

The Resolution Fund provided 4,900 million euros for the payment of the share capital of Novo Banco, of which 377 million euros corresponded to its own financial resources. A loan of 700 million euros was also granted by a banking syndicate to the Resolution Fund, with the participation of each credit institution having weighted according to various factors, including its size. The remaining amount (3,823 million euros) came from a repayable loan granted by the Portuguese State.

In December 2015, the national authorities decided to sell the majority of the assets and liabilities associated with the activity of Banif – Banco Internacional do Funchal, S.A. ("Banif") to Banco Santander Totta, S.A. ("Santander Totta"), for 150 million euros, also in the context of the application of a resolution measure. This operation involved an estimated public support of 2,255 million euros, aimed at covering future contingencies, with 489 million euros financed by the Resolution Fund and 1,766 million euros directly by the Portuguese State. In the context of this resolution measure, the assets of Banif which were identified as problematic were transferred to an asset management vehicle, created for the purpose – Oitante, S.A., with the Resolution Fund being the sole holder of its share capital, through the issue of bonds representing the debt of this vehicle, of the value of 746 million euros, backed by the Resolution Fund and counter-backed by the Portuguese State.

The resolution measures applied in 2014 to BES (a process that gave rise to the creation of Novo Banco) and in 2015 to Banif generated uncertainties related to the risk of litigation involving the Resolution Fund, which is significant, as well as the risk of a possible insufficiency of funds to ensure compliance with the liabilities, in particular the repayment in the short-term of the contracted loans.

It was in this scenario that, in the second semester of 2016, the Portuguese Government reached an agreement with the European Commission to change the conditions of the loans granted by the Portuguese State and banks participating in the Resolution Fund, so as to preserve financial stability via the promotion of conditions conferring predictability and stability to the effort of contributing to the Resolution Fund. To this end, a formal amendment was made to the financing contracts of the Resolution Fund which introduced a series of alterations to the repayment plans, remuneration rates and other terms and conditions associated with these loans so that they should be adjusted to the Resolution Fund's capacity to fully comply with its obligations based on its own regular income. This means, without requiring that the banks participating in the Resolution Fund should be charged special contributions or any other type of exceptional contribution.

According to the press release of the Resolution Fund dated 31 March 2017, the review of the conditions of the loans granted by the Portuguese State and participant banks sought to ensure the sustainability and financial balance of the Resolution Fund, based on a stable, predictable, and affordable charge for the banking sector. Based on this review, the Resolution Fund assumed that the full payment of the Resolution Fund's liabilities is assured, as well as the respective remuneration, without requiring special contributions or any other type of exceptional contributions by the banking sector.

On 31 March 2017, Banco de Portugal also disclosed that the Lone Star Fund had been selected to purchase

Novo Banco. This purchase was completed on 17 October 2017, with the new shareholder having injected 750 million euros, which will be followed by a new capital entry of 250 million euros, to be paid up over the next three years. The Lone Star Fund now holds 75% of the share capital of Novo Banco and the Resolution Fund holds the remaining 25%. Moreover, the approved conditions include a contingent capitalisation mechanism, under the terms of which the Resolution Fund, as shareholder, can be called upon to inject capital in the event of certain cumulative conditions materialising, related to: (i) the performance of a restrictive set of assets of Novo Banco, and (ii) the evolution of the bank's capitalisation levels, namely the foreseen issue on the market of 400 million euros of Tier 2 equity instruments. Any capital injections that may be made pursuant to this contingent mechanism are subject to an absolute maximum limit.

On 31 May 2021, the banks granted a loan to the Resolution Fund, in the form of a simple loan opening, up to the maximum amount of 475 million euros, exclusively intended to endow the Fund with the necessary financial resources to comply with obligations arising from the Contingent Capitalisation Agreement during 2021 and 2022. Caixa Central granted 4.275 million euros.

Notwithstanding the possibility established in the applicable legislation of charging special contributions, in view of the renegotiation of the conditions of the loans granted by the Portuguese State and by a banking syndicate, in which Caixa Central is included, and the press releases made by the Resolution Fund and by the Office of the Minister of Finance which refer to this possibility not being used, the present financial statements reflect the Board of Directors' expectation that Caixa Central will not be required to make special contributions or any other type of exceptional contributions to finance the resolution measures. Any changes in relation to this matter could have relevant implications for Caixa Central's financial statements.

b) European Single Resolution Fund

In addition to the Portuguese Resolution Fund, as mentioned above, Crédito Agrícola also participates in the European Single Resolution Fund.

The European Single Resolution Fund, financed by the European banking sector, is intended to support the resolution of banks at risk or situations of insolvency, after having depleted other options such as the internal recapitalisation of the institutions.

The European Single Resolution Fund is an integral part of the Single Resolution Mechanism, which is the European system for resolution of non-viable banks. In the Single Resolution Mechanism, the responsibility for the resolution of credit institutions is shared between the Single Resolution Board and the national resolution authorities of the Member States of the eurozone, among which Banco de Portugal, and other countries of the European Union that decide to join the Banking Union. The Single Resolution Mechanism seeks to ensure the orderly resolution of banks in situations of insolvency at minimum costs for taxpayers and the real economy.

The Single Resolution Mechanism became fully operational on 1 January 2016.

In 2023, the regular contribution made by Caixa Central to the European Single Resolution Fund amounted to 2,464,115 euros.

47. Segmental reporting of financial information

Caixa Central conducted an analysis of its business lines, having identified two materially relevant segments, namely:

- Treasury: Includes activities related to own portfolio, derivatives and financial assets at amortised cost; and

- Commercial banking: This includes the remaining operations, namely related to retail and companies.

ASSETS	31-Dec-23 Liquidity	31-Dec-23 Commercial Banking	31-Dec-23 TOTAL	31-Dec-22 Liquidity	31-Dec-22 Commercial Banking	31-Dec-22 TOTAL
Cash, cash balances at central banks and other demand deposits	1,475,771,094	-	1,475,771,094	1,228,989,974	-	1,228,989,974
Financial assets held for trading	14,987,602	-	14,987,602	55,749,277	-	55,749,277
Non-trading financial assets mandatorily at fair value through profit or loss	130,838,524	-	130,838,524	145,240,481	-	145,240,481
Financial assets at fair value through other comprehensive income	264,404,200	-	264,404,200	84,102,644	-	84,102,644
Financial assets at amortised cost	8,318,382,572	1,643,057,759	9,961,440,332	8,231,233,912	1,694,750,853	9,925,984,765
Derivatives - Hedge accounting	686,290,248	-	686,290,248	885,429,290	-	885,429,290
Investments in subsidiaries, joint ventures and associates	62,500,000	-	62,500,000	62,500,000	-	62,500,000
Tangible assets	15,351,277	-	15,351,277	17,846,729	-	17,846,729
Tax assets	17,751,829	-	17,751,829	18,768,148	-	18,768,148
Other assets	152,319,164	98,033,752	250,352,916	173,548,803	102,027,750	275,576,553
Non-current assets and disposal groups classified as held for sale	-	2,644,686	2,644,686	-	6,882,284	6,882,284
	11,138,596,511	**1,743,736,198**	**12,882,332,709**	**10,903,409,258**	**1,803,660,886**	**12,707,070,144**

LIABILITIES	31-Dec-23 Liquidity	31-Dec-23 Commercial Banking	31-Dec-23 TOTAL	31-Dec-22 Liquidity	31-Dec-22 Commercial Banking	31-Dec-22 TOTAL
Financial liabilities held for trading	9,871,752	-	9,871,752	5,215,793	-	5,215,793
Financial liabilities measured at amortised cost	806,503,066	10,569,036,142	11,375,539,208	374,435,059	10,768,315,084	11,142,750,143
Derivatives - Hedge accounting	97,297,073	-	97,297,073	27,415,374	-	27,415,374
Provisions	18,924,185	-	18,924,185	8,547,388	-	8,547,388
Tax liabilities	25,657,389	-	25,657,389	648,430	-	648,430
Other liabilities	766,883,086	-	766,883,086	998,758,010	-	998,758,010
	1,725,136,551	**10,569,036,142**	**12,294,172,693**	**1,415,020,053**	**10,768,315,084**	**12,183,335,138**

	31-Dec-23 Liquidity	31-Dec-23 Commercial Banking	31-Dec-23 TOTAL	31-Dec-22 Liquidity	31-Dec-22 Commercial Banking	31-Dec-22 TOTAL
Interest income	359,653,665	72,424,385	432,078,050	195,837,089	34,924,571	230,761,659
(Interest expense)	140,681,684	148,696,650	289,378,334	114,261,285	31,422,361	145,683,646
Dividend income	204,050	-	204,050	258,328	-	258,328
Fee and commission income	-	37,959,835	37,959,835	-	33,066,788	33,066,788
(Fee and commission expenses)	-	26,447,179	26,447,179	-	23,216,159	23,216,159
Gains or (-) losses on financial assets and liabilities not measured at fair value through profit or loss, net	118,422	-	118,422	337,967	-	337,967
Gains or (-) losses on financial assets and liabilities held for trading, net	5,872,747	-	5,872,747	6,749,577	-	6,749,577
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net	(12,402,067)	-	(12,402,067)	(13,853,330)	-	(13,853,330)
Gains or (-) losses on hedge accounting, net	7,856,584	-	7,856,584	(697,347)	-	(697,347)
Foreign Exchange differences [gains or losses (-)], net	1,733,313	-	1,733,313	1,947,204	-	1,947,204
Gains or (-) losses on derecognition of non-financial assets, net	24,682	-	24,682	404,413	-	404,413
Other operating income	3,983,578	6,971,446	10,955,024	4,197,650	2,620,077	6,817,727
(Other operating expenses)	8,686,672	51,878	8,738,550	10,286,262	89,704	10,375,966
TOTAL OPERATING INCOME, NET	**217,676,619**	**(57,840,042)**	**159,836,577**	**70,634,003**	**15,883,212**	**86,517,215**
(Administrative expenses)	49,434,889	-	49,434,889	45,416,323	-	45,416,323
(Cash contributions to resolution funds and deposit guarantee schemes)	3,364,233	-	3,364,233	4,157,554	-	4,157,554
(Depreciation/Amortisation)	3,342,238	-	3,342,238	3,180,913	-	3,180,913
Modification gains or (-) losses, net	-	207,157	207,157	-	810,568	810,568
(Provisions or (-) reversal of provisions)	10,237,240	189,558	10,426,797	303,161	599,985	903,146
(Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss)	(1,069,338)	(874,348)	(1,943,686)	2,914,802	4,861,394	7,776,196
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	-	-	-	(3,337,844)	-	(3,337,844)
(Impairment or (-) reversal of impairment of non-financial assets)	155,223	-	155,223	22,766	-	22,766
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	-	(554,793)	(554,793)	-	69,240	69,240
PROFIT OR (-) LOSS BEFORE TAXES	**152,212,134**	**(57,502,888)**	**94,709,247**	**17,976,328**	**11,301,640**	**29,277,968**
(Tax expenses or (-) income related to profit or loss from continuing operations)	28,437,838	-	28,437,838	6,935,270	-	6,935,270
PROFIT OR (-) LOSS AFTER TAX DEDUCTION	**123,774,296**	**(57,502,888)**	**66,271,409**	**11,041,058**	**11,301,640**	**22,342,698**
PROFIT OR (-) LOSS FOR THE YEAR	123,774,296	(57,502,888)	66,271,409	11,041,058	11,301,640	22,342,698
Attributable to owners of the parent company	**123,774,296**	**(57,502,888)**	**66,271,409**	**11,041,058**	**11,301,640**	**22,342,698**

48. Environmental Matters

Awareness of the impact of exposure to environmental, social and governance risks on the business viability of companies in general (i.e. from the impact on the financial performance reported in the accounts to the opportunity costs/benefits incurred or not taken advantage of) and, consequently, on the performance and robustness of the financial sector itself has been reinforced by pressure from regulators, legislators and other institutional actors (e.g. investors, rating agencies and global forums, among others).

It is important to mention that in the latest annual report of the World Economic Forum29, on risk perception, of the 10 risks identified for the next 10 years, regarding the severity of the potential impact on the world economy and on humanity, 6 of them are environmental (namely: 1. failure to combat climate change, 2. failure to adapt to climate change, 3. natural disasters and extreme weather events, 4. biodiversity loss and ecosystem collapse, 6. crisis in natural resources, and 10. large-scale environmental accidents and damage), two are social (namely: 5. large-scale involuntary migration and 7. erosion of social cohesion and social polarisation) and of the remaining two one is technological (namely: 8. increased crime and cyber insecurity) and one is geopolitical (namely: 9. geo-economic confrontations) with potential and relevant social and environmental impacts.

The analysis / assessment of asset exposure to physical risks arising from extreme climate events (e.g. droughts, fires, floods) or medium-long term climate trends (e.g. coastal erosion, scarcity of drinking water, soil degradation) and to transition risks related to the weak/ineffective monitoring of the transformation process of the economy and society, driven by institutional actors (e.g. regulatory fines, need to reinforce capital) and by society itself (e.g. difficulty in attracting new customers, new business opportunities and new talent), are relevant to the Risk Management Strategy of the Crédito Agrícola Group and, consequently, to the adaptation of its own offer and business model.

In this sense, the Crédito Agrícola Group presents a management of environmental matters based on:

i. Existence of a Sustainability Office, reporting directly to the Chairman of the Executive Board of Directors, responsible for planning and supporting the implementation of the Sustainability Strategy, as well as conceptual and technical support to the structures whose activity is impacted by it, namely the risk, marketing and product areas;

ii. Existence of a Sustainability Board involving the participation of the Executive Board of Directors and representatives of the relevant Caixa Central structures for the execution of the Strategy;

iii. Implementation of a Sustainability Policy laying down the main guidelines to be followed by the Group’s different institutions;

iv. Inclusion of a series of environmental, social and governance risks in the risk matrix;

v. Collection and processing of environmental and social information from corporate customers and sole proprietorships when opening credit operations, in accordance with the guidelines of the European Banking Authority (EBA) on the inclusion of ESG issues in the granting and monitoring of loans, with 10 questionnaires available to date that assign a rating to the customer-company and/or the credit operation in sectors such as agriculture, real estate, tourism and restaurants;

vi. Anticipation, albeit vaguely, of regulatory exercises such as climate stress testing and/or the inclusion of ESG risks in ICAAP reporting;

vii. There is an ESG Risk Policy which formalises the general framework for managing the GCA's environmental, social and governance risks and which was prepared taking into account Banco de Portugal's guidelines, namely Circular Letter no. CC/2021/00000010 and the European Central Bank's

[29] World Economic Forum, Global Risks Perception Survey 2022-2023.

"Guide on climate and environmental risks (prudential expectations related to risk management and disclosure)". In addition to the applicable prudential regulations, the ESG Risk Policy also takes into account accepted and internationally recognised risk management practices, such as the OECD guidelines for multinational companies, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the information on climate scenarios disclosed by the Network for Greening the Financial System (NGFS);

viii. Updating the Regulatory Reference on loan origination, including the principles of exclusion and/or restriction of bank financing, including to sectors such as mining and energy production based on coal, hard coal and lignite, uranium or oil extraction, among various other sectors, activities or institutions that are not aligned with the values of a more sustainable and inclusive society.

49. Subsequent events

On the date of preparation and conclusion of these Caixa Central Financial Statements, events subsequent to 31 December 2023, the reference date for these Financial Statements, did not require adjustments or changes to the values of assets and liabilities, under the terms of IAS 10 - Events after the reporting date.

EXTERNAL AUDITORS’ REPORT OF CAIXA CENTRAL

pwc

Statutory Audit Report and Auditor's Report

(Free translation from the original in Portuguese)

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Caixa Central – Caixa Central Crédito Agrícola Mútuo, CRL (Caixa Central or the Entity), which comprise the balance sheet as at 31 December 2023 (which shows total assets of Euros 12.882.333 thousand and total shareholders' equity of Euros 588.160 thousand including a net profit of Euros 66.271 thousand, the statement of income, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Caixa Central as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section below. In accordance with the law we are independent of the Entity and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Tel: +351 213 599 000, Fax: +351 213 599 999, www.pwc.pt
Matriculada na CRC sob o NIPC 506 628 752, Capital Social Euros 314.000
Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485

Key Audit Matter	*Summary of the Audit Approach*
Impairment losses on financial assets at amortized cost - Loans and advances to customers *Measurement and disclosures related to impairment losses on loans and advances to customers presented in Notes 2.3 d), 8.3, 17 e 43.1 attached to the financial statements*	
The significant amount of loans and advances to customers and associated impairment losses, which require a set of complex assumptions and judgments from Caixa Central management regarding the identification of clients with a significant increase in credit risk or in default, as well as the corresponding amount of impairment losses, justify that these constitute a key matter for the purposes of our audit. As of 31 December 2023, the gross amount of credit to customers amounts to Euros 1.481.262 thousand and the corresponding impairment losses recognized at that date amounts to Euros 41.905 thousand. Impairment losses on loans and advances to customers are determined by management on an individual basis, through a case-by-case analysis of a significant component of the total loan portfolio, and for the remaining portfolio impairment is determined through a collective analysis. For the most significant exposures, evaluated in terms of the total amount of responsibilities within Caixa Central and the possible existence of signs of default, Caixa Central develops an individual analysis process that includes an individual analysis of staging, in order to corroborate the allocation of automatic staging (stages 1,2 and 3) and an individual impairment measurement analysis. In the latter case, analysis is performed only for exposures classified in stage 3, in which the amount of impairment is determined through a detailed analysis of the economic and financial position of each individual customer, with reference to (i) the estimated cash flows that may be generated in the future for the fulfilment of their responsibilities – going concern; or (ii) the evaluation attributed to the collateral received for the loan granted, whenever the recovery is anticipated through foreclosure, execution	The audit procedures undertaken included the identification, understanding and assessment of policies and procedures established by Caixa Central to measure credit impairment losses on loans and advances to customers, as well as its key controls regarding approval, registration and credit risk monitoring, and timely identification, measurement and recording of impairment losses. On a sample basis, we analyzed a group of clients within Caixa Central individual analysis perimeter, based on the criteria defined in internal regulations, with the objective of: (i) reviewing the conclusions and results obtained by Caixa Central in the individual analysis of staging and in the individual analysis of impairment measurement; (ii) obtaining our own judgment on the existence of situations of significant increase in credit risk and default; and (iii) assessing how the impairment losses were timely identified, measured and recognized by management. In this process, it was also confirmed that the perimeter of individual analysis included all the exposures that met the criteria defined by Caixa Central in its methodology. For a sample of exposures, extracted from the credit population subject to individual analysis by Caixa Central as at 31 December 2023, the procedures we have developed consisted of: (i) reviewing the available documentation on credit processes; (ii) verifying the adequacy of the cash flows used to determine impairment with those reflected in the contractual support; (iii) analyzing the contractual support and the most relevant collaterals and confirm the registration of them in favour of Caixa Central; (iv) analyzing the latest valuations of these collaterals (stage 3); (v) examining the criteria for determining a significant increase in credit risk (stage 2) and for classification under impairment (stage 3) on an individual basis; (vi) reviewing the incorporation of

Key Audit Matter	*Summary of the Audit Approach*
and/or sale of the collateral, less the costs inherent to its recovery and sale – gone concern. For exposures not covered by the individual analysis, the Crédito Agrícola Group (Group) developed collective analysis models to calculate expected impairment losses, in light of the requirements of IFRS 9, which include, namely the classification of exposures by different stages according to the evolution of their credit risk since the date of its concession, and not according to the credit risk at the reporting date (stages 1, 2 or 3). These models are based on the internal historical information of defaults and recoveries and, in order to be representative of the current economic context, but also to incorporate a perspective of future economic evolution, these also use available forward looking prospective information such as (i) the GDP growth rate; (ii) the unemployment rate; (iii) the evolution of Euribor; and / or (iv) the projections for the real estate market. On the basis of these macroeconomic data, potential scenarios are developed that allow estimating the expected loss in each segment based on a probability of occurrence. In this context, changes in the assumptions or methodologies used by Caixa Central in the analysis and quantification of impairment losses of the credit to customers, as well as different recovery strategies, may condition the estimation of recovery flows and timing of their receipt may have a material impact on the determination of the amount of impairment losses recognized at each moment.	forward looking information; (vii) a critical analysis of the discounted cash flows underlying the calculation of impairment; (viii) assessing the evolution of exposures; and (ix) understanding the views of the responsible for Caixa Central regarding the economic and financial situation of the clients, as to the predictability of expected cash flows of the respective businesses, as well as the prospects of collectability of credits. Whenever we concluded for the need to review some assumption used by management, we recalculated the estimated amount of impairment and compared the results obtained with those calculated by the Caixa Central, in order to assess the existence of possible material divergences. For the portfolio whose impairment is assessed through the collective analysis model, a set of specific procedures were developed with the objective of evaluating how the assumptions considered by management include all the risk variables by comparison to the available historic performance and recoveries of Caixa Central's loans and advances portfolio, namely: (i) review of the methodological documentation for the development and validation of the models; (ii) analysis of the documentation of the backtesting exercise of the risk parameters and its results; (iii) review and testing of portfolio segmentation; (iv) analysis of Caixa Central's definition of default and the criteria applied in the classification of staging, on a sample basis; (v) review and testing of the main risk parameters, as well as the available forward looking information and its update through the estimated economic effects; (vi) critical analysis of the main assumptions and sources of information used in the future recoveries incorporated in the LGD (Loss Given Default), including the test of historical recoveries incorporated in this calculation, on a sampling basis; and (vii) recalculation of Expected Credit Loss (ECL) for the loan and advances portfolio, with reference to 31 December 2023. Our auditing procedures also included a review of the disclosures for loans and advances to customers, as well as the related impairment losses, presented on the Caixa Central's accompanying notes to the

Key Audit Matter	*Summary of the Audit Approach*
	financial statements, considering the applicable accounting standards.
Impairment losses on securitised loans – sovereign debt <u>*Measurement and disclosures related with impairment losses on securitised loans – sovereign debt portfolio presented in Notes 2.3 e), 7, 8.1, 17, 22 and 43.1 to the attached financial statements*</u> The significant expression of the securitised loans portfolio – sovereign debt and associated impairment losses, which require a set of complex assumptions and judgments from Caixa Central's management in relation to the identification of securities with a significant increase in credit risk, as well as the corresponding amount of impairment losses, justify that these constitute a key matter for the purposes of our audit. As of 31 December 2023, the gross amount of the securitised loans portfolio related to sovereign debt amounted to Euros 6.497.005 thousand (of which Euros 6.265.931 thousand classified as financial assets carried out at amortized cost, as described in Note 8.1 and Euros 231.074 thousand classified as financial assets at fair value through other comprehensive income, as described in Note 7). The corresponding impairment losses recognized at that date amounted to Euros 3.390 thousand. The measurement of credit losses expected from these exposures, as well as the respective significant increase in credit risk, are determined through an analysis model developed by Caixa Central, in line with the requirements of IFRS 9, which classifies exposures by different stages depending on the evolution of the credit risk since the date of its initial recognition (stages 1, 2 or 3), being these securities with external rating and investment grade rating at the time of acquisition. These models are based on historical information on defaults and recoveries, complemented with market information, which is made available by external reference suppliers. In this context, changes in the assumptions or methodologies or information provided by external suppliers used by Caixa Central in the analysis and	The audit procedures developed included the identification, understanding and evaluation of policies and procedures established by Caixa Central with regard to the approval, recording and monitoring the credit risk of securitized loans, as well as key controls underlying the timely identification, recording and correct measurement of expected impairment losses. In the specific scope of our work, we have developed, among others, the following procedures: • Understanding of Caixa Central's governance process, namely regarding the controls implemented on the review and approval of the main assumptions, judgments and future economic perspectives used in the models defined for the measurement of impairment losses; and • Reading and analysis of the methodological documents prepared by Caixa Central and reviewing their adherence to the principles of the said standard. Regarding the models used by Caixa Central, a set of specific procedures were developed in order to assess whether the assumptions considered by management meet the requirements of IFRS 9, namely: (i) review of the methodological documentation underlying the model used; (ii) portfolio segmentation reviewing and testing; (iii) analysis of Caixa Central's definition of default and the criteria applied in the classification of staging, on a sampling basis; (iv) review and test of the main risk parameters; (v) critical analysis of the main assumptions and sources of information used in future recoveries incorporated in the calculation of

Key Audit Matter	Summary of the Audit Approach
quantification of credit losses expected from these exposures, may have a relevant impact on the estimation of recovery flows and the timing of their receipt, and consequently on the determination of the amount of expected credit losses recognized as impairment in Caixa Central's financial statements as of 31 December 2023.	LGD (Loss Given Default); and (vi) recalculation of ECL (Expected Credit Loss). Our audit procedures also included a review of the disclosures about the securitized loan portfolio where these assets are included, as well as the respective impairments, presented on the Caixa Central's accompanying notes to the financial statements, considering the applicable accounting standards.
Employees post-employment benefits *Measurement and disclosures related with employees post-employment benefits presented in Notes 2.3 o) and 42 attached to the financial statements* As of 31 December 2023 the liabilities for past services of Caixa Central with employees and pensioners' post-employment benefits amounted to Euros 13.340 thousand, mainly covering retirement and survival pensions, health care and death benefit, namely those predicted in the Collective Labour Agreement ("Acordo Colectivo de Trabalho" - "ACT") for Crédito Agrícola, known as Collective Labour Agreement for Credit Institutions of Crédito Agrícola Mútuo. These liabilities are estimated based on actuarial valuations developed by an actuary of the Crédito Agrícola Group, certified by the Insurance and Pension Funds Supervisory Authority ("ASF"). These valuations incorporate a set of financial and actuarial assumptions, such as the discount rate, the inflation rate, the mortality and disability tables, the growth rates of pensions and wages, among others, which correspond to the best estimation of the management concerning characteristics of the benefits and the population of employees and the current and future behavior of these variables. In the specific case of the discount rate used in actuarial studies, it is determined on the basis of the market rates for high-quality corporate bonds in terms of credit risk, denominated in the currency in which the benefits will be paid (Euros) and similar maturity to the benefits plan expiration date. In this context, future changes in the assumed financial and actuarial assumptions may give rise to	The audit procedures we have undertaken included the identification and understanding of the key controls implemented by Caixa Central to ensure the information compiled and provided to the actuary is correct and complete to calculate the liabilities and future financing needs of the plan, as well as the adequacy of the process of calculating the fair value of the Fund's assets. The audit work included the analysis of the actuarial study prepared by the independent actuary with reference to 31 December 2023 and the meetings held with the management and the independent actuary in order to identify the methodologies and options considered in the definition of the main actuarial and financial assumptions adopted. Given the relevance of the required management judgments, we proceeded to evaluate the reasonableness of the main assumptions by comparing them with the data that we were independently able to obtain. We reviewed the compliance of (i) the historic information of the employees used for the purposes of calculating responsibilities; (ii) the accounting recognition of costs related to past services and other changes in assumptions and estimates that occurred during the year; (iii) the fair value of the fund's assets, independently calculating its value for a sample of assets; and (iv) the variation over the year of the pension fund's surplus and the analysis of the respective conclusions obtained by Caixa Central for the recognition of this value.

Key Audit Matter	Summary of the Audit Approach
material impacts on net liabilities as well as assets held to meet these liabilities, and for that reason this issue was considered a key matter for the purposes of our audit.	The audit procedures included the review of the employees and pensioners' post-employment benefits disclosures included in the accompanying notes to the financial statements taking into account applicable and current accounting standards.

Responsibilities of management and supervisory board for the financial statements

Management is responsible for:

a) the preparation of the financial statements, which present fairly the financial position, the financial performance and the cash flows of the Entity in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;

b) the preparation of the Directors' report, corporate governance report and the non-financial statement in accordance with the applicable law and regulations;

c) the creation and maintenance of an appropriate system of internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

d) the adoption of appropriate accounting policies and criteria; and

e) the assessment of the Caixa Central's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Entity's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Entity's financial information.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;

c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern;

e) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

f) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

g) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure; and

h) confirm to the supervisory board that we comply with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the financial statements and the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law on corporate governance matters.

Report on other legal and regulatory requirements

Directors' report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the Directors' report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors' report is consistent with the audited financial statements and, taking into account the knowledge and assessment about the Entity, no material misstatements were identified. As set forth in paragraph 7 of article No. 451 of the Portuguese Company Law, this opinion is not applicable to the non-financial statement included in the Directors' report.

Corporate governance report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the corporate governance report includes the information required under article No. 29-H of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs 1 c), d), f), h), i) and l) of that article.

Non-financial statement

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the Entity included in its Directors' report the non-financial statement set forth in article No. 66-B of the Portuguese Company Law.

Additional information required in article No. 10 of the Regulation (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters referred to above, we also provide the following information:

a) We were first appointed auditors of Caixa Central in the Shareholders' General Meeting of 30 May 2015, having remained in functions until the current period. Our last appointment was in the Shareholders' General Meeting of 28 May 2022 for the period from 2022 to 2024;

b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the financial statements. Based on the work performed, we have not identified any material misstatement in the financial statements due to fraud;

c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Caixa Central's supervisory board as of this date; and

d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 1 of article No. 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014 and that we remain independent of the Caixa Central in conducting our audit.

30 April 2024

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

[Original in Portuguese signed by]

Carlos José Figueiredo Rodrigues, ROC no. 1737
Registered with the Portuguese Securities Market Commission under no. 20161347

Proposed Appropriation of Profit or Loss of Caixa Central

Under the terms of Article 43 of the Legal Framework of Crédito Agrícola Mútuo and Article 40 of the Articles of Association of Caixa Central, the Executive Board of Directors proposes to the General Meeting that the Net Income for the Year of 2023, a profit of the value of 66,271,408.65 euros, should be applied as follows:

(i) transfer to the Legal Reserve of the value of 13,254,281.73 euros;

(ii) transfer to the Reserve for cooperative training and education of the value of 500 euros;

(iii) transfer to Mutual Reserve of the value of 500 euros;

(iv) remuneration of equity securities to the Associated Caixas of the value of 6,630,000 euros.

The Executive Board of Directors also proposes to the General Meeting that the remaining value of 46,386,126.92 euros be entirely transferred to Free Reserves.

Lisbon, 6 May 2024

The Executive Board of Directors

Report on Corporate Governance Structure and Practices

Activity Report of the General and Supervisory Board

Activity Report of the Commission for Financial Matters

REPORT ON CORPORATE GOVERNANCE STRUCTURE AND PRACTICES

The Report on the Structure and Practices of Corporate Governance of **Caixa Central – Caixa Central de Crédito Agrícola Mútuo, CRL (Caixa Central)** is an integral part of the Management Report, under the terms of Article 70(2)(a) and (b) of the Commercial Companies Code.

Caixa Central as a Credit Cooperative is governed by the Legal Framework of Crédito Agrícola Mútuo (approved by Decree-Law 24/91 of 11 January and republished, after successive changes, by Decree-Law 142/2009 of 16 June and henceforth RJCAM), by the Legal Framework of Credit Institutions and Financial Companies (RGICSF), by the Cooperative Code (CCoop), by the Commercial Companies Code (CSC) and by other legal and regulatory provisions, some of which are occasionally invoked in this Report.

Pursuant to Article 50(1) of RJCAM, **Caixa Central** is a Credit Institution in the form of a Cooperative with limited liability and is the central body of the **Integrated System of Crédito Agrícola Mútuo (SICAM)**, which comprises itself and the current sixty-eight (68) **Caixas de Crédito Agrícola Mútuo**, its Member Associates.

A. ASSOCIATIVE STRUCTURE

I. Capital Structure

1. Share Capital

The share capital of **Caixa Central** is variable and unlimited but can never be less than the amount of 17,500,000.00 euros (seventeen million, five hundred thousand euros), as set out in Article 1(c) of Ministry of Finance Order No. 95/94 of 9 February, as amended by Order No. 362/2015 of 15 October, and on 31 December 2023, the share capital was 314,938,565.00 euros (three hundred and fourteen million, nine hundred and thirty-eight thousand, five hundred and sixty-five euros).

The share capital of Caixa Central is, by law, divided and represented by registered equity securities with a value of €5.00 (five euros) each, fully held by the current sixty-eight (68) Associated **Caixas de Crédito Agrícola Mútuo**, as described below, respecting the limits set out in Article 53(2) of RJCAM, which determines that no Member may hold a participation below €5,000.00 (five thousand euros) or greater than 10% (ten percent) of the paid-up share capital of **Caixa Central**, except in situations of financial imbalance referred to in Article 81(1) of RJCAM.

Pursuant to the provisions of Article 50(8)(a) of RJCAM and Article 7 of the Articles of Association of **Caixa Central** (Articles of Association), all **Caixas de Crédito Agrícola Mútuo** that were legally incorporated and are duly registered with Banco de Portugal may become its associates, and, under the terms of Article 67 of RJCAM, the Articles of Association of **Caixas de Crédito Agrícola Mútuo**, all Associated Members of **Caixa Central** will have to account for:

a) the liability of each of its Associated Caixas limited to the share capital subscribed by each one;
b) the minimum mandatory share capital;
c) the express declaration of adherence to Caixa Central;
d) the recognition and acceptance of Caixa Central's competence in terms of guidance, supervision and intervention powers;
e) the exemption and exclusion regime;
f) The acceptance of the liability regime provided for in Articles 78 to 80 of RJCAM.

However, under the terms of the RJCAM, the following can also be Associated Members of **Caixa Central**:

a) other institutions linked to Crédito Agrícola Mútuo, which, for this purpose, obtain express authorisation from Banco de Portugal (Article 50(8)(b) of RJCAM).
b) other institutions in the cooperative or mutual sector or, even, other credit institutions, at the invitation of Banco de Portugal, in the circumstances referred to in Article 81(1) of RJCAM.

Under the terms of Article 4(2) and (3) of the Articles of Association, the share capital of **Caixa Central** may be increased, once or twice:

a) through the issuance of new equity securities, upon the admission of new Members, when any Member increases its participation or by resolution of the General Meeting that will also decide on the form of subscription and realisation of the new equity securities or by incorporation, in whole or in part, of the value of reserves that may have this allocation (Article 4(2));
b) by resolution of the General Meeting, on a reasoned proposal by the Executive Board of Directors, preceded by a prior opinion of the General and Supervisory Board, in a maximum amount equivalent to the share capital that was subscribed at the time, the proceeds of this increase being intended to correct the situation of any financial imbalance at Caixa Central that might eventually occur, namely, in the reduction of its own funds to a level below the legal minimum or in the non-compliance with the prudential ratios and limits that apply to it (Article 4(3)).

Caixa Central 's share capital can only be reduced by the amortisation of the equity securities of the **Caixas de Crédito Agrícola Mútuo**, its Member Associates that are exonerated, excluded or extinguished, or by resolution of the General Meeting, for the purpose of covering losses, in accordance with Article 4(5) of the Articles of Association.

2. Restrictions on the transfer of Equity Securities

Under the terms of Article 5(5) of the Articles of Association, the assignment of equity securities of **Caixa Central** may only take place between Associated Caixas, and assignment to third parties is strictly forbidden and, even so, always subject to authorisation by the Executive Board of Directors, preceded by a prior opinion of the General and Supervisory Board.

During 2023, there was no assignment of equity securities between Members.

3. Number of Votes

The number of votes that each Member will have at General Meetings is laid down in Article 22 and Article 23(2), both of the Articles of Association, a matter that will be developed below in point B(2)(I)(viii) and (ix).

4. Solidarity Regime and Mutualism of SICAM and FACAM

Caixa Central and its Associated **Caixas de Crédito Agrícola Mútuo**, which together comprise **SICAM**, although each with their own legal personality, effectively and reciprocally guarantee their obligations, within the framework of intra-systemic solidarity, under which all the **Caixas de Crédito Agrícola Mútuo**, support and guarantee **Caixa Central**, and **Caixa Central** supports and guarantees each of its Associated Caixas at any time, be in any possible situation of imbalance.

As provided for in Article 78 of RJCAM, **Caixa Central** fully guarantees the obligations assumed by its Associated **Caixas de Crédito Agrícola Mútuo**, under the terms in which the guarantor guarantees the bondsman's obligations.

In turn, each of the Associated **Caixas de Crédito Agrícola Mútuo** guarantees the obligations taken on by **Caixa Central**, as results from the conjugation of the provisions of the other rules of the RJCAM applicable to **SICAM**, as well as from the unequivocal reality evidenced above that it is the **Caixas de Crédito Agrícola Mútuo** that hold Caixa Central's capital and, in case of need, are asked to reinforce it.

Caixa Central has the right to demand from its Associated Caixas the benefits referred to in Article 80 of RJCAM – reinforcement of own funds – if it finds itself in a situation of "*financial imbalance, reflected, in particular, in the reduction of own funds to a level below the legal minimum or in non-compliance with the ratios and prudential limits applicable to it*".

Notwithstanding this cross-guarantee mechanism on which **SICAM** 's solidarity system is based, **Crédito Agrícola** has autonomous assets of an associative nature which provide financial assistance to the Associated **Caixas de Crédito Agrícola Mútuo**, guaranteeing **SICAM**'s solidity and sustainability at all times: **Associação – Fundo de Assistência do Crédito Agrícola Mútuo (FACAM)**.

FACAM is an association under private law that resulted, by legal determination (Decree-Law 106/2019 of 12 August), from the transformation of the legal person under public law called Fundo de Garantia do Crédito Agrícola Mútuo (FGCAM).

FGCAM secured the deposits of all the depositor Customers of SICAM, and also provided financial assistance to all its member Credit Institutions

Under the terms of Article 1(1) and Article 2(1) of the above-mentioned law, the Deposit Guarantee Fund (FGD), of which Caixa Central and its Associated Caixas Agrícolas, are now members on an equal footing with other banks, now secures the deposits of all SICAM customers.

With regard to provision of financial assistance to the Credit Institutions that are members of SICAM, this continued to be assured by FGCAM, which, as a result of the aforementioned transformation determined by law and which took place on 8 January 2020, was renamed FACAM.

FACAM is governed by its Statutes and Internal Regulations, which form an integral part of the Statutes. It is administered by a Governing Board and supervised by a Supervisory Committee. The members of these bodies are elected by the General Meeting for three-year terms of office. The members of FACAM's Governing Bodies are in office for the 2023-2025 three-year term of office, following their election at FACAM's Ordinary General Meeting held on 20 May 2023.

II. Shareholdings held

a) The Associated Caixas de Crédito Agrícola Mútuo

As at 25 July 2023, Caixa Central had seventy-one (71) **Associated Caixas.**

As a result of the following merger operations, Caixa Central, on 31 December 2023, had sixty-eight (68) **Associated Caixas**:

a) on 26 July 2023, C.C.A.M. de Arruda dos Vinhos, C.R.L. was incorporated into C.C.A.M. de Vila Franca de Xira, C.R.L., which was renamed C.C.A.M. de Vila Franca de Xira e Arruda dos Vinhos, C.R.L. on that date;

b) on 25 October 2023, the C.C.A.M. de Oliveira do Hospital, C.R.L. was incorporated by C.C.A.M. da Serra da Estrela, C.R.L., which kept the name C.C.A.M. da Serra da Estrela, C.R.L.;

c) on 28 November 2023, C.C.A.M. das Serras de Ansião, C.R.L. was incorporated into C.C.A.M. de Pombal, C.R.L., which, on that same date, was renamed C.C.A.M. Centro Litoral, C.R.L.

b) Shareholdings of the Associated Caixas

Thus, as at 31 December 2023, **Caixa Central** 's share capital was €314,938,565.00 (three hundred and fourteen million, nine hundred and thirty-eight thousand, five hundred and sixty-five euros), fully subscribed and paid-up by its 68 (sixty-eight) Associated **Caixas de Crédito Agrícola Mútuo**, as follows:

Caixa de Crédito Agrícola Mútuo	Subscribed Capital	Shareholding
C.C.A.M. CENTRO LITORAL, C.R.L.	€28,611,305.00	9.08%
C.C.A.M. COSTA AZUL, C.R.L.	€14,259,525.00	4.53%
C.C.A.M. BATALHA, C.R.L.	€11,500,270.00	3.65%
C.C.A.M. ALCOBAÇA, CARTAXO, NAZARÉ, RIO MAIOR E SANTARÉM, C.R.L.	€9,024,150.00	2.87%
C.C.A.M. NOROESTE, C.R.L.	€8,900,580.00	2.83%
C.C.A.M. SERRA DA ESTRELA, C.R.L.	€8,773,930.00	2.79%
C.C.A.M. AÇORES, C.R.L.	€8,309,160.00	2.64%
C.C.A.M. ALTO DOURO, C.R.L.	€8,032,155.00	2.55%
C.C.A.M. CALDAS DA RAINHA, ÓBIDOS E PENICHE, C.R.L.	€7,948,495.00	2.52%
C.C.A.M. ALTO CÁVADO E BASTO, C.R.L.	€7,946,230.00	2.52%
C.C.A.M. BAIXO MONDEGO, C.R.L.	€7,883,370.00	2.50%
C.C.A.M. VALE DO SOUSA E BAIXO TÂMEGA, C.R.L.	€7,485,050.00	2.38%
C.C.A.M. ALENTEJO SUL, C.R.L.	€6,945,990.00	2.21%
C.C.A.M. TERRAS DO SOUSA, AVE, BASTO E TÂMEGA, C.R.L.	€6,401,775.00	2.03%
C.C.A.M. SÃO TEOTÓNIO, C.R.L.	€6,362,530.00	2.02%
C.C.A.M. ALGARVE, C.R.L.	€6,078,355.00	1.93%
C.C.A.M. CANTANHEDE MIRA, C.R.L.	€5,712,385.00	1.81%
C.C.A.M. BAIXO VOUGA, C.R.L.	€5,394,010.00	1.71%
C.C.A.M. TRÁS-OS-MONTES E ALTO DOURO, C.R.L.	€5,294,185.00	1.68%
C.C.A.M. ALENTEJO CENTRAL, C.R.L.	€4,983,925.00	1.58%
C.C.A.M. ZONA DO PINHAL, C.R.L.	€4,933,915.00	1.57%
C.C.A.M. PÓVOA DO VARZIM, VILA DO CONDE E ESPOSENDE, C.R.L.	€4 927 525.00	1.56%
C.C.A.M. DOURO E CÔA, C.R.L.	€4,677,515.00	1.49%
C.C.A.M. ALCÁCER DO SAL E MONTEMOR-O-NOVO, C.R.L.	€4,472,750.00	1.42%
C.C.A.M. SOTAVENTO ALGARVIO, C.R.L.	€4,393,185.00	1.39%
C.C.A.M. TERRAS DO ARADE, C.R.L.	€4,307,905.00	1.37%
C.C.A.M. VILA FRANCA XIRA E ARRUDA DOS VINHOS, C.R.L.	€4,305,875.00	1.37%
C.C.A.M. VALE DO TÁVORA E DOURO, C.R.L.	€4,302,995.00	1.37%
C.C.A.M. LOURES, SINTRA E LITORAL, C.R.L.	€4,178,140.00	1.33%
C.C.A.M. ALENQUER, C.R.L.	€4,074,090.00	1.29%
C.C.A.M. BEIRA DOURO E LAFÕES, C.R.L.	€3,958,335.00	1.26%
C.C.A.M. ELVAS, CAMPO MAIOR AND BORBA, C.R.L.	€3,750,700.00	1.19%
C.C.A.M. GUADIANA INTERIOR, C.R.L.	€3,749,305.00	1.19%
C.C.A.M. PORTO DE MÓS, C.R.L.	€3,720,200.00	1.18%
C.C.A.M. COIMBRA, C.R.L.	€3,691,955.00	1.17%
C.C.A.M. COSTA VERDE, C.R.L.	€3,521,165.00	1.12%
C.C.A.M. CORUCHE, C.R.L.	€3,440,475.00	1.09%
C.C.A.M. LOURINHÃ, C.R.L.	€3,397,925.00	1.08%
C.C.A.M. VALE DO DÃO E ALTO VOUGA, C.R.L.	€3,330,235.00	1.06%
C.C.A.M. RIBATEJO NORTE E TRAMAGAL, C.R.L.	€3,059,540.00	0.97%

Caixa de Crédito Agrícola Mútuo	Subscribed Capital	Shareholding
C.C.A.M. VAGOS, C.R.L.	€3,020,360.00	0.96%
C.C.A.M. OLIVEIRA DE AZEMEIS E ESTARREJA, C.R.L.	€3,005,960.00	0.95%
C.C.A.M. PERNES E ALCANHÕES, C.R.L.	€2,995,135.00	0.95%
C.C.A.M. MORAVIS, C.R.L.	€2,842,600.00	0.90%
C.C.A.M. ALBUFEIRA, C.R.L.	€2,822,995.00	0.90%
C.C.A.M. TERRAS DE SANTA MARIA, C.R.L.	€2,732,785.00	0.87%
C.C.A.M. DOURO E SABOR, C.R.L.	€2,728,665.00	0.87%
C.C.A.M. BAIRRADA E AGUIEIRA, C.R.L.	€2,673,685.00	0.85%
C.C.A.M. TERRAS VIRIATO, C.R.L.	€2,548,475.00	0.81%
C.C.A.M. SOBRAL DO MONTE AGRAÇO, C.R.L.	€2,526,010.00	0.80%
C.C.A.M. OLIVEIRA DO BAIRRO, ALBERGARIA E SEVER, C.R.L.	€,2,476,735.00	0.79%
C.C.A.M. REGIÃO DO FUNDÃO E SABUGAL, C.R.L.	€2,378,965.00	0.76%
C.C.A.M. SALVATERRA DE MAGOS, C.R.L.	€2,283,600.00	0.73%
C.C.A.M. MÉDIO AVE, C.R.L.	€2,176,205.00	0.69%
C.C.A.M. TERRA QUENTE, C.R.L.	€2,093,640.00	0.66%
C.C.A.M. VILA VERDE E TERRAS DE BOURO, C.R.L.	€1,916,370.00	0.61%
C.C.A.M. BEIRA BAIXA (SUL), C.R.L.	€1,883,365.00	0.60%
C.C.A.M. NORDESTE ALENTEJANO, C.R.L.	€1,818,590.00	0.58%
C.C.A.M. ESTREMOZ, MONFORTE E ARRONCHES, C.R.L.	€1,761,280.00	0.56%
C.C.A.M. PAREDES, C.R.L.	€1,647,635.00	0.52%
C.C.A.M. ALJUSTREL E ALMODÔVAR, C.R.L.	€1,399,480.00	0.44%
C.C.A.M. ÁREA METROPOLITANA DO PORTO, C.R.L.	€1,395,355.00	0.44%
C.C.A.M. AZAMBUJA, C.R.L.	€1,136,785.00	0.36%
C.C.A.M. BEIRA CENTRO, C.R.L.	€1,070,480.00	0.34%
C.C.A.M. RIBATEJO SUL, C.R.L.	€1,010,685.00	0.32%
C.C.A.M. NORTE ALENTEJANO, C.R.L.	€1,007,335.00	0.32%
C.C.A.M. ENTRE TEJO E SADO, C.R.L.	€491,860.00	0.16%
Total	**€314,938,565.00**	**100%**

There are no other institutions that participate in the share capital of **Caixa Central**, namely those mentioned in Article 50(8)(b) of RJCAM.

During 2023, the share capital was not reduced, but increased by approximately 0.71%, i.e. from 312,706,855.00 euros to the current value indicated above, through an increase of 2,231,710.00 euros, which was based on the capital increase subscribed by the following **Caixas de Crédito Agrícola Mútuo**:

Caixa de Crédito Agrícola Mútuo	Capital Increase
C.C.A.M. VALE DO SOUSA E BAIXO TÂMEGA, C.R.L.	€742,770.00
C.C.A.M. VALE DO TÁVORA E DOURO, C.R.L.	€293,315.00
C.C.A.M. BEIRA BAIXA (SUL), C.R.L.	€195,125.00
C.C.A.M. TERRAS VIRIATO, C.R.L.	€167,090.00
C.C.A.M. REGIÃO DO FUNDÃO E SABUGAL, C.R.L.	€126,270.00
C.C.A.M. VILA VERDE E TERRAS DE BOURO, C.R.L.	€105,310.00
C.C.A.M. BEIRA DOURO E LAFÕES, C.R.L.	€102,185.00
C.C.A.M. ALJUSTREL E ALMODOVAR, C.R.L.	€95,960.00
C.C.A.M. ESTREMOZ, MONFORTE E ARRONCHES, C.R.L.	€87,205.00
C.C.A.M. BEIRA CENTRO, C.R.L.	€60,895.00
C.C.A.M. NORTE ALENTEJANO, C.R.L.	€60,055.00
C.C.A.M. SERRA DA ESTRELA, C.R.L.[30]	€51,260.00
C.C.A.M. PAREDES, C.R.L.	€49,755.00
C.C.A.M. ÁREA METROPOLITANA DO PORTO, C.R.L.	€41,965.00
C.C.A.M. RIBATEJO SUL, C.R.L.	€32,985.00
C.C.A.M. CENTRO LITORAL, C.R.L.[31]	€19,565.00
Total	**€2,231,710.00**

B. ORGANISATION AND OPERATION

1. Governance Model

In its governance, **Caixa Central** adopts the model commonly known as "*Germanic Model*", provided for in Article 278(1)(c) of the CSC, taking into account the provisions of Article 55(1) of RJCAM, a model that is characterised by the existence of a General and Supervisory Board ("CGS"), an Executive Board of Directors ("CAE") and a Statutory Auditor.

2. Governing and Statutory Bodies, Commissions and Committees

Pursuant to Article 13(1) of the Articles of Association, the Corporate Bodies of **Caixa Central** are the General Meeting, the Executive Board of Directors, the General and Supervisory Board, the Superior Council, and the

[30] The capital increase was carried out on 30 April 2023, by C.C.A.M. de Oliveira do Hospital, C.R.L., before the merger by incorporation into C.C.A.M. da Serra da Estrela, C.R.L., which took place on 25 October 2023, the date from which the C.C.A.M. resulting from the merger was renamed C.C.A.M. da Serra da Estrela, C.R.L.

[31] The capital increase was carried out on 30 April 2023, by C.C.A.M. de Serras de Ansião, C.R.L., before the merger by incorporation into C.C.A.M. de Pombal, C.R.L., which took place on 28 November 2023, the date from which the C.C.A.M. resulting from the merger was renamed C.C.A.M. Centro Litoral, C.R.L.

Statutory Auditor.

In turn, Article 13(2) establishes that the Board of the General Meeting and the Assessment Committee are Statutory Bodies.

In accordance with the provisions of Article 14(1) of the Articles of Association, the members of the Board of the General Meeting, the Executive Board of Directors, the General and Supervisory Board and up to nine (9) members of the Superior Council are elected by the General Meeting, by secret ballot, to be based on the candidacy that, in addition to complying with the other legal requirements, includes lists of candidates for all these Corporate Bodies, which may be nominated under the terms of Article 6 of Caixa Central's Electoral Regulations:

a) by the outgoing Superior Council;
b) or by five per cent (5%) of Caixa Central Associates in full enjoyment of their rights, with a minimum of four (4).

The term of office of the Governing Bodies is three (3) years, taking into account the provisions of Article 24(1) of RJCAM applicable *ex vi* of Article 51 also of RJCAM, a legal rule that is also enshrined in the Articles of Association in Article 14(2).

The year 2023 corresponded to the second year of the current three-year period 2022-2024, the members of whose governing bodies were elected at the General Meeting held on 5 February 2022 and took office on 4 April 2022.

I. General Meeting

i) Composition of the General Meeting

The General Meeting is a deliberative governing body composed of all the Associated Caixas of Caixa Central, in full enjoyment of their rights (Article 18(1) of the Articles of Association).

ii) Composition of the Board of the General Meeting

In order to direct the work of the General Meeting, it is endowed, under the terms of Article 19 of the Articles of Association, with a statutory body, the General Meeting Board, which includes a Chairman, a Deputy Chairman and a Secretary, which are elected from among the Associated Members of **Caixa Central** in full enjoyment of their rights, and each of the candidates is responsible for presenting, from the outset and to the election, the natural person who, individually, will exercise the office.

The Board of the General Meeting of **Caixa Central**, elected for the three-year period 2022-2024, maintained its initial composition and, as such, was made up of the following members in 2023:

Chairman: Nuno Carlos Ferreira Carrilho, appointed by Caixa de Crédito Agrícola Mútuo de Terras de Viriato, C.R.L.;

Deputy Chairman: José Feio dos Santos Soares, appointed by Caixa de Crédito Agrícola Mútuo de Vila Verde e Terras de Bouro, C.R.L.;

Secretary: Joaquim Miguel Cruz Mendes, appointed by Caixa de Crédito Agrícola Mútuo de Elvas e Campo Maior, C.R.L., which, following the merger operation by incorporation of Caixa de Crédito Agrícola Mútuo de Borba, C.R.L., which took place on 29 November 2022, changed its name to Caixa de Crédito Agrícola Mútuo de Elvas, Campo Maior e Borba, C.R.L.

iii) Responsibilities of the General Meeting

The General Meeting of **Caixa Central** has the following statutory powers: (Article 20 of the Articles of Association)

- Elect, suspend and remove the holders of the social and statutory positions referred to in Article 13 of the Articles of Association;
- Appoint the Statutory Auditor, proposed by the Commission for Financial Matters;
- Vote on the activity plan and budget plan for Caixa Central and the activity plan for SICAM and the Crédito Agrícola Group for the following year;
- Consider the annual reports on their respective activities, to be presented by the General and Supervisory Board and the Commission for Financial Matters;
- Deliberate on Caixa Central's management reports and accounting documents and on the Consolidated Annual Report of the Crédito Agrícola Group, as well as on the opinion of the General and Supervisory Board in relation to them;
- Vote on the proposal for the appropriation of profit or loss and proceed to a general appraisal of the management and supervision of Caixa Central;
- Deliberate on the exclusion of Associates;
- Function as an appeal body, either regarding admission or refusal of Members, or in relation to the sanctions provided for in Section IV of Chapter VI of the Articles of Association;
- Decide on the amendment of the Articles of Association;
- Deliberate on the Remuneration Policy for the members of the Management and Supervisory Bodies of Caixa Central and the Crédito Agrícola Group;
- Set the remunerations which, under the terms of the Remuneration Policy, it is responsible for setting.
- Deliberate on the Internal Policies for Selecting and Assessing the Suitability of Members of the Management and Supervisory Bodies and Holders of Essential Functions at Caixa Central;
- Deliberate on the Electoral Regulations of Caixa Central (Electoral Regulations);
- Decide on the exercise of the right of civil or criminal action against the Statutory Auditor, the Directors, the Trustees, the members of the General and Supervisory Board, as well as the withdrawal and the settlement of these actions, should they be lodged;
- Decide on other forms of financing that are not part of the share capital, including the issuance of investment securities.

iv) Ordinary and Extraordinary Meetings

Under the provisions of Article 55(5) of RJCAM and Article 21 of the Articles of Association, the General Meeting meets **ordinarily** twice a year:

- until 31 May of each year, to, among other matters:
  - Discuss and vote on the management report and the individual and consolidated accounts of the previous year and on the annual reports of the General and Supervisory Board and the Commission for Financial Matters on their activity.
  - Deliberate on the proposal for the appropriation of profit or loss; and
  - Conduct a general appraisal of the management and supervision of Caixa Central.

- until 31 December of each year, to, among other matters, discuss and vote on Caixa Central's activity plan and budget plan, as well as SICAM's and Crédito Agrícola Group's activity plan for the following year.

Under the terms of the Articles of Association, the General Meeting may also meet **extraordinarily** when called by the Chairman of the General Meeting Board, on his own initiative or at the request of the General and Supervisory Board, or the Executive Board of Directors, or the Statutory Auditor or at least five percent (5%) of Members in full enjoyment of their rights, with a minimum of four (4) Members.

v) Notice

Notices of General Meetings are sent by **Caixa Central** to its Associated **Caixas de Crédito Agrícola Mútuo** by e-mail or post at least 15 (fifteen) days in advance by the Chairman of the Board, except for those for the election of corporate and statutory office-holders and those deciding to amend the Articles of Association, which are sent 30 (thirty) days in advance, in accordance with Article 21(3) of the Articles of Association.

vi) Preparatory Information

The preparatory information for the General Meeting is made available at least fifteen (15) days in advance of the date of the meeting where it is to be considered, at the headquarters of **Caixa Central** and/or sent by electronic mail or post to the Associated **Caixas de Crédito Agrícola Mútuo**. Documents relating to preparatory information for the General Meeting, except when mandatory under the terms of the Law and/or regulations, may not be published on the website of **Caixa Central**.

vii) Voting Rights

As mentioned above, in A.I.3, in order to proceed with the voting of most matters, each Associated **Caixa de Crédito Agrícola Mútuo** has one vote, except for the matters referred to in the following point, where there is a weighted vote.

viii) Weighted Vote

Under the terms of Article 22 of the Articles of Association, each Associated **Caixa de Crédito Agrícola Mútuo** may have the number of votes corresponding to the sum of the following parts:

- One vote;
- As many votes as results from dividing the value of the equity securities, in euros, paid up by it by half of the division of the share capital, also in euros, paid up on 31 December of the previous year by the Associates, by number of Associates, rounded off to the nearest unit;
- As many votes as results from dividing the equity of each Associate, in euros, as at 31 December of the previous year, by the quotient of the division of the total equity of the Associates, in euros, as at 31 December of the previous year, by the number of Associates rounded off to the nearest unit.

Pursuant to Article 22(3) of the Articles of Association, "*[the] number of votes allocated to each Associate may not exceed 10% of the total number of votes and is determined annually by Caixa Central, which must appear on a list to be sent to the Members until 30 June of each year, remaining from 1 July of that year until 30 June of the following year*".

Associates may only use the total number of votes calculated under the terms of the aforementioned Article 22, when voting on the matters to which Article 23 of the Articles of Association expressly refers, namely:

a) Election and removal of the Superior Council, the General and Supervisory Board and the Executive Board of Directors;
b) Approval of the proposed activity plans and budget of Caixa Central, of the Integrated System of Crédito Agrícola Mútuo (SICAM) and of the Crédito Agrícola Group;
c) Decisions regarding the approval of management reports, financial statements and appropriation of net income for the year;
d) Amendments to the Articles of Association.

It should be noted that the Associated **Caixas de Crédito Agrícola Mútuo** that are intervened by **Caixa Central** under the provisions of Article 77 or Article 77-A both of RJCAM, will only have one vote, regardless of the matters that are subject to a vote.

ix) Decisions that, by statutory imposition, can only be taken by an absolute majority

In addition to the resolutions of the General Meeting which, under the terms of the CCoop and the CGS, require an absolute majority, Article 40 of the Articles of Association, regarding the appropriation of net income, requires that the General Meeting has to decide by absolute majority of votes:

- On the non-sharing, whether as a whole or partially, of the profit or loss obtained annually;
- That the maturity of the Associates' credits – regarding their share in the profit or loss determined and to be distributed – should exceed thirty (30) days.

In addition to these matters, there are no others that statutorily require deliberation by absolute majority.

x) General Meetings held during the year 2023

During 2023, two Ordinary General Meetings were held as required by law and the Articles of Association, the first on 20 May 2023 and the second on 16 December 2023.

The **Ordinary General Meeting of** 20 May 2023, convened on 5 May 2023, had the following Agenda:

1. Discussion and vote on the management report and accounts of Caixa Central and consolidated accounts of the Crédito Agrícola Group for the financial year of 2022, including the annual reports of the General and Supervisory Board and the Commission for Financial Matters and the Opinion of the Superior Council;
2. Deliberation on the proposed appropriation of profit or loss;
3. General assessment of Caixa Central's management and supervision;
4. Presentation and appraisal of the report with the results of the annual assessment of the remuneration policies applied at Caixa Central and the Crédito Agrícola Group;
5. Presentation and assessment of the annual information on the performance of the Remuneration Committee's functions;
6. Deliberation on the Remuneration Policy for the members of the Management and Supervisory Bodies of Caixa Central and the Crédito Agrícola Group for the year 2023.
7. Revision of the Remuneration of the Members of the General and Supervisory Board, to bring it into line with the new Remuneration Statute.

8. Deliberation on a bond issue by Caixa Central of the value of up to €500,000,000.00 (five hundred million euros), with a view to compliance with the Minimum Requirement for Own Funds and Eligible Liabilities (MREL).
9. Appraisal of other matters of interest to Caixa Central and Crédito Agrícola Mútuo.

The second **Ordinary General Meeting**, convened on 30 November 2023, was held on 16 December 2023, at which the following items on the agenda were considered and resolved by the Caixa Central Associated Members:

1. Discussion and vote on the proposal for Caixa Central's Business Plan and Budget Plan and the Business Plan for Integrated System of Crédito Agrícola Mútuo (SICAM) and the Crédito Agrícola Group, for 2024;
2. Deliberation on the Remuneration Policy for the members of the Management and Supervisory Bodies of Caixa Central and the Crédito Agrícola Group for the year 2024;
3. Acknowledgement of the Policy for the Selection and Appointment of Statutory Auditor/Audit Firm (statutory auditor) and the Hiring of Non-Prohibited Separate Auditing Services of the Crédito Agrícola Group;
4. Consideration of other matters of interest to Caixa Central and Crédito Agrícola Mútuo.

II. Executive Board of Directors

a) Composition of the Executive Board of Directors

The Executive Board of Directors, elected at the General Meeting, is composed of five members – one Chairman and four Members – with the Chairman having the casting vote in the deliberations of the body.

The Board of Directors, elected for the three-year period 2022-2024, maintained its composition during 2023, as elected at the Extraordinary General Meeting of 5 February 2022:

Chairman: Licínio Manuel Prata Pina;
Member: Ana Paula Raposo Ramos Freitas;
Member: Isabel da Conceição Alves;
Member: Luís Manuel Bravo Seabra;
Member: Sérgio Manuel Raposo Frade.

b) Selection and appointment of members of the Executive Board of Directors

The selection and appointment of the members of the Executive Board of Directors is carried out through the composition of a candidate list for election to the Social and Statutory Bodies, a list that necessarily includes candidates to all the Social and Statutory Bodies to be elected: General Meeting Board, Superior Council, General and Supervisory Board and Executive Board of Directors.

Lists may be submitted by a majority of members of the Superior Council of Caixa Central in office and/or by 5% of the Caixa Central Associates, a minimum of four (4) Caixas Agrícolas.

The members of the Executive Board of Directors currently in office were part of the list presented by the Superior Council in office on 3 December 2021.

They were selected in accordance with the profiles outlined for each of the positions to be held by the Members of the Governing Body, as set out in Caixa Central's Succession Policy, drawn up pursuant to the provisions of Notice no. 3/2020 and approved by Caixa Central's Executive Board of Directors on 19 October 2021.

c) Assessment of Suitability and Election of the Members of the Executive Board of Directors

Once the selection and appointment has been made in the terms set out in the previous paragraph, it is the responsibility of **Caixa Central** Assessment Committee, a statutory body, to carry out, in accordance with the joint rules established in the Electoral Regulations and the Internal Policy for Selection and Assessment of Suitability of Members of the Management and Supervisory Bodies (PISAAMOAF), the prior or initial suitability assessment of candidates for membership of **Caixa Central**'s Management and Supervisory Bodies.

The Electoral Regulation establishes the rules governing the entire electoral process of the Governing Bodies and PISAAMOAF, defines the selection criteria and the assessment of suitability requirements, as well as the procedures to be adopted by the Assessment Committee to achieve this aim.

d) Responsibilities of the Executive Board of Directors

The responsibilities of the Executive Board of Directors are as follows:

- Manage Caixa Central in a healthy and prudent manner, observing banking standards and good practices, taking into account financial interests and solvency.
- Define and approve essential policies for the activity of Caixa Central, SICAM and the Crédito Agrícola Group within the applicable legal and regulatory framework.
- Define and approve Caixa Central's overall strategies, namely the commercial strategy and the risk strategy.
- Define and approve the cultures in force at Caixa Central, namely a risk culture and a corporate culture.
- Cooperate closely with the other bodies of Caixa Central, namely with the General and Supervisory Board, requesting their consent and/or the respective opinions provided for in the Law and/or the Articles of Association and with the Superior Council, in consultation with and hearing it in all matters resolved or to be resolved as deemed necessary and/or convenient.
- Represent Caixa Central in and out of court, actively and passively, being able to contract obligations, propose and follow lawsuits, give up or settle processes, commit to arbitrators, sign liability terms and, in general, resolve on all matters that do not fall within the competence of other bodies.
- Constitute representatives for the practice of certain acts or categories of acts, defining the extension of the respective mandates.
- Hire Caixa Central workers, establishing the respective contractual conditions, and exercise the corresponding directive and disciplinary power in relation to them.
- Acquire, dispose of or encumber any assets or rights.
- Decide on the issuance of bonds, acquisition, sale and encumbrance of properties, which form part of Caixa Central's permanent fixed assets and holdings referred to in Article 3(2) of the Articles of Association.
- Represent SICAM and the Crédito Agrícola Group.
- Prepare business plans and budget proposals for Caixa Central, SICAM and the Crédito Agrícola Group for the following year.
- Carry out the selection and assessment of the holders of essential offices, under the terms of the Internal Policy for the Selection and Assessment of Essential Office Holders approved at the General Meeting.
- Admit and dismiss members of Caixa Central, after hearing the Superior Council.
- Exercise the competences referred to in Sections II and III of Chapter VI of the Articles of Association, in terms of guidance and supervision of its Associates.
- Issue an opinion on the special registration at Banco de Portugal of members of the management and supervisory bodies of the Associates.
- Propose the application to Associates of the sanctions referred to in Section IV of Chapter VI of the Articles of Association, as well as the suspension referred to in Article 11.
- Decide on any and all types of intervention in the management of Associates.
- Define and approve the application of mechanisms that ensure that the composition and succession plan of the Executive Board of Directors are adequate.

- Approve its operating regulations.

The Executive Board of Directors may delegate to one of more of its members, the management and representation duties and powers as deemed suitable.

e) Distribution of Powers among the members of the Executive Board of Directors (Areas)

Between 1 January and 31 July 2023, the areas of responsibility of the Executive Board of Directors, as distributed among the members in office under the 2022-2024 mandate, were as follows:

Licínio Pina Executive Chairman	**Ana Paula Ramos** Executive Director	**Isabel da Conceição Alves** Executive Director	**Luís Manuel Seabra** Executive Director	**Sérgio Raposo Frade** Executive Director and CFO
Institutional Representation, Coordination, Insurance and Supervision of the Financial Group	Compliance, Credit Recovery and Real Estate	Sales, Marketing and Information Systems	Audit and Global Risk	CFO, Planning, Accounting and Taxation, Companies, Asset Management, Venture Capital

- Human Resources Central Department (DCRH). - Communication and Institutional Relations Office (GCRI); - Operations Department (DO). - Legal Affairs Department (DAJ). - Credit Risk Department (DRC). - Sustainability Office (GS); - Audit Department (DA), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Monitoring and Supervision Department (DAS), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Model Validation Office for hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Internal Control Office (GCI) for functional reporting to the Executive Board of Directors;	- Compliance Department (DC). - Transformation and Development Office (GTD); - Data Protection Office (GPD); - Customer Ombudsman Office (GPC); - Banking Security Department (DSB); - Credit Recovery Department (DREC); - Audit Department (DA), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Monitoring and Supervision Department (DAS), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Model Validation Office for hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Internal Control Office (GCI) for functional reporting to the Executive Board of Directors;	- Strategic Marketing Department (DME). - Business Promotion Department (DDN). - Products Department (DP). - Direct Banking Department (DBD). - Innovation and Digital Department (DID); - Retail Department (DR). - Companies Department (DE). - Audit Department (DA), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Monitoring and Supervision Department (DAS), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Model Validation Office for hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Internal Control Office (GCI) for functional reporting to the Executive Board of Directors;	- Global Risk Department (DRG). - Organisation and Processes Department (DOP); - Credit Monitoring Department (DAC). - Audit Department (DA), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Monitoring and Supervision Department (DAS), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Model Validation Office for hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Internal Control Office (GCI), hierarchical reporting to the area of responsibility and functional reporting to the CAE.	- Strategic Planning and Management Control Department (DPEC). - Accounting and Taxation Department (DCF). - Logistics, Support and Procurement Department (DLSC). - Technology and Data Department (DTD); - Financial and Treasury Department (DF); - Audit Department (DA), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Monitoring and Supervision Department (DAS), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Model Validation Office for hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Internal Control Office (GCI) for functional reporting to the Executive Board of Directors;

In the context of the implementation of the "ALVORADA" Transformation Programme, under which new structural units were created at Caixa Central during 2023, the portfolios of the Executive Board of Directors (CAE) were distributed as follows as of 1 August 2023:

Licínio Prata Pina Executive Chairman	**Ana Paula Ramos** Executive Director	**Isabel da Conceição Alves** Executive Director	**Luís Manuel Seabra** Executive Director	**Sérgio Raposo Frade** Executive Director and CFO
Institutional Representation, Coordination, Insurance and Supervision of the Financial Group	Compliance, Credit Recovery and Real Estate	Sales, Marketing and Information Systems	Audit and Global Risk	CFO, Planning, Accounting and Taxation, Companies, Asset Management, Venture Capital

- Human Resources Central Department (DCRH). - Communication and Institutional Relations Office (GCRI); - Operations and Transformation Department (DOT) - Legal Affairs Department (DAJ). - Credit Risk Department (DRC). - Audit Department (DA), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Monitoring and Supervision Department (DAS), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Model Validation Office for hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Internal Control Office (GCI) for functional reporting to the Executive Board of Directors; - Secretariat General and Corporate Governance with hierarchical reporting to the CAE and functional reporting to the CAE	- Compliance Department (DC). - Transformation and Development Office (GTD); - Data Protection Office (GPD); - Real Estate Strategy and Management Office (GEGI) - Banking Security Department (DSB); - Credit Recovery Department (DREC); - Audit Department (DA), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Monitoring and Supervision Department (DAS), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Model Validation Office for hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Internal Control Office (GCI) for functional reporting to the Executive Board of Directors; - Secretariat General and Corporate	- Business Promotion Department (DDN). - Product Means of Payment Department (DMP); - Omnichannel Management (DOC); - Retail Department (DR). - Companies Department (DE). - Retail Business Department (DNR). - Business Management Department (DGNE); - Audit Department (DA), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Monitoring and Supervision Department (DAS), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Model Validation Office for hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Internal Control Office (GCI) for functional reporting to the Executive Board of Directors; - Secretariat General and	- Global Risk Department (DRG). - Credit Monitoring Department (DAC). - Sustainability Office (GS); - Audit Department (DA), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Monitoring and Supervision Department (DAS), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Internal Control Office (GCI), hierarchical reporting to the area of responsibility and functional reporting to the CAE; - Model Validation Office for hierarchical reporting to CAE and functional reporting to the CAE and CGS; - Secretariat General and Corporate Governance with hierarchical reporting to the CAE and functional reporting to the CAE and CGS;	- Strategic Planning and Management Control Department (DPEC). - Accounting and Taxation Department (DCF). - Logistics, Support and Purchasing Department (DLSC). - Technology and Architecture Department (DTA); - Data and Intelligence Department (DDI); - Financial and Treasury Department (DF); - Audit Department (DA), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Monitoring and Supervision Department (DAS), with hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Model Validation Office for hierarchical reporting to the CAE and functional reporting to the CAE and CGS; - Internal Control Office (GCI) for functional reporting to the Executive Board of Directors; - Secretariat General and Corporate Governance with

and CGS.	Governance with hierarchical reporting to the CAE and functional reporting to the CAE and CGS;	Corporate Governance with hierarchical reporting to the CAE and functional reporting to the CAE and CGS;		hierarchical reporting to the CAE and functional reporting to the CAE and CGS;

f) Internal regulation

The Executive Board of Directors (CAE) has Internal Regulations which are available for consultation on Crédito Agrícola's institutional website (www.creditoagricola.pt), approved on 30 June 2020 with successive amendments.

g) Number of meetings held

The Articles of Association stipulate that the Executive Board of Directors meets at least once a month (Article 32(2)), and the Board of Directors defined at the first plenary meeting of the mandate that the body's ordinary meetings would take place on a weekly basis, in accordance with its Rules of Procedure. In 2023, the Executive Board of Directors in office for the 2022-2024 term held fifty-two (52) ordinary meetings and five (5) extraordinary meetings.

h) Executive and Advisory Boards, Commissions, Committees and Forums of the Executive Board of Directors:

The Executive Board of Directors is assisted in an executive and/or advisory capacity by Boards, Commissions, Committees and Forums which meet ordinarily or extraordinarily under the terms defined in their Internal Regulations.

Throughout 2023, the Executive Board of Directors had thirteen (14) executive Committees and Boards and two (2) merely advisory Committee, with the powers, frequency of meetings and composition described below.

During 2023, the Executive Board of Directors decided to set up executive and non-executive committees, as indicated below.

Executive Boards and Committees:

A) Executive Councils and Committees in place by 2023

i. Assets, Liabilities and Capital Committee (ALCO)

The Assets, Liabilities and Capital Board (commonly referred to as ALCCO) is responsible for providing integrated support for the management of the set of risks affecting the consolidated balance sheet of the Crédito Agrícola Group and the individual balance sheet of Caixa Central, and is generally responsible for proposing and guaranteeing, within the established limits, the implementation of the Assets, Liabilities and Capital Management policy that maximises the value of equity in accordance with the guidelines issued by the Executive Board of Directors.
ALCCO is regularly attended by the members of the Executive Board of Directors, a representative of the Board of Directors of CA Gest, a representative of the Board of Directors of CA Vida and the heads of the Strategic Planning and Management Control Department (DPEC), the Global Risk Department (DRG), the Monitoring and Supervision Department (DAS), the Retail Business Department (DNR), the Corporate Business Management Department (DGNE), the Corporate Department (DE) and the Finance Department (DF), who are responsible for performing secretarial duties at the meetings.
As a rule, the Board meets monthly and held 11 (eleven) meetings throughout 2023.

ii. Programme Management Office (PMO)

The mission of the Programme Management Board (commonly referred to as the PMO) is to monitor the Crédito Agrícola Group's Transformation Programme and each of the initiatives designed within that scope (grouped into streams – a set of initiatives reviewed annually that aim to respond to a challenge), as well as the initiatives with the greatest relevance in the Annual Activity Plan, in particular the objectives, project plan(s), budget and their execution.
The PMO is attended by the members of the Executive Board of Directors, a member of the Board of Directors of CA Serviços, the heads of the implementation streams of the Crédito Agrícola Group's transformation programme appointed by the Executive Board of Directors, the head of the Technology and Architecture Department (DTA), the Strategic Planning and Management Control Department (DPEC), the Operations and Transformation Department (DOT), which is responsible for the secretariat of the meetings, and, on an optional basis, the head of the Global Risk Department (DRG).
As a rule, the Board meets monthly, having held eight (8) meetings during 2023.

iii. Information Systems Committee

The mission of the Information Systems Committee is to monitor the management and take structural decisions on the Information Systems and Information Technology function of the Crédito Agrícola Group, with permanent participation by the members of the Executive Board of Directors, a member of the Board of Directors of CA Serviços/CA Informática and the heads of the Technology and Architecture Department (DTA), the structure that performs secretarial duties for the meetings, the Strategic Planning and Management Control Department (DPEC), the Operations and Transformation Department (DOT), the Customer Relations Department of CA Serviços, and, on an optional basis, the head of the Global Risk Department (DRG). Other participants may also be invited, depending on the topics on the agenda.
As a rule, the Committee meets monthly, with 9 (nine) meetings held in 2023.

iv. Credit Boards

The Credit Boards with Executive Directors – the Credit Board and the Extended Credit Board – are decision-making bodies and are responsible for deciding on the granting of credit limits or operations proposed to them for approval. The N5 Credit Board has specific powers to decide on credit recovery measures proposed to it for approval, namely credit restructuring, principal and interest forgiveness and other recovery measures within the scope of its powers and to decide on all write-offs of Caixa Central's portfolio and to assess and approve the analytical models supporting credit risk analysis, particularly scoring, rating and impairment. The Regulation on Credit Decision-making Bodies was amended on 6 April 2023, updating the composition of the N4 Credit Board and the N5 Credit Board, as well as the powers of the N5 Credit Board in matters related to the impairment quantification model, and also clarifying the designation of the Extended Credit Board for decision level 5. The members of the Executive Board of Directors who sit on the N4 Credit Board as its decision-making members are now the Director responsible for credit risk, the Director responsible for the commercial divisions (Corporate Division and Retail Division) and the Director responsible for the risk management function. The N5 Credit Board is composed of the five (5) members of the Executive Board of Directors as decision-making members, and can meet and decide with a minimum of three (3) members of the Executive Board of Directors. Both the N4 and N5 Credit Boards also include the heads of the Commercial/Business Areas that have operations to decide on, the Legal Affairs Department (DAJ), the Credit Risk Department (DRC), the structure that performs secretarial duties for the meetings, and the Global Risk Department (DRG), which presents the proposals and provides technical support for the decision-making process, and where relevant and applicable, the heads of other structures that give rise to credit risk may be summoned.
Each of the Credit Boards held 52 (fifty-two) meetings over the course of 2023.

v. Credit Recovery Board

The mission of the Credit Recovery Board is to contribute to the profitability of Caixa Central's credit portfolio by taking a position on the credit recovery management measures to be implemented and ensuring that the negative effects of default situations are minimised.
The Board is made up of three (3) members of the Executive Board of Directors, the head of the Credit Recovery Department (DREC), who performs secretarial duties for the meetings and presents proposals, and the head of the Credit Risk Department (DRC), which provides technical support for decision-making.
The Board meets on an indicative fortnightly basis, having held 35 (thirty-five) meetings throughout 2023.

vi. Executive Monitoring and Supervision Committee

The mission of the Executive Monitoring and Supervision Committee is to assess and decide on matters relating to the monitoring and supervision of agricultural savings banks, which fall within the remit of the Monitoring and Supervision Department. It is regularly attended by three members of the Executive Board of Directors, the head of the Monitoring and Supervision Department (DAS), which provides the secretariat for the meetings, and, with observer status, the head of the Transformation and Development Office (GTD).
As a rule, the Committee meets weekly and held 34 (thirty-four) meetings throughout 2023.

vii. Executive Committee for Transformation and Development

The mission of the Executive Committee for Transformation and Development is to assess and decide on matters relating to initiatives to boost and recover Caixas de Crédito Agrícola Mútuo in situations of intervention, under Articles 77 and 77-A of RJCAM or which are under financial assistance or showing poor financial, commercial or operational performance, the meeting will be attended by three (3) members of the Executive Board of Directors, the head of the Transformation and Development Office (GTD), the structure that performs secretarial duties for the meetings, and the head of the Monitoring and Supervision Department (DAS) as an observer.

As a rule, the Committee meets weekly and held 41 (forty-one) meetings throughout 2023.

viii. Shared Services Catalogue Pricing Board

The mission of the Shared Services Catalogue Pricing Board is to monitor the evolution of the services priced for the Crédito Agrícola Group, with a view to continuous management, contributing to improving the process of determining the price of services, cost control and transparency of communication and invoicing to the Caixas Agrícolas. It is permanently attended by the members of the Executive Board of Directors, the members of the Board of Directors of CA Serviços, the heads of the Strategic Planning and Management Control Department (DPEC), the Technology and Architecture Department (DTA), the Accounting and Tax Department (DCF), and the heads of the Central Human Resources Department (DCRH), the Operations and Transformation Department (DOT), the Legal Affairs Department (DAJ) and the Logistics, Support and Procurement Department (DLSC).
The Board holds meetings when and whenever convened by one of the permanent members, as a rule on a quarterly basis, having held four (4) ordinary meetings and one (1) extraordinary meeting in 2023.

ix. Internal Control Committee

The mission of Caixa Central's Internal Control Committee, whose Internal Regulations were amended on 2 September 2022 and were not amended in 2023, is to coordinate and monitor the implementation of all issues related to SICAM's Internal Control System in order to ensure its adequacy and effectiveness, as well as to ensure coordination between Caixa Central, the associated Caixas Agrícolas and the Crédito Agrícola Group Companies. Three (3) members of the Executive Board of Directors participate in this committee (its Chairman and the two members responsible for Internal Control functions), the heads of the Internal Control Office (GCI), which provides the secretariat for the meetings, the Audit Department (DA), the Global Risk Department (DRG), the Compliance Department (DC), the Monitoring and Supervision Department (DAS), the Transformation and Development Office (GTD), the Operations and Transformation Department (DOT) and the Technology and Architecture Department (DTA), and other participants may be called upon depending on the meeting's specific agenda.
The Committee meets monthly and held 12 (twelve) meetings during 2023.

x. Committee on the Prevention of Money Laundering and Terrorist Financing, Compliance and Sanctions

The Committee on the Prevention of Money Laundering and Terrorist Financing, Compliance and Sanctions has the mission of providing the appropriate guidelines for the effective application of the policies, procedures and controls appropriate for the effective management of the compliance and money laundering and terrorist financing risks to which the Group is subject. The Committee is composed of all the members of the Executive Board of Directors and the heads of the Compliance Department (DC), which performs secretarial duties for the meetings, the Global Risk Department (DRG), the Monitoring and Supervision Department (DAS), the Finance Department (DF), the Retail Department (DR) and the Corporate Department (DE), the Retail Business Department (DNR), the Corporate Business Management Department (DGNE), the Omnichannel Department (DOC); The Audit Department (DA) as an observer member, and representatives from other areas of Caixa Central, the Caixas Agrícolas or the Subsidiaries may be summoned from time to time, according to the needs and impacts of the topic under discussion.
As a rule, the Committee meets quarterly, and in 2023 it held five (5) meetings.

xi. Risk Committee

The Internal Regulations of the Risk Committee were approved on 24 February 2022 and amended on 29 June 2023. This amendment was aimed at clarifying the responsibility of this Committee with regard to the analysis, debate and preparation for subsequent approval by the Executive Board of Directors of matters related to the impairment quantification model. Thus, the mission of the Risk Committee is to permanently monitor and control the definition and implementation of the risk management strategy and global risk management policy (and other specific material risk management policies), including the respective methodologies and relevant processes, as well as the Crédito Agrícola Group's appetite for risk, verifying that they are compatible with a sustainable strategy in the medium and long term, and with the business strategy and budget in force, with the participation of the Executive Board of Directors and the heads of the Global Risk Department (DRG), who would act as secretaries for the meetings, the Monitoring and Supervision Department (DAS), the Credit Risk Department (DRC), the Credit Monitoring Department (DAC), the Credit Recovery Department (DREC), the Finance Department (DF) and the Strategic Planning and Management Control Department (DPEC).
The Risk Committee, meets, as a rule, monthly, having held ten (10) meetings in 2023.

xii. Sustainability Board

The Sustainability Board's mission is to reinforce the Group's positive impact through research and development of socially conscious and environmentally responsible financial products, taking an active role in promoting sustainable financial practices in various areas of the Bank's operations, as well as in the internal transformation necessary to make the Crédito Agrícola Group an Organisation that leads by example through an operation oriented towards ESG and inclusive principles. The Internal Regulations of the Sustainability Council, approved on 10 February 2022, were amended on 28 September 2022, regarding the updating of its composition, which remained unchanged in 2023. The Board is composed of members of the Executive Board of Directors responsible for Sustainability, Finance and Risk, as well as the heads of the Sustainability Office (SG), who will act as secretaries for the meetings, the Communication and Institutional Relations Office (GCRI), the Strategic Planning and Management Control Department (DPEC), the Finance Department (DF), the Credit Risk Department (DRC), the Global Risk Department (DRG), the Retail Business Department (DNR), the Corporate Business Management Department (DGNE), the Finance Department (DF), the Credit Risk Department (DRC), the Global Risk Department (DRG), the Retail Business Department (DNR), the Corporate Business Management Department (DGNE), the Central Human Resources Department DCRH (optional), the Logistics, Support and Procurement Department DLSC (optional) and CA Serviços (optional). The head of the Sustainability Department chairs the Committee.
The Board meets quarterly and held three (3) meetings in 2023.

B) Executive committees set up during 2023

i. Annual Prioritisation Committee

The Annual Prioritisation Committee was set up on 1 August 2023 and its mission is to plan and approve IT initiatives as well as to define the capacity allocation of the Grupo Crédito Agrícola's IS/IT structures i) annual management of IS/IT Demand; ii) management of the Group's data; iii) monitoring of the Annual IS/IT Plan (i.e. retrospective of the previous year) and iv) monitoring and management of installed IS/IT capacity. The Committee is made up of all the members of Caixa Central's Executive Board of Directors, Caixa Central's Chief Technology Officer (CTO), a member of the Board of Directors of CA Serviços/CA Informática (optional), the Head of the

Technology and Architecture Department (DTA), who also performs secretarial duties for the Committee's meetings, the IT Business Partners (by vertical), the Head of the Strategic Planning and Management Control Department (DPEC), the Head of the Operations and Transformation Department (DOT) – Transformation and Agility Area, the Director of the Verticals of CA Serviços, the L1 and L2 Directors of the initiatives to be prioritised, and other participants to be defined according to the agenda.
The Annual Prioritisation Committee meets annually in October and held its first meeting on 16 October 2023.

ii. Quarterly Prioritisation Committee

The Four-Yearly Prioritisation Committee was set up on 1 August 2023 and did not hold any meetings in 2023. The Committee's mission is to plan and approve IT demand on a four-monthly basis and carried out at the level of each delivery vertical, namely i) monitoring the amounts paid of the previous cycle and the expected impact versus objectives; ii) prioritising four-monthly initiatives to be delivered during the following cycle; iii) identifying and prioritising four-monthly initiatives that are transversal in nature, i.e. that compete with the capacity of multiple verticals; iv) identifying and prioritising urgent IT demands; and v) allocating four-monthly initiatives to IS/IT teams. The Committee is expected to meet every four months in January, May and September and will be made up of the members of Caixa Central's Executive Board of Directors, i.e. responsible for the respective delivery vertical, Caixa Central's Chief Technology Officer (CTO), a member of the Board of Directors of CA Serviços/CA Informática (optional), the head of the Technology and Architecture Department (DTA), which will also act as secretary for the Committee's meetings, IT Business Partners (from the respective vertical), the head of the Strategic Planning and Management Control Department (DPEC), the head of the Operations and Transformation Department (DOT) – Transformation and Agility Area, the Director of the CA Services Verticals, the L1 and L2 Directors of the four-monthly initiatives to be prioritised, the Product Owners of the four-monthly initiatives to be prioritised, and other participants to be defined according to the agenda.

iii. Career Development Committee

The Career Development Committee was set up on 1 August 2023, within the scope of Caixa Central's Career Management Model, as part of the "Alvorada" Transformation Programme, the implementation of which has been underway since the beginning of 2024, so the Committee did not hold any meetings in 2023. The Committee's mission is to deliberate on the career development of Caixa Central employees, analysing the motivational and technical assessment, skills and qualifications of employees, in order to make fair and consistent decisions regarding career advancement. The Committee also examines individual merits, considers the opportunities available and the needs of the organisation, and issues recommendations or decisions on internal promotions. Its aim is to guarantee a transparent and impartial process, contributing to the professional growth of employees and the achievement of Caixa Central's strategic objectives. It is planned that the Career Development Committee will hold meetings every six months, with its permanent members comprising the member of the Executive Board of Directors responsible for the Central Human Resources Department (DCRH) and the person in charge of that department. Rotating members of the Committee may also include the Director responsible for each area (depending on the employees whose promotion is being analysed), the Head of each area (depending on the employees whose promotion is being analysed) and the Heads of adjacent areas (optional).

iv. Crisis Planning Committee

The Crisis Planning Committee was created on 12 December 2023, with the mission of monitoring and preparing the Crédito Agrícola Group for crisis management. In the context of day-to-day operations (business as usual or BaU), the Committee's mission is to define and monitor the plan of initiatives related to Resolvability, Business Continuity and Recovery, as well as to approve and disseminate the regulatory instruments and guidelines related to these issues. The Committee includes the members of the Executive Board of Directors responsible for the Strategic Planning and Management Control Division (DPEC) and the Banking Security Division (DSB), as well as members of the Executive Board of Directors responsible for the participating structures, with responsibility for the matters scheduled for consideration at each meeting; the Head of the Strategic Planning and Management Control Division (DPEC) (mandatory) and the Head of the Banking Security Division (DSB) (mandatory), with the participation of the heads of other structures in accordance with the items on the agenda, and the General and Supervisory Board may participate as an observer by appointing one of its members. The Committee is convened by the Strategic Planning and Management Control Department (DPEC), which is the secretary of the Committee for Resolvability and Recovery aspects, and the Banking Security Department (DSB) for aspects related to operational continuity.
The Committee meets quarterly, having held one (1) meeting on 28 December 2023.

Advisory Boards and Committees:

i. Business Continuity Management Board (in extinction)

The mission of the Business Continuity Management Board was to ensure the approval and dissemination of the policy and guidelines on Business Continuity Management for the entire Crédito Agrícola Group, playing a strategic role that promotes integration with other relevant issues such as risk management, in accordance with the recommendations issued by the supervisory bodies of the national financial sector, with the participation of representatives from five (5) Caixas Agrícolas, the member of the Executive Board of Directors responsible for Organisation and Processes (Business Continuity), a member of the Board of Directors of each of the subsidiary companies CA Seguros, CA Vida, CA Gest and CA Serviços, the head of the Organisation and Processes Department [(DOP), currently known as the Operations and Transformation Department (DOT)], who also acted as secretary to the Board, the head of the Global Risk Department (DRG) and the head of the Audit Department (DA). The Business Continuity Management Board was abolished on 11 December 2023 following the creation of the new Crisis Planning Committee.
The Board held one (1) meeting during 2023, with its last meeting to take place by the end of April.

ii. Data Protection Committee (set up in 2023)

The Data Protection Committee was created on 24 August 2023, and the rules of its organisation and operation are set out in its Rules of Procedure, approved on the same date. The Committee is a consultative forum whose mission is to promote knowledge, debate and transversal follow-up on issues aimed at ensuring compliance with data protection law within the Group. The members of the Committee are: the members of the Executive Board of Directors, including the member of the Executive Board of Directors responsible for the Data Protection Office; the Data Protection Officer (DPO), who acts as secretary to the Committee; the Chief Technology Officer (CTO); the Chief Data Officer (CDO); the Chief Information Security Officer (CISO); the Banking Security Division (DSB); the

Technology and Architecture Division (DTA); the Data and Intelligence Division (DDI); Omnichannel Department (DOC); Compliance Department (DC); Legal Affairs Department (DAJ); Global Risk Department (DRG); Central Human Resources Department (DCRH); Monitoring and Supervision Department (DAS); Operations and Transformation Department (DOT); Retail Business Department (DNR); Corporate Business Management Department (DGNE); Means of Payment Department (DMP). The Audit Department (DA) is also a member of the Committee, with observer status, while the General and Supervisory Board (CGS) may participate, also with observer status, by appointing one of its members.
The Committee meets every two years and held a meeting on 20 September 2023.

i) Body that carries out the performance assessment of the Executive Board of Directors

Under the terms of the Remuneration Policy for Members of **Caixa Central**'s Management and Supervisory Bodies for the year 2023, approved at the Ordinary General Meeting of 20 May 2023, the General and Supervisory Board is the competent body for assessing the individual performance of the Executive Directors, namely for the purpose of attributing and determining the variable remuneration component, on the advice of the Remuneration Committee.

j) Criteria for evaluating the performance of members of the Executive Board of Directors

The predetermined criteria for assessing the individual performance of each Executive Director and on which the attribution of a variable remuneration component is based are as follows:

i. Evaluation of the performance of qualitative targets weighting the individual contribution made and the response capacity shown, in view of the complexity of individual assignments and the interaction established with Caixa Agrícola Mútuo and companies of the Crédito Agrícola Group.
ii. Institutional performance, measured by assessing compliance with the quantitative objectives defined for the strategic pillars of the implementation of the Crédito Agrícola Group's strategy, in accordance with the Remuneration Policy Implementing Regulation for Members of **Caixa Central**'s Management and Supervisory Bodies for the year 2023.

The assessment of performance will also take into account the various types of current and future risks, as well as the cost of the Institution's capital and liquidity requirements.

The definition of the total value of the variable component of remuneration will combine the assessment of individual performance and the assessment of the performance of the Board of Directors as a whole with the overall profit or loss of the Institution.

The development of the criteria referred to in i. and ii. above and their mode of application and consideration is presented in the Remuneration Policy Implementing Regulation for the Members of the Management and Supervisory Bodies of **Caixa Central** in force for 2023.

k) Positions held in Corporate or Statutory Bodies in the Crédito Agrícola Group

All members of the Executive Board of Directors combine their position as Executive Directors of **Caixa Central** with other positions within the **Crédito Agrícola Group**.

Therefore, with reference to the year 2023 and the members of the Executive Board of Directors in office on 31 December 2023:

The Chairman of the Executive Board of Directors, **Licínio Manuel Prata Pina** held, cumulatively and for the three-year period 2022-2024, the positions of Chairman of the Board of Directors of Crédito Agrícola SGPS, S.A., Chairman of the Board of Directors of Crédito Agrícola – Seguros e Pensões, SGPS, S.A. and also the positions of Chairman of the Board of Directors of Crédito Agrícola Serviços – Centro de Serviços Partilhados, A.C.E. and Chairman of the Board of Directors of Crédito Agrícola Informática – Sistemas de Informação, S.A.

The Executive Director **Ana Paula Raposo Ramos Freitas** held, cumulatively and for the three-year period 2022-2024, the positions of Member of the Board of Directors of Crédito Agrícola SGPS, S.A. and of the Board of Directors of Crédito Agrícola – Seguros e Pensões, SGPS, S.A., also holding the position of Manager of CCCAM, Gestão de Investimentos e Consultoria, Unipessoal, Lda, as well as the position of Manager of Crédito Agrícola Imóveis, Unipessoal, Lda.

The Executive Director **Sérgio Manuel Raposo Frade** held, cumulatively and for the three-year period 2022-2024, the positions of Chairman of the Board of Directors of CA Capital, SCR, S.A., Member of the Board of Directors of Crédito Agrícola, SGPS, S.A., Member of the Board of Directors of Crédito Agrícola – Seguros e Pensões, SGPS, S.A., Member of the Board of Directors of Crédito Agrícola Serviços – Centro de Serviços Partilhados, A.C.E. and Member of the Board of Directors of Crédito Agrícola Informática – Sistemas de Informação, S.A.

The Executive Director **Isabel da Conceição Alves** and Executive Director **Luís Manuel Bravo Seabra** are, in addition to their duties on the Executive Board of Directors – and for the three-year period 2022-2024 – members of the Board of Directors of Crédito Agrícola, SGPS, S.A.

l) Positions held in Corporate or Statutory Bodies outside the Crédito Agrícola Group

The Chairman of the Executive Board of Directors, **Licínio Manuel Prata Pina**, in 2023, combined the positions held within the **Crédito Agrícola**, with the following other positions:

a) Member of the National Council for the Social Economy;
b) Chairman of the Board of the General Meeting of Agricultural Cooperative of Farmers of the Municipality of Seia;
c) Member of the Board (A) of the Portuguese Banking Association (Associação Portuguesa de Bancos), representing Caixa Central.

In 2023, Executive Director **Sérgio Manuel Raposo Frade** held the position of Member of the Board (B) of the Portuguese Banking Association, representing Caixa Central.

The other members of the Executive Board of Directors have not held, nor currently hold, in Corporate or Statutory Bodies outside the Crédito Agrícola Group.

III. General and Supervisory Board

a. Composition

The General and Supervisory Board is composed of nine (9) members, a majority of whom, including its Chairman and Deputy Chairman, shall be independent, qualified individuals, as defined in the applicable regulations and guidelines and in the Law in force at any given time, none of whom may represent and/or be appointed by the Associated **Caixas de Crédito Agrícola** Mútuo.

The other members of the General and Supervisory Board may be the Associated **Caixas de Crédito Agrícola Mútuo** in full enjoyment of their rights, who may be elected to the position on a rotating basis, and must designate a natural person to exercise the position individually.

The Chairman or whoever replaces him is given the casting vote in the deliberations of the General and Supervisory Board, as expressed in Article 27(5) of the Articles of Association.

In 2023, the following members of Caixa Central's General and Supervisory Board were in office for the current three-year period 2022-2024:

Chairman
Ricardo Filipe de Frias Pinheiro

Deputy Chairman
Vítor Fernando da Conceição Gonçalves

Independent Members
Ana Cristina Louro Ribeiro Doutor Simões
João Luís Correia Duque
Maria Helena Maio Ferreira de Vasconcelos

Non-Independent Members
Licínia do Carmo de Oliveira Bugalho, appointed by Caixa de Crédito Agrícola Mútuo da Área Metropolitana do Porto, C.R.L.;
João Alexandre Moreira Laranjeira, appointed by Caixa de Crédito Agrícola Mútuo de Alcobaça, Cartaxo,

Nazaré, Rio Maior e Santarém, C.R.L.;
Orlando José Matos Felicíssimo, appointed by Caixa de Crédito Agrícola Mútuo de Aljustrel e Almodôvar, C.R.L.;
Armandino José Barbosa da Silva, appointed by Caixa de Crédito Agrícola Mútuo de Vale do Sousa e Baixo Tâmega, C.R.L.

b. Selection and appointment of the Members of the General and Supervisory Board

Reference is made herein to item b) of point II (Executive Management Board), with the necessary adaptations.

c. Assessment of Suitability and Election of the Members of the General and Supervisory Board.

Reference is made herein to item c) of point II (Executive Management Board), with the necessary adaptations.

d. Responsibilities

Without prejudice to the other provisions of the Law and the Articles of Association, it is incumbent upon the General and Supervisory Board to:

- Approve its operating regulations.
- Supervise and monitor actions and decision-making in management matters, namely, to monitor and analyse the individual and collective performance of the Executive Board of Directors, as well as its decisions.
- Monitor and follow the implementation of Caixa Central's risk culture and policy.
- Monitor the execution of the internal audit plan, after previous involvement of the Risk Committee and the Commission for Financial Matters.
- Supervise the integrity of financial information and reporting, as well as the control system, including a framework for sound and effective risk management.
- Provide an opinion on the credit risk policies to be followed by the Executive Board of Directors and supervise and monitor their execution.
- Supervise the application of the Code of Conduct and the Conflict-of-Interest Prevention Policy.
- Give an opinion on the proposed activity plans and budgets of Caixa Central, SICAM and the Crédito Agrícola Group for the following year.
- Give prior consent on the acquisition, sale and encumbrance of properties, which form part of Caixa Central's permanent fixed assets and holdings referred to in Article 3(2) of the Articles of Association.
- Provide prior consent on the issuance of bonds and other negotiable debt securities.
- Give an opinion on the measures required to guarantee the solvency and liquidity of SICAM, its Associated Caixas de Crédito Agrícola Mútuo and the Crédito Agrícola Group, proposed by the Executive Board of Directors, and supervise and monitor their execution.

- Give an opinion on the measures necessary to satisfy the rights of SICAM's creditors, under the terms of Section VIII of Chapter VI of the Articles of Association, proposed by the Executive Board of Directors and to supervise their execution.
- Provide an opinion on the general guidelines for the management of Caixa Central's liquidity from the surpluses deposited there by the Members and supervise and monitor its execution.
- Give an opinion on the guidelines and general rules provided for in Section II of Chapter VI of the Articles of Association and to supervise their execution.
- Give an opinion on the inspection measures and on the intervention in the management of the Members, proposed by the Executive Board of Directors.
- Give an opinion on the special registration at Banco de Portugal of members of the management and supervisory bodies of the Members, under the provisions of Article 10 of the Legal Framework for Crédito Agrícola Mútuo.
- Suspend Associates from exercising their rights.
- Apply to Associates the sanctions provided for in the Articles of Association in case of non-compliance with the rules, guidelines, or binding recommendations, on the proposal of the Executive Board of Directors.
- Perform the duties assigned to it within the scope of the Whistleblowing Policy.
- Ensure that those responsible for internal control functions are able to act independently.
- Designate and reappoint members to be a part of the Assessment Committee of Caixa Central.
- Create the Commission and the Committees referred to in Article 28 of the Articles of Association, designate their members as well as create mechanisms to guarantee their internal functioning, discriminating the role, composition and tasks of each one of them, as well as the flow of adequate information, approving their respective operating regulations.

e. Internal regulation

The Internal Regulations of the General and Supervisory Board, approved on 17 February 2020 and amended on 15 February 2021, are available for consultation on Crédito Agrícola's institutional website (http://www.creditoagricola.pt).

f. Number of meetings held

The General and Supervisory Board meets in plenary session at least once a month, having held a total of twelve (12) ordinary meetings and three (3) extraordinary meetings in 2023.

g. Commission and Committees of the General and Supervisory Board

The General and Supervisory Board has within it the following Commission and Committees, which operate with the powers set out in the Law and in the EBA/GL/2021/05 Guidelines on Internal Governance:

1) The **Commission for Financial Matters**, which, under the terms of Article 441(1)(f) to (o), *ex vi* Article 444(2), both of the Commercial Companies Code, has the following legal powers:

- Verify, when deemed convenient and in the manner deemed appropriate, the regularity of the books, accounting records and documents that support them, as well as the status of any assets or values owned by the institution in any capacity.
- Check if the accounting policies and valuation criteria adopted by the institution lead to a correct assessment of assets and profit or loss.
- Provide an opinion on the management report and financial statements for the year.
- Oversee the effectiveness of the risk management system, the internal control system and the internal audit system, if any.
- Receive reports of irregularities presented by shareholders, employees of the institution or others.
- Supervise the process of preparing and disclosing financial information.
- Propose to the General Meeting the appointment of the Statutory Auditor.
- Oversee the auditing of the institution's accountability documents.
- Supervise the independence of the Statutory Auditor, namely with regard to the provision of additional services.

2) The **Remuneration Committee** which, pursuant to the provisions of Article 115-H of RGICSF, has the following powers:

- Prepare proposals and recommendations on the setting of remuneration of Supervisory Body members, as well as of the employees of Caixa Central with the highest total remuneration of the Institution, including decisions with implications in terms of risks and risk management of Caixa Central.
- Provide all necessary support and make recommendations for the purpose of approving the general remuneration policy of Caixa Central.
- Use, in all matters within its competence, internal consultancy services as well as external consultancy services, in an appropriate and proportional manner to the size and complexity of Caixa Central.
- Review the conclusions of any consultancy services it has resorted to under the terms of the previous paragraph.
- Ensure that, using external consultancy services, no natural or legal person is contracted who provides or has provided services to Caixa Central, in the previous three years, in relation to matters directly under the responsibility of the Executive Board of Directors or that have contractual or corporate relations with institutions that provide consultancy services to Caixa Central, a rule that must also be respected as regards natural or legal persons who are related to the external consultant through employment or service provision contracts.

3) The **Risk Committee**, with the competences referred to in Article 115-L of RGICSF, namely:

- Advise the management body on the risk appetite and general risk, current and future, of the credit institution.
- Assist the management body in supervising the execution of the credit institution's risk strategy by top management.
- Analyse whether the conditions of the products and services offered to customers take into account the business model and risk strategy of the credit institution and submit a correction plan to the management body, when that analysis results in the said conditions not adequately reflecting the risks.
- Examine whether the incentives established in the credit institution's remuneration policy take into account risk, capital, liquidity and expectations regarding profit or loss, including income dates.

In addition to the Commission and Committees required by law, the General and Supervisory Board created the **Supervisory Matters Committee** on 18 April 2022, in accordance with Article 26 of Caixa Central's Articles of Association and by resolution of the same date of the General and Supervisory Board elected for the three-year period 2022-2024, whose powers and responsibilities are set out in the respective Internal Regulations:

a) Oversee the contribution of DAS to the effectiveness and coherence of the internal control system in SICAM;

b) Oversee the performance of DAS, including the respective Activity Plans and reports issued;

c) Appraise the Self-Assessment Report prepared by the DAS, within the scope of the reporting to Banco de Portugal defined in Banco de Portugal Notice no. 3/2020 ("Notice no. 3/2020"), with reference to November 30th of each year;

d) Appraise the revisions to the Supervision Model for the Caixas Agrícolas, which aims to guide the supervision of CCAMs according to risk and determines the Supervision Regime to which each CCAM will be subject;

e) Ensure that those responsible for DAS are able to act independently.

f) Supervise the monitoring carried out at the CCAMs, including those in intervention;

g) Monitor the on-site inspection and supervision actions of the CCAMs, including the inspection processes due to complaints;

h) Follow up on the merger processes of the Associated Caixas;

i) Follow up on the evolution of the deficiencies identified in the audit reports.

In 2023, the Commission and the Committees were made up of the following members of the General and Supervisory Board in office for the three-year period 2022-2024:

- **Commission for Financial Matters:**

  - Independent Member: Vítor Fernando da Conceição Gonçalves (Chairman)
  - Independent Member: Ana Cristina Louro Ribeiro Doutor Simões
  - Non-Independent Member: Licínia do Carmo Bugalho

- **Remuneration Committee:**

  - Independent Member: Ana Cristina Louro Ribeiro Doutor Simões (Chairwoman)
  - Independent Member: João Luís Correia Duque
  - Non-Independent Member: Orlando José Matos Felicíssimo

- **Risk Committee:**

  - Independent Member: João Luís Correia Duque (Chairman)
  - Independent Member: Maria Helena Maio Ferreira de Vasconcelos
  - Non-Independent Member: João Alexandre Moreira Laranjeira
  - Non-Independent Member: Armandino José Barbosa da Silva

- **Supervisory Matters Committee:**

  - Independent Member: Ricardo Filipe de Frias Pinheiro (Chairman)
  - Independent Member: Maria Helena Maio Ferreira de Vasconcelos
  - Non-Independent Member: Orlando José Matos Felicíssimo

In 2023 the Commission and the Committees of the General and Supervisory Board held the following meetings:

- Commission for Financial Matters – twenty-four (24) meetings.
- Remuneration Committee – ten (10) meetings;
- Risk Committee – twenty-two (22) meetings.
- Supervisory Matters Committee – seven (7) meetings.

h. Positions held in Corporate or Statutory Bodies in the Crédito Agrícola Group

Some of the members of the General and Supervisory Board combine the exercise of functions in other corporate or statutory positions within the **Crédito Agrícola Group** with their position in the Supervisory Body of **Caixa Central**.

Therefore, and with reference to the year 2023, the members of the General and Supervisory Board in office as at 31 December 2023, held their positions cumulatively with the following functions:

- Licínia do Carmo de Oliveira Bugalho, held cumulatively, the position of Chairwoman of the Board of Directors of Caixa de Crédito Agrícola Mútuo da Área Metropolitana do Porto, C.R.L.;
- João Alexandre Moreira Laranjeira, held cumulatively, the position of Chairman of the Board of Directors of Caixa de Crédito Agrícola Mútuo de Alcobaça, Cartaxo, Nazaré, Rio Maior e Santarém, C.R.L.;
- Orlando José Matos Felicíssimo held cumulatively, the position of Chairman of the Board of Directors of Caixa de Crédito Agrícola Mútuo de Aljustrel e Almodôvar, C.R.L.;
- Armandino José Barbosa da Silva, held cumulatively, the position of Chairman of the Board of Directors of Caixa de Crédito Agrícola Mútuo de Vale do Sousa e Baixo Tâmega, C.R.L.

i. Positions held outside the Crédito Agrícola Group

- Ricardo Filipe de Frias Pinheiro:
  - Managing Partner of Companhia Agrícola da Assencada, Lda;
  - Member of the Supervisory Board of Statusdesafio Capital – Sociedade Gestora de Organismos de Investimento Colectivo, S.A.;
  - Member of the Financial Management Board of Universidade Católica Portuguesa;
  - Member of the Supervisory Board of El Corte Inglés – Grandes Armazéns, S.A.

- Vítor Fernando da Conceição Gonçalves:
  - Professor of Management at ISEG – Instituto Superior de Economia e Gestão, University of Lisbon, being, inherently to that position, Chairman of ADVANCE – Centro de Investigação Avançada em Gestão of ISEG;
  - Member of the Supervisory Board of EDP Ventures – Sociedade de Capital de Risco, S.A., until 9 February 2023;
  - Chairman of the Supervisory Board of the EDP Foundation;
  - Chairman of the Board of GAPTEC – Gabinete de Apoio da Universidade Técnica de Lisboa;
  - Manager of Vigongeste, Lda.

- Ana Cristina Louro Ribeiro Doutor Simões:
  - Member of the Supervisory Board of LMcapital Wealth Management – Sociedade Gestora de Patrimónios, S.A.;
  - Member of the Supervisory Board of Teixeira Duarte, S.A.
  - Chairwoman of the Supervisory Board of Glintt – Global Intelligent Technologies S.A.,
  - Chairwoman of the Supervisory Board of Novartis Farma – Produtos Farmacêuticos, S.A.

- João Luís Correia Duque:
  - Chairman of the Instituto Superior de Economia da Universidade Técnica de Lisboa (ISEG), and, inherently, of the ISEG Management Board,

- Chairman of the Remuneration Committee of REN – Redes Energéticas Nacionais, SGPS, S.A.;
- Member of the Steering Committee of PSI20, part of Euronext Lisbon;
- Member of the Supervisory Board of Novabase – Sociedade Gestora de Participações Sociais, S.A.;
- Member of the Advisory Board of BCSD Portugal – Business Council for Sustainable Development, representing ISEG.

- Maria Helena Maio Ferreira de Vasconcelos:

  - Chairwoman of the Supervisory Board of INCM – Imprensa Nacional Casa da Moeda;
  - Advisor to the Board of Directors of Portugal Ventures – Sociedade de Capital de Risco, S.A.

- Orlando José Matos Felicíssimo:
  - Secretary of the Board of the General Meeting of ESDIME – Agência para o Desenvolvimento Local no Alentejo Sudoeste C.R.L.

3) Statutory Auditor

a. Identification

The Statutory Auditor has, in particular, the duty to carry out all the examinations and verifications necessary for the revision and certification of the accounts, under the terms provided for in the Law.

The Articles of Association stipulate, in Article 38(2), that the initial term of office of the Statutory Auditor may be two (2) or three (3) years, and may be renewed in accordance with the limits on terms of office and reappointments defined in the Law and in the Policy for the Selection and Appointment of the Statutory Auditor/Audit Firm (statutory auditor) and Hiring of Auditing Non-Prohibited Services, approved on 10 May 2018, already under review.

At the General Meeting, held on 28 May 2022, the firm of Statutory Auditors PwC – PriceWaterhouseCoopers & Associados – SROC, Lda, was appointed as Statutory Auditor for the term of three years, for the 2022-2024 mandate, represented by Carlos José Figueiredo Rodrigues or, as second representative, by José Manuel Henriques Bernardo.

b. Indication of the number of consecutive years as Caixa Central´s Statutory Auditor

The Statutory Audit Firm PWC – PriceWaterhouseCoopers & Associados was appointed for the first time as Statutory Auditor of **Caixa Central** at the General Meeting of 30 May 2015, for the year 2015, having been reappointed for three (3) year mandates, corresponding to the three-year periods 2016-2018, 2019-2021 and 2022-2024.

Its Representative Partners, meanwhile, were in their second year of office on 31 December 2023, corresponding to the 2022-2024 term of office.

c. Indication of the number of consecutive years as Auditor of the institutions of the Crédito Agrícola Group

The firm of statutory auditors *PwC – PriceWaterhouseCoopers* & Associados – SROC, Lda is the statutory auditor of the following companies in the Group, having performed its duties in the following mandates:

- Crédito Agrícola Gest – Sociedade Gestora de Orgãos de Investimento Colectivo, S.A. - for the two-year periods of 2016-2017, 2018-2019, 2020-2021 and 2022-2024;
- Crédito Agrícola SGPS, S.A. – in the three-year periods of 2016-2018, 2019-2021 and 2022-2024.
- Crédito Agrícola Seguros – Companhia de Seguros de Ramos Reais, S.A. – in the three-year periods of 2016-2018, 2019-2021 and 2022-2024.
- Crédito Agrícola Vida, Companhia de Seguros, S.A. – in the three-year periods of 2016-2018, 2019-2021 and 2022-2024.
- Crédito Agrícola Informática, S.A. – in the years 2017, 2018 and three-year periods of 2019-2021 and 2022-2024.
- Crédito Agrícola Serviços – Agrupamento Complementar de Empresas, ACE – in the years 2017, 2018 and three-year periods of 2019-2021 and 2022-2024.
- Crédito Agrícola Imóveis, Unipessoal, Lda – in the three-year periods of 2016-2018, 2019-2021 and 2022-2024.
- CCCAM – Gestão de Investimentos e Consultoria, Unipessoal, Lda – in the three-year periods of 2016-2018, 2019-2021 and 2022-2024.
- Crédito Agrícola Seguros e Pensões SGPS S.A., in the three-year period 2022-2024;
- CA Capital, SCR, S.A., in the three-year period 2022-2024;

4) Superior Council

a. Composition

Pursuant to Article 35 of **Caixa Central's** Articles of Association, the Superior Council is composed of a number of members not exceeding fifteen (15), nine (9) of its members being elected by the General Meeting, from the

Associates not represented on the General and Supervisory Board, on the General Meeting Board and on the Assessment Committee, the elected Associates being responsible for designating a natural person to exercise the position in their own name.

With the exception of Superior Council Member Dr Artur Teixeira de Faria, who had been appointed by Caixa de Crédito Agrícola Mútuo de Terras do Sousa, Ave, Basto e Tâmega, C.R.L. and who resigned on 25 September 2023, effective from 30 September 2023, the members of the Superior Council elected for the three-year period 2022-2024 remained in office during 2023, with the Council having the following composition:

Chairman
Afonso de Sousa Marto, appointed by elected Member, Caixa de Crédito Agrícola Mútuo da Batalha, C.R.L.

Deputy Chairman
Hélio José de Lemos Rosa, appointed by Caixa de Crédito Agrícola Mútuo de Alenquer, C.R.L.;

Members
António Manuel Melo Gomes de Sousa, appointed by Caixa de Crédito Agrícola Mútuo dos Açores, C.R.L.;
José Lopes Gonçalves Barbosa, appointed by Caixa de Crédito Agrícola Mútuo do Alto Cávado e Basto, C.R.L.;
José Luís Tirapicos Nunes, appointed by Caixa de Crédito Agrícola Mútuo do Alentejo Central, C.R.L.;
José Gonçalves Correia da Silva, appointed by Caixa de Crédito Agrícola Mútuo do Noroeste, C.R.L.;
João Gante Gonçalves, appointed by Caixa de Crédito Agrícola Mútuo de Pombal, C.R.L.;
Artur Teixeira de Faria, appointed by Caixa de Crédito Agrícola Mútuo de Terras do Sousa, Ave, Basto e Tâmega, C.R.L., until 30 September 2023;
Magda Cristina Batista Antunes Santolini, appointed by Caixa de Crédito Agrícola Mútuo da Zona do Pinhal, C.R.L.

b. Responsibilities

The Superior Council, as Caixa Central's advisory body, is responsible, at the request of the Executive Board of Directors and/or the General and Supervisory Board and/or on its own initiative, for presenting suggestions, advice or recommendations, of a global, general and strategic nature, on and for **SICAM** and/or **GCA**: (Article 37 of the Articles of Association)

- Designating and replacing its Chairman.
- Approving its operating regulations and relations with the other Governing Bodies of **Caixa Central**.
- Presenting, on its own initiative, to the Executive Board of Directors and/or the General and Supervisory Board, recommendations and suggestions within the scope and tasks of Caixa Central, namely on:

i) proposed amendments to the Legal Framework for Crédito Agrícola Mútuo, to be presented by Caixa Central;
ii) proposed amendments to the Articles of Association;
iii) **Caixa Central** guidelines on the Articles of Association of **Caixa Central** Associates;
iv) the proposal for **Caixa Central's** business plan and budget, business plan and budget for **SICAM** and the **Crédito Agrícola Group**;
v) proposals for admission, suspension and/or exclusion of **Caixa Central** Associates;
vi) the proposal for the application of sanctions to Associates, pursuant to Section IV of Chapter VI of **Caixa Central's** Articles of Association;
vii) the exercise by **Caixa Central** of the powers provided for in Article 70(3) of **Caixa Central's** Articles of Association.

- Communicate, through recommendations, suggestions or advice, on any other matters submitted by the Executive Board of Directors and/or the General and Supervisory Board of **Caixa Central**.

c. Number of meetings held

The Superior Council meets in plenary at least once a month, or whenever convened by its Chairman on his own initiative or at the request of two of its members, the General and Supervisory Board or the Executive Board of Directors.

During 2023, the Superior Council held a total of twelve (12) meetings.

5) Assessment Committee

Pursuant to Article 29(2) of **Caixa Central's** Articles of Association, **Caixa Central** 's Assessment Committee is made up of three (3) **Caixas de Crédito Agrícola Mútuo** appointed by the General and Supervisory Board for a term of three (3) years, who do not hold any corporate office. Under the terms of Caixa Central's Internal Policy for the Selection and Assessment of Suitability of the Members of the Management and Supervisory Bodies (PISAAMOAF), Caixa Central's Electoral Regulations and the Internal Regulations of the Assessment Committee, the Assessment Committee is responsible for assessment of the suitability of the members of the Management and Supervisory Bodies, under the terms of the law and whenever necessary.

As at 31 December 2023, the Assessment Committee, appointed on 22 October 2021, was composed of the following Caixas Agrícolas:

- Caixa de Crédito Agrícola Mútuo de Caldas da Rainha, Óbidos e Peniche, C.R.L.;
- Caixa de Crédito Agrícola Mútuo da Costa Azul, C.R.L.

- Caixa de Crédito Agrícola Mútuo de Alcácer do Sal e Montemor-o-Novo, C.R.L.

Each of these Members has appointed the following Representatives to exercise the office in its own name, and they are currently in office:

- Chairman: Cristiana Lopes Lage da Costa Lourenço, appointed by the Associate Caixa de Crédito Agrícola Mútuo de Caldas da Rainha, Óbidos e Peniche, C.R.L.;
- Member: Ana Maria Nogueira Garcia Rodrigues, appointed by the Associate Caixa de Crédito Agrícola Mútuo da Costa Azul, C.R.L.;
- Member: Manuel Francisco Fura Nunes Jorge, appointed by the Associate Caixa de Crédito Agrícola Mútuo de Alcácer do Sal e Montemor-o-Novo, C.R.L.

C. INTERNAL ORGANISATION

I. RJCAM

The RJCAM, approved by Decree-Law 24/91 of 11 January, is the basic legal act that governs the activity of **Caixa Central**.

In everything that is not provided for in the RJCAM, **Caixa Central** is governed, depending on the matter, by the RGICSF and other regulations that discipline Credit Institutions, by the CCoop and by other legislation applicable to cooperatives in general.

In accordance with the provisions of Article 20 of RJCAM – *ex-vi* Article 55 of RJCAM – and, without prejudice to the provisions of the Articles of Association, the designation of members of the Governing Bodies of **Caixa Central** is governed by the provisions of the CSC, and it is certain that, under the terms of the same provision, the structure, composition and responsibility of **Caixa Central** management, is governed by the provisions of the same Code as for public limited-liability companies.

The composition, functioning and responsibility of the General Meeting are governed by the provisions on the matter in the CCoop.

II. Articles of Association

All references to the Articles of Association that are made in this document refer to the Articles of Association approved at the Ordinary General Meeting of **Caixa Central** of 14 December 2019.

In accordance with Article 20(1)(i) of the Articles of Association, it is incumbent upon the General Meeting to decide on the amendment of the Articles of Association.

The Associated **Caixas de Crédito Agrícola Mútuo** of **Caixa Central** may use the totality of votes calculated under the terms of Article 22 – which regulates the right to vote – in specific matters such as voting on the amendment to the Articles of Association, as provided for in Article 23(1)(d) of the Articles of Association.

With regard to the constitutive and deliberative quorum of the General Meeting, the Articles of Association do not differ from the Law, so the rules provided for in the Cooperative Code are applicable.

In this sense, the General Meeting convenes at the appointed time, as set in the notice which called it, if more than half of the Associates with voting rights are present or represented.

If, at the appointed time for the meeting, the attendance number foreseen for the first call is not verified, it will meet with any number of co-operators, one hour later.

For a statutory amendment be approved, a qualified majority of at least two thirds of the votes cast is required.

III. Code of Ethics and Conduct of Crédito Agrícola Group

a. Purpose and binding nature

The Code of Ethics and Conduct of the Crédito Agrícola Group plays a central role in the definition of the organisational culture of both of **Caixa Central** and of the **Crédito Agrícola Group**, establishing the fundamental ethical and deontological values and principles that govern the activity of the **Crédito Agrícola Group**, as well as the standards of responsible and prudent professional conduct to be observed by all its Employees in performing their duties.

The Code of Ethics and Conduct of the Crédito Agrícola Group also embodies the backbone of most of the Internal Policies and Regulations of the **Crédito Agrícola Group**. This includes, among others, the regulations on the responsibilities of the internal control functions, the prevention, identification, communication and mitigation of conflicts of interest and management of transactions with related parties, and the reporting of irregularities (whistleblowing).

As a Binding Regulation, it applies across the board to all the institutions that make up **Crédito Agrícola Group**, and all institutions and institutions related to **Crédito Agrícola Group** that review themselves in its values and principles can also join.

b. Training and Disclosures on Ethics and Conduct

During 2023, Caixa Central organised several training sessions on Ethics and Conduct and Ethical Dilemmas for all employees who had not yet completed the training, as well as new employees and new members of the Management and Supervisory Bodies of **Caixas Agrícolas** belonging to SICAM, with the aim of, in particular, clarifying the concept of ethics and providing the respective legal and regulatory framework and the internal rules of the **Crédito Agrícola Group**. These actions allowed **Caixas Agrícolas** to be aware of the importance of distinguishing between correct and incorrect conducts under the Code of Ethics and Conduct, and to learn in a practical context the essential concepts for a healthy and prudent management.

In addition, on 25 October 2023, a training course called the Institutional Integration Programme ("Induction"*)* was held for *ex-novo* members of the Boards of Directors and Supervisory Boards of the **Caixas Agrícolas**, which covered, among other topics, the Code of Ethics and Conduct and the main regulations that implement it.

c. Changes to the Code of Ethics and Conduct

On 13 February 2023, the revised version of the Crédito Agrícola Group's Code of Ethics and Conduct came into force, which now includes a non-exhaustive list of acceptable and non-acceptable behaviours in the light of the values and principles contained therein, and this same revision exercise was also used to adapt the Code of Ethics and Conduct, bringing it closer to the provisions of Decree-Law no. 109-E/2021, of 9 December and to review the role of the Ethics Committee.

d. Communication of Anomalous Situations under the Code of Ethics and Conduct of the Crédito Agrícola Group

Under the terms of the Code of Ethics and Conduct of the Crédito Agrícola Group, any GCA Institution, Associate, Customer, Employee or any person outside the Institution who encounters any anomalous situation may report it to the Ethics Committee by e-mail, considering its mission to monitor the full application of the Values, Principles and Standards set out in the Code throughout the **Crédito Agrícola Group**, and its primary responsibility is to clarify any doubts that may arise in this regard. Whenever the Ethics Committee detects that the anomalous situation reported constitutes a violation of the Code of Ethics and Conduct, it must forward the communication received to the Compliance Department with the necessary confidentiality and speed, in compliance with the Crédito Agrícola Group's Whistleblowing Policy.

IV. Whistleblowing

Under the Crédito Agrícola Group's Whistleblowing Policy, four (4) reports were received in 2023, three (3) of which refer to **Caixa Central** and the other to its associated **Caixas Agrícolas**. One report relating to Caixa Central is pending, and the others were closed and filed in 2023, as no irregularities were found, and consequently no corrective measures were taken.

The reports that had been received during 2022 through the e-mail address available on the website of Crédito Agrícola and which handling continued through 2023, were all processed and closed, and no irregularities were detected, and as such no corrective measures had to be adopted and implemented.

V. Complaints to Caixa Central about its Associated Caixas

a. Standard for Handling Complaints about Caixas de Crédito Agrícola Mútuo belonging to SICAM, which defines the principles, the responsibilities and the process for receiving, analysing and handling complaints received by Caixa Central, in its capacity as SICAM's Central Body, regarding situations allegedly taking place at its Associated Caixas Agrícolas, and covers the activities of receipt, analysis and handling of complaints by Caixa Central.

The Standard for Handling Complaints came into force on 4 January 2023. It is an integrated internal regulation covering the activities of receiving, analysing and handling complaints, with a view to ensuring uniform procedures for handling complaints received by Caixa Central, in its capacity as the Central Body of SICAM, in relation to its Associated Caixas Agrícolas.

During 2023, the following were processed under the Standard for Handling Complaints:

(i) The Monitoring and Supervision Department (DAS), given its competence, among others, to investigate situations relating to the conduct of the Corporate or Statutory Bodies of the Caixas Agrícolas, received forty-three (43) complaints about Caixa Central Associates:
  - twenty-nine (29) complaints were concluded in 2023, including twelve (12) complaints received during 2022;
  - fourteen (14) complaints whose analysis was carried over to 2024 and which are still being investigated, including six (6) complaints received during 2022.

(ii) Eighteen (18) complaints were received by the Audit Department (DA), in view of its competence to investigate situations involving Caixas Agrícolas employees:
  - eight (8) were concluded in 2023, including two (2) complaints received during 2022;
  - ten (10) complaints whose analysis was carried over to 2024 and which are still being investigated, including one (1) complaint received in 2022.

VI. Internal Regulations

The rules of organisation and functioning of the Corporate and Statutory Bodies of Caixa Central, as well as the principles and rules of action that should govern the conduct of the respective members in the exercise of their functions, without prejudice to the provisions of the Law and the Articles of Association, are established by the Internal Regulations of each of the Corporate and Statutory Bodies.

During 2023, the amendment to the Internal Regulations of the Executive Board of Directors and the Internal Regulations of the Risk Committee was approved, specifically to incorporate the description of the responsibilities and activities of the Executive Board of Directors in matters related to decision-making, monitoring and control of the impairment model, and the Regulation of Credit Decision Bodies was also amended, in which the composition of the N4 and N5 Credit Boards was revised, among other things, as mentioned above with regard to the Boards and Committees of Caixa Central's Executive Board of Directors.

VII. Other Internal Regulatory Instruments

1. Binding Regulations

Aware of the internal organisation of **SICAM** and in order to provide all its Credit Institutions with uniform, harmonised, integrated, consistent and transversal regulating instruments, **Caixa Central** adopts, whenever the matter at hand permits and justifies it, Binding Regulations approved by **Caixa Central**'s Executive Board of

Directors, after obtaining a prior opinion from the General and Supervisory Board and hearing the Superior Council, and subsequently disclosed to all **Caixas de Crédito Agrícola Mútuo**, its Associates, which are obliged to ensure their full and punctual compliance.

These Binding Regulations are issued with due regard to the guidance of the Associated **Caixas de Crédito Agrícola Mútuo** incumbent upon **Caixa Central** under the terms of Article 75 of RJCAM, considering also the powers conferred on it by Article 69 of the same diploma and by Articles 3(3)(e) and 43(1)(f) and (2) of its Articles of Association, as well as the position held by **Caixa Central** within the **CA Group**.

In addition to the Code of Ethics and Conduct of Crédito Agrícola Group, referred to above in point III, Caixa Central adopts a set of other regulatory instruments (including Standards, Policies and Regulatory Guidelines) that embody the rules, guidelines and recommendations issued as part of its guidance duties to its **Associated Caixas**.

In this context, during 2023, the following Binding Regulations were amended:

- Compliance Risk Management Policy at SICAM effective from 10 January 2023;
- Binding Regulation for Credit Recovery, effective from 6 February 2023.
- CA Group Code of Ethics and Conduct, effective from 13 February 2023;
- Remuneration Statute of the Integrated Mutual Agricultural Credit System, effective from 28 March 2023;
- Model Risk Management Policy, effective from 4 August 2023;
- Binding Standard for Assessment of Movable and Immovable Property, effective from 10 August 2023;
- Policy on Global Risk Management, effective from 4 September 2023;
- Policy for the Selection and Appointment of Statutory Auditors and the Hiring of Non-Prohibited Services, effective from 10 November 2023;
- Policy on Prevention, Communication and Resolution of Conflicts of Interest and Transactions with Related Parties, effective from 6 December 2023;
- Binding Training Regulations, effective from 15 December 2023.

Once approved, Binding Regulations are disclosed to all the Associates and, when applicable, to the Subsidiary Companies, and published and disclosed on the Intranet of the Crédito Agrícola Group (CAIS), which contains the repository of all current Regulations. Some Binding Regulations are published and maintained on the website of Crédito Agrícola Group due to their importance for all interested parties and general public.

In 2023, in addition to the entry into force of the above-mentioned changes to the Binding Regulations, the new SICAM Remuneration Statute came into force on 28 March 2023, as a result of new regulations that introduced significant changes to both the rules governing the remuneration policies and practices of Credit Institutions and those establishing the suitability requirements to be met by those who serve on the Management and Supervisory Bodies of the same Institutions, namely those of Banco de Portugal Notice no. 3/2020 of 15 July, which regulates governance and internal control systems and defines the minimum standards on which the organisational culture of institutions subject to supervision by Banco de Portugal must be based.

2. Other Regulations, Circular Letters, Instructions and Normative Guidelines

Given its guiding powers, in addition to the Binding Regulations mentioned above, Caixa Central also issues Standards and Regulatory Instructions, Circular Letters and Guidelines that establish rules and guidelines to ensure due compliance with the applicable legal and regulatory rules within the scope of the activities carried out by the institutions of the **Crédito Agrícola Group**.

Concerning **Internal Governance**, SICAM received circulars on 15 February 2023 and 22 March 2023, respectively, regarding i) the institutions that must be included in the list of Related Parties of the Caixas Agrícolas (Circular DC/01/2023), clarifying the categories of related parties provided for in Banco de Portugal Notice no. 3/2020 and the respective objective criteria, ii) as well as the issue of share capital, and also the clarification of the concepts of statutory share capital and paid-up share capital, and the respective obligations of registration at the Commercial Registry and Banco de Portugal (Circular DAJ/01/2023).

VIII. Powers of intervention of Caixa Central

a. Under Article 77 of RJCAM

Article 77 of RJCAM establishes the possibility for Caixa Central to intervene in its Member Caixas Agrícolas whenever there is a situation of imbalance which, due to its extent or continuity, may affect the regular operation of the Caixa, when its solvency is threatened or when serious irregularities are found.

Under the terms of this legal provision, Caixa Central may appoint a Delegate who, in conjunction with the members of the Management Body of the Caixa Agrícola in question, will monitor the management and administration of the Caixa and adopt the measures deemed necessary by Caixa Central to put an end to the situation of imbalance in which it is found.

In 2023, this intervention measure ceased at Caixa de Crédito Agrícola Mútuo de Loures Sintra e Litoral C.R.L., and the same measure was decided for Caixa de Crédito Agrícola Mútuo de Terras do Sousa, Ave, Basto e Tâmega, C.R.L., where, since 2 October 2023, the Board of Directors has been accompanied by a Central Bank Delegate.

b. Under Article 77-A of RJCAM

By way of the intervention measure laid down in Article 77-A of RJCAM, when a Caixa Agrícola belonging to SICAM is in a situation of serious financial imbalance, or at risk of being so, and fails to comply with the guidelines defined by Caixa Central within the scope of its guidance powers, Caixa Central may appoint one or more Provisional Directors for the Caixa Agrícola in question, with the powers conferred by law and by the Articles of Association on the members of the Board of Directors and, further, with the additional powers described in Article 77-A(2)(a) to (d).

Under this designation, Caixa Central may suspend, in whole or in part, the Caixa Agrícola's Administrative and Supervisory Bodies in office, and the Provisional Directors and the members of the Supervisory Committee shall exercise their functions for a maximum period of one (1) year, which may be extended one or more times by Caixa Central until the intervened Caixa Agrícola reaches a situation of adequate financial balance.

Both the intention to appoint Provisional Directors and the intention to suspend the Supervisory Body with the appointment of a Supervisory Committee, as well as the intention to extend the intervention that has already been in force, must be notified in advance to Banco de Portugal and the Supervisor may oppose their adoption.

The intervention measure under Article 77-A of RJCAM was initiated on 4 April 2023 at Caixa de Crédito Agrícola Mútuo de Loures Sintra e Litoral, C.R.L. In 2023, this intervention measure was maintained in the following Caixas Agrícolas, in which Provisional Directors appointed by Caixa Central are in office and their respective elected administrators have been suspended:

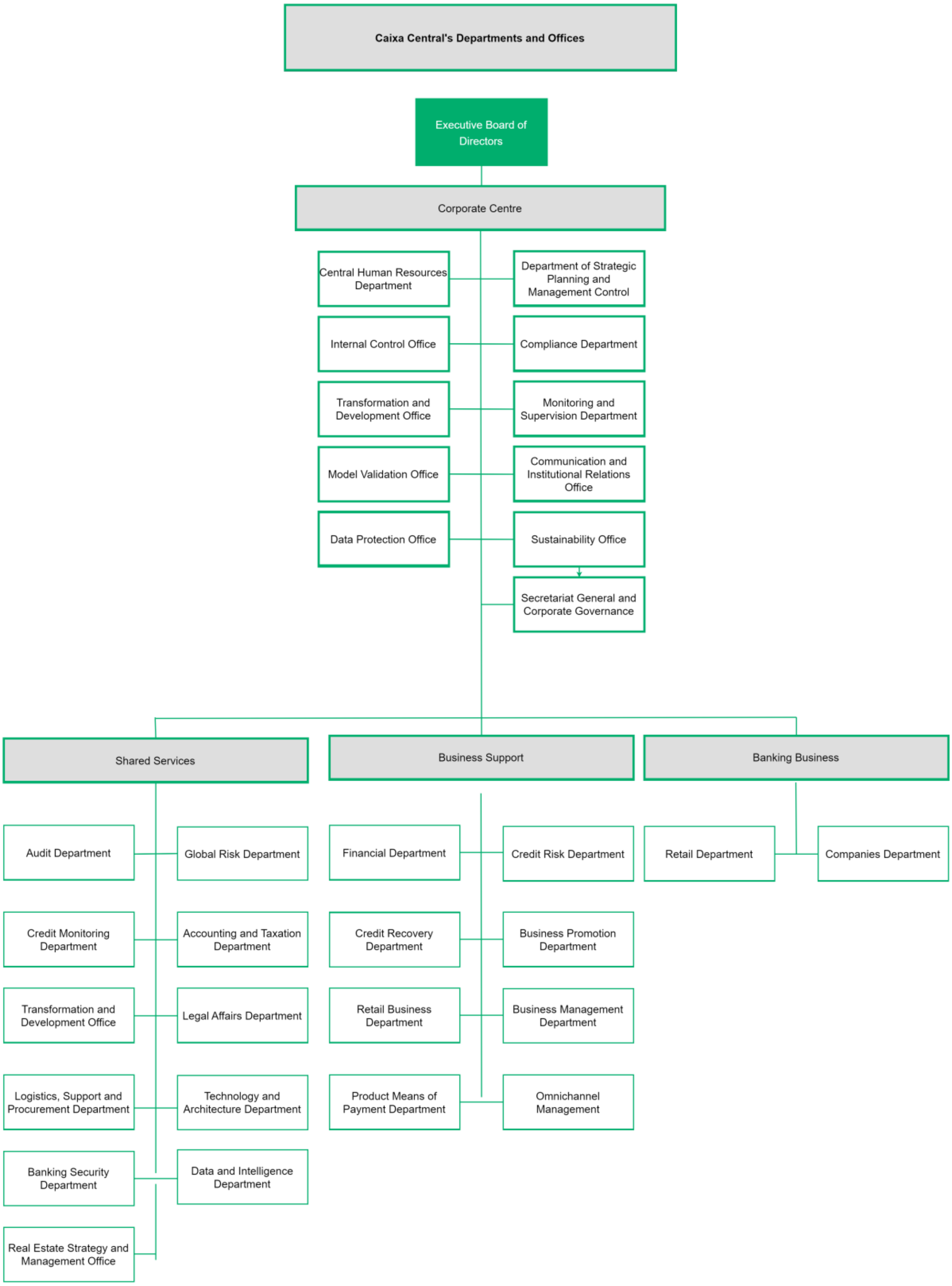
- Caixa de Crédito Agrícola Mútuo do Algarve, C.R.L.;
- Caixa de Crédito Agrícola Mútuo de Coimbra, C.R.L.;
- Caixa de Crédito Agrícola Mútuo de Coruche, C.R.L.;
- Caixa de Crédito Agrícola Mútuo de Entre Tejo e Sado, C.R.L.;
- Caixa de Crédito Agrícola Mútuo de Loures Sintra e Litoral, C.R.L. (already ceased in 2024).

At Caixa de Crédito Agrícola Mútuo de Coimbra, C.R.L., a Supervisory Committee was appointed under Article 77-A(4) of RJCAM, which terminated its duties on 28 February 2023, due to the start of the duties of the members elected and authorised for the Supervisory Board of that Caixa Agrícola, for the three-year period 2022-2024.

IX. Internal Organisation Chart

During 2023, the "Alvorada" Transformation Programme was implemented at Caixa Central, comprising a series of initiatives in line with Crédito Agrícola's different strategic pillars. As a result, a new organisational structure for Caixa Central and the IT function came into force on 1 August 2023.

Thus, **Caixa Central** 's structure is made up of the Governing Bodies, collegiate functional decision-making bodies and, since 1 August 2023, the thirty-two (32) structures (Departments and Offices) described in the **Caixa Central** Structure and Organic Standard (EOCC Standard), of which nine (9) are new structures created by the "Alvorada" Programme, and six (6) structures have been extinguished in the same context, as explained below.



Source: EOCC Standard, version 5/ 2023.b, dated 11/12/2023

The organisational model of **Caixa Central** is, in turn, structured in four standard functions:

- Corporate Centre: Functional areas providing direct support to the Executive Board of Directors in the development of the Crédito Agrícola Group's Strategy and Management.
- Shared Services: Shared functional areas of an operational nature that directly support the other areas of the Group, maximising synergies and efficiency.
- Business Support: Cross-cutting functions dedicated to the development and execution of the Group's business processes.
- Urban Banking Business: Caixa Central's own banking business, focused on individual customers and SMEs in large urban cities, Lisbon and Porto, and on Medium and Large Companies operating in Portugal.

X. Identification of each of the **Caixa Central** Structures

As at 31 December 2023, Caixa Central had thirty-two (32) structures, distributed among the Corporate Centre, Shared Services, Business Support and Urban Banking Business, with the following names and missions:

Corporate Centre:

- Audit Department (AD): Provide permanently and proactively the Board of Directors, the Supervisory Bodies and other SICAM structures with independent, objective, relevant and credible risk-based assessments, advice and knowledge, contributing to its management in an effective and efficient manner, and to the protection and creation of value, solvency and reputation of SICAM. As of 16 June 2023, the Audit Department also assumed responsibility for the process of preventing and detecting internal fraud in SICAM;
- Strategic Planning and Management Control Department (DPEC): Development of the Strategic Group Plan, oriented around common strategic objectives defined by the Executive Board of Directors and execution of Management Control activities. Support for decision-making by the Executive Board of Directors, monitoring the holdings and activities of companies directly or indirectly invested by the Crédito Agrícola Group and the investment strategy for the benefit of the Group.
- Human Resources Central Department (DCRH): Ensuring the management of the Crédito Agrícola Group's Human Resources, conceiving, coordinating and supporting the definition of policies and strategic guidelines, ensuring the implementation, promotion and evaluation of the measures adopted, namely in terms of recruitment and selection, mobility, onboarding and integration, skills management, careers and professional development, training, legal and employment advice and personnel management, guaranteeing a safe and healthy environment for its employees;
- Compliance Department (DC): Management of the Crédito Agrícola Group's Compliance Function, ensuring proper compliance with the applicable regulations and the Prevention of Financial Crime.

- Internal Control Office (GCI): Promoting the resolution of all flaws in the Crédito Agrícola Group;
- Monitoring and Supervision Department (DAS): Ensure, from a prudential point of view, the adequacy of the internal governance systems and the economic and financial sustainability of the Associated Caixas Agrícolas, anticipating scenarios of possible imbalances and ensuring compliance with the guidelines defined by Caixa Central, in line with the best supervisory practices, with the banking regulations and legislation.
- Transformation and Development Office (GTD): Promote the dynamism and quick and effective recovery of the Caixas de Crédito Agrícola Mútuo that show financial, commercial, operational performance below expectations and/or other deviating aspects, in order to ensure their alignment with Caixa Central guidelines and defend the sustainability of SICAM.
- Communication and Institutional Relations Office (GCRI): Management and coordination of Communication activities (external and internal) and Institutional Relations in the Group, promoting the Crédito Agrícola brand in a consistent manner and in conjunction with the global strategy, ensuring a level of quality in the various aspects of communication, in order to make Crédito Agrícola Group a reference for good practices in this field.
- Global Risk Department (DRG) – Assistance to Caixa Central's Management Body (management and supervisory functions) in defining the risk strategy and risk appetite of the CA Group, as well as in the development of policies and processes associated with the risk management system, in particular the management and control of risks and capital in an integrated and global perspective. DRG ceased to be part of the Corporate Centre area on 31 July 2023, and as of that date became part of the Shared Services area;
- Model Validation Office (GVM): Ensure the independent validation of the risk management and assessment models adopted by the Crédito Agrícola Group, ensuring a detailed assessment of the suitability of each model for its intended purposes;
- Data Protection Officer and Data Protection Office (EPD and GPD): Ensure the independent monitoring of the Crédito Agrícola Group's compliance with the requirements of the General Data Protection Regulation (GDPR), taking into account the Governance Model established for the Crédito Agrícola Group;
- Customer Ombudsman Office (GPC) – Integrated management of suggestions and complaints submitted to SICAM. The GPC was abolished as part of the "Alvorada" Programme, having ceased its activities on 31 July 2023, and its mission will be carried out by the new Operations and Transformation Department (DOT), as detailed below;
- Sustainability Office (GS): Develop the Crédito Agrícola Group's sustainability strategy, in line with the principles and guidelines established in the sustainability policy, namely with the sustainable development objectives defined by the Group as a priority, with a view to the Group's ambition to be a benchmark in terms of environmental and social sustainability and to be recognised in the market as such.

On 1 August 2023, the Corporate Centre was endowed with a new structure, which is identified below:

- Secretariat General and Corporate Governance (SGGS): the mission of the SGGS is to support and advise the Governing Bodies and respective Committees of the Crédito Agrícola Group, ensuring their efficient operation, as well as the coordination and functional supervision of the Group's activity in matters of Corporate Governance, in the area of corporate law, ensuring institutional representation at the Portuguese Banking Association and Mutual Guarantee Companies.

Shared Services:

- Accounting and Taxation Department (DCF): Record management, accounting control, consolidation of accounts, calculation of profit or loss by institution, framework and compliance with tax obligations and production of accounting and tax information;
- Operations Department (DO)**:** Processing of operations (Back-Office) associated with the provision of services, including financial intermediation, to the Group and to the Group's Customers, ensuring the maximisation of efficiency and effectiveness. The DO was abolished as part of the "Alvorada" Programme, ceasing its activities on 31 July 2023, and its mission will be carried out by the new Operations and Transformation Department (DOT), as detailed below;
- Legal Affairs Department (DAJ): Coordination and functional supervision of the Group's legal activity, in the areas of Legal Advice, Credit Contracting, Litigation, Solicitors, Discharges, Attachments and other Judicial Seizures and Information to Official Bodies;
- Logistics, Support and Procurement Department (DLSC): Management of the general services necessary for the Group's functioning and operation, including asset and facilities management, procurement and contract management, as well as document custody.
- Organisation and Processes Department (DOP): Definition, updating and monitoring of processes and regulations, and development and execution of internal consultancy projects on topics of organisation, efficiency and digital transformation of processes in the Group. The DOP was abolished on 31 July 2023, and its mission became part of the work of the new Operations and Transformation Department (DOT), as detailed below;
- Technology and Data Department (DTD): Definition of the strategic lines of IS/IT and governance as well as promoting the total alignment between business and technology, and the fulfilment of strategic and tactical projects, through support close to the Business (Departments of Caixa Central, CCAM and CA Group Companies). Centralisation of IS/IT Subcontracting strategy across CA Group. The DTD was abolished on 31 July 2023, and from that date its mission will be carried out by the new Technology and Architecture Department (DTA), which will be identified below;
- Banking Security Department (DSB): Ensure asset protection, security and, until 10 December 2023, business continuity in the Crédito Agrícola Group, in its logical and physical components.

As of 1 August 2023, the Shared Services area included structures that until then had been included in the set of functional areas that made up the Corporate Centre and Business Support:

- The Audit Department (DA) and the Global Risk Department (DRG), structures that were transferred from the Corporate Centre to the Shared Services and which maintained their respective missions as detailed above;
- The Credit Monitoring Department (DAC), which moved from the Business Support area to Shared Services, has the mission of monitoring and following up the credit portfolio granted to SICAM customers, in accordance with the credit risk appetite and strategy in force at any given time. Support, as a result of the analyses carried out, the definition/revision of the credit risk appetite, credit risk policies and limits, to be defined by the competent area.

Also as of 1 August 2023, as part of the so-called "Alvorada" project, the Shared Services were given 4 (four) new Departments, which are identified below:

- Operations and Transformation Department (DOT) – created as a result of the extinction of the Operations Department (DO), the Organisation and Processes Department (DOP) and the Customer Ombudsman Office (GPC), whose missions are now carried out by the DOT. Thus, DOT's mission is to promote the continuous improvement of services provided by Caixa Central and the associated Caixas Agrícolas, ensuring: i) the processing of operations (Back-Office) associated with the provision of services, including financial intermediation, to the Group and the Group's Customers, ensuring the maximisation of efficiency and effectiveness; ii) the definition, updating and monitoring of SICAM processes and regulations; iii) the integrated management of suggestions and complaints submitted to SICAM and iv) the structuring and coordination of transformation programmes, ensuring the correct transposition of the Crédito Agrícola Group's strategic priorities and the evaluation of the results achieved, supported by the adoption of agile development methodologies;
- Technology and Architecture Department (DTA) – created as a result of the extinction of the Technology and Data Department (DTD), which also integrated the Shared Services area, and whose mission the DTA now pursues by defining the strategic lines of IS/IT and data governance and management of the Crédito Agrícola Group, promoting total alignment between business and technology, and compliance with strategic and tactical projects, by providing close support to the business (Central Bank departments, Crédito Agrícola banks and Group companies), structuring and orchestrating the process of prioritising the annual and four-monthly activity plan, as well as centralising the IS/IT subcontracting strategy across the entire Crédito Agrícola Group;
- Data and Intelligence Department (DDI) – its mission is to promote a culture of knowledge and decision-making based on data that meets quality criteria, ensuring that information is disseminated in a uniform and comprehensive manner, that the organisation is trained in the exploration and development of business and regulatory reports and that advanced analytics and artificial intelligence models are integrated into the strategic and operational decision-making process;

- Real Estate Strategy and Management Office (GEGI) – its mission is to define and operationalise the strategy for managing exposure to real estate (real estate collateral and properties for divestment), with the aim of reducing the Crédito Agrícola Group's real estate risk.

Business Support:

- Financial and Treasury Department (DF): Management of treasury, liquidity and financial asset portfolio;
- Credit Risk Department (DRC): Risk analysis of credit operations, including new operations, renewals and restructuring, assuming a centralised view of the risk of exposure to customers and sectors, ensuring compliance with the rules and policies established in Caixa Central's Credit Concession Standard and reference for SICAM, when applicable.
- Credit Monitoring Department (DAC): DAC was part of the Business Support area until 31 July 2023, when it became part of the Shared Services area, maintaining the mission detailed above;
- Credit Recovery Department (DREC): Management of the overdue loan portfolio, with a view to its resolution, profitability and recovery.
- Strategic Marketing Department (DME)**:** DME ceased its activity on 31 July 2023. Its mission was to define the Group's marketing strategy in terms of segmentation, value proposition, offer, pricing, communication and distribution channels;
- Business Promotion Department (DDN): Implementation of the retail strategy at the Group level, explaining to Caixas de Crédito Agrícola Mútuo the strategy and value proposals by segment and supporting its realisation on the ground.
- Products Department (DP): The mission of DP, which was abolished on 31 July 2023, was specialising the operational product development competence and centralising the product "factories";
- Direct Banking Department (DBD): Strategic and operational management of non-face-to-face and digital channels in an integrated manner (CA website, CA Online (home banking), CA Mobile, Direct Line, B24, digital channels and social networks) and services over the SIBS network (including automated teller machines (ATM) and automated payment at point-of-sale machines (POS)). DBD ceased operations on 31 July 2023, and its mission was taken over by the new Omnichannel Department (DOC);
- Innovation and Digital Department (DID): Definition and management of the evolution of the Group's digital offer, as a centre of excellence, assuming itself as an innovation laboratory, promoting the adoption of digital channels and processes with specialists prepared and dedicated to ensure the progressive digital transformation of the traditional banking business and support processes in the Group. As of 1 August 2023, the DID's mission will be carried out by the DOT, as mentioned above.

As of 1 August 2023, as part of the so-called "Alvorada" project, the Business Support area was composed of 4 (four) new structures.

- Retail Business Department (DNR): the DNR, which until 10 October 2023 was called the Retail Business Management Department (DGNR), has the mission of defining the strategy and priorities of each segment, developing end-to-end customer solutions and identifying and generating commercial actions, ensuring quality of service and operational performance;
- Business Management Department (DGNE): Defining the strategy and priorities of each Business segment, developing end-to-end Customer solutions and identifying and generating commercial actions, ensuring a value proposition with an appropriate offer, pricing and communication and with quality of service and operational performance, monitoring results and profitability for the Crédito Agrícola Group;
- Means of Payment Department (DMP): Define and implement the strategy for the evolution of Crédito Agrícola's means of payment and develop end-to-end customer solutions, ensuring stock optimisation and the management of suppliers and partnerships as well as associated profitability models;
- Omnichannel Department (DOC): Build and implement an omnichannel strategy, transforming the customer experience at the Bank's touchpoints, ensuring a single customer vision in an integrated journey, promoting complementarity between digital and physical channels.

Urban Banking Business:

- Retail Department: Definition and execution of the commercial strategy of the urban retail banking business, in alignment with the Group's strategic objectives.
- Corporate Department: Positioning, originating and/or commercially managing SICAM's banking business with regard to the financing of structured projects (i.e. project finance, acquisition of companies and income assets), financing of Large and Mid-Caps at national level and financing to medium-sized companies and local authorities in the social area of Caixa Central.

XI. Internal Control Functions and Essential Functions

a. Internal Control Functions

Caixa Central has the following internal control functions, in compliance with Notice 3/2020:

- Compliance Function, assigned to the Compliance Department.

- Risk Management Function, assigned to the Global Risk Department.

- Internal Audit Function, assigned to the Audit Department.

Using the authority provided in Article 50(3) of Notice No. 3/2020, under which institutions, when part of a financial group, may establish common services for the development of the responsibilities assigned to the internal control functions, on 11 November 2021, Caixa Central defined and approved, a Policy of Common Services of Crédito Agrícola.

This Policy on Common Services regulates the provision of services common to the internal audit function and the risk management function by the complementary group of companies (Crédito Agrícola Serviços – Centro de Serviços Partilhados, ACE) to the Caixas Agrícolas belonging to SICAM, under the guidance, monitoring and supervision of Caixa Central. With regard to the compliance function, this is performed individually by each of the Caixas Agrícolas, through its Compliance Monitor, with the guidance, as well as the monitoring and supervision by Caixa Central, through the Compliance Department.

Without prejudice to the specific competencies of the Internal Control Functions, as mentioned above, in relation to the Caixas de Crédito Agrícola Mútuo, Associates of Caixa Central, the Supervisor considered that the Monitoring and Supervision Department (DAS) falls within Caixa Central's second line of defence, along with the risk management and compliance functions, given the relevant responsibilities entrusted to it in terms of monitoring and supervising the Caixas Agrícolas included in SICAM, and for this reason some of the rules of Notice no. 3/2020 regarding internal control functions apply to it.

In order to ensure the effectiveness of the Internal Control System, and despite the performance of the control functions and the Monitoring and Supervision Department, the Internal Control Office is also responsible for monitoring the identified deficiencies and opportunities for improvement in relation to the internal control system, analysing their pertinence, ensuring the existence of resolution plans and monitor their implementation under the terms set out in the Deficiencies Management Policy.

b. Essential Functions

For the purposes of Article 33-A of RGICSF and the Internal Policy for Selecting and Assessing the Suitability of Holders of Essential Functions of **Caixa Central**, which was revised in line with the provisions in Notice no. 3/2020 and approved at the Ordinary General Meeting of Caixa Central held on 18 December 2021, Holders of Essential Functions at **Caixa Central** are considered to be those responsible for the functions of:

- Internal Audit;

- Compliance;

- Risk Management;

- Monitoring, Guidance and Supervision of **Caixas de Crédito Agrícola Mútuo**, its Associates;

- Intervention of **Caixa Central** in its Associated **Caixas de Crédito Agrícola Mútuo**, under the provisions of Article 77 or 77-A of RJCAM;

- Financial Management;

- Credit Risk Management;

- Credit Monitoring;

- Credit Recovery;
- Internal Control;
- Banking Security;
- Technology and Data;
- Data Protection;
- Strategic Planning and Management Control.

The holders of these Essential Functions are those who, not exercising management or supervisory positions at **Caixa Central**, may as a result of the functions they exercise, have an influence that could be considered significant in the management of **Caixa Central**.

In the selection of the Holders of Essential Functions of **Caixa Central**, both in terms of *ex novo* recruitment, or in terms of designation by means of an internal selection process, an assessment of suitability, conducted by the Executive Board of Directors, assisted by the Human Resources Central Department, aiming at ensuring that they contribute, in the exercise of their respective competences, to the sound and prudent management of Caixa Central and to an organisational culture of legal and regulatory compliance, guided by the highest ethical standards based on the values and principles of action adopted in the **Crédito Agrícola Group**.

Three (3) assessments of the suitability of Key Function Holders were carried out in 2023, corresponding to the assessment of the head of the Transformation and Development Office, the head of the Global Risk Department and the head of the Credit Risk Department at Caixa Central.

Essential Functions at **Caixa Central** consist, in particular, of the following:

i. Internal Audit

- Development of annual and multi-annual risk and process-oriented audit plans;
- Carrying out the audits provided for in the annual audit plans of Caixa Central and Caixas Agrícolas within the scope of the common services model of SICAM's Internal Audit Function (FAI);
- Promote continuous monitoring of the deficiencies identified, at intervals appropriate to the associated risk, in order to ensure that the measures aimed at correcting them are adequate and implemented in good time;
- Execution of the internal and regulatory reporting activities underlying the Internal Audit Function;
- Detection and prevention of internal fraud through instruments, leveraged by technological solutions, for identifying, analysing, processing and reporting on alerts/signs of internal fraud, as well as carrying out investigative actions into potential internal fraud;

- Carrying out investigation actions associated with complaints, namely those requested by the Executive Board of Directors and/or the General and Supervisory Board of Caixa Central, as well as those that fall within the scope of the Standard for Handling Complaints about CCAMs and the Whistleblowing Policy;
- Articulation of the Internal Audit Function's annual training plan with the Training Centre of the Human Resources Central Department of Caixa Central;
- Liaison and communication with supervisors, external auditors, other internal control functions (Risk Management and Compliance), as well as the Internal Control Office, on specific related matters;
- Participation in the Bank's project and steering committees, with observer status, in order to maintain a monitoring and understanding of the main projects and possible emerging risks.

ii. Compliance

- Supervision of the processes associated with Money Laundering, Terrorist Financing and Compliance risk management in SICAM;
- Reporting to the management and supervisory bodies on the activities carried out and all situations identified with relevant risk of Money Laundering, Terrorist Financing and Compliance;
- Definition of the Activities Plan for the Compliance function.
- Articulation of the Compliance function at Caixa Central and Caixas Agrícolas, defining control mechanisms for Compliance Monitors and implementing methodologies and improvements in the application systems supporting the Compliance function;
- Monitoring of the Compliance Function of CA Serviços in articulation with the Compliance and Methodologies Office (GCM);
- Regular monitoring and assessment, in the respective areas of competence, checking whether the strategies, policies, processes, systems and procedures established to detect any risk of non-compliance with the legal and regulatory obligations and other applicable duties are adequate, duly updated, correctly applied and effectively complied with;
- Identification, assessment, monitoring and control of Money Laundering, Terrorist Financing and Compliance risks within the CA Group, ensuring the implementation, follow-up and regular assessment of the adequacy and effectiveness of measures taken to correct any deficiencies detected;
- Analysis of evidence of Money Laundering, Terrorist Financing and Compliance risks, in particular the analysis of customer complaints on issues within the remit of the Compliance Department;
- Development, implementation, monitoring and evaluation of internal control procedures that allow the prevention of Money Laundering and Terroriscomm Financing (ML/TF) at SICAM, in compliance with what is required by the regulatory supervisory and judicial authorities.

- Participation in the definition of policies, procedures and international regulations concerning:
  - conflicts of interest, supervising the respective implementation and effective application, cooperating in the identification and management process with a view to their prevention, reporting and resolution;
  - transactions with related parties, supervising the respective implementation and effective application, and cooperating in the process of identification of the related parties;
  - Whistleblowing;
  - other policies related to the scope of action of the Compliance Department.
- Development, implementation and monitoring of control mechanisms that prevent, ensure timely detection and trigger an appropriate response to situations of external fraud directed against the CA Group or against its Customers, ensuring coordination with the judicial authority.
- Monitoring of legislative and regulatory changes and analysis of business impact and disclosure of relevant changes with a view to ensuring compliance with them.
- Issuance of guidelines and recommendations to SICAM regarding Compliance.
- Monitoring of SICAM's reporting activity and preparation of periodic reports with the results of the controls carried out.
- Coordination of the preventive duties of financial crime in the CA Group, in compliance with what is defined in the legislation and regulations of the supervisory bodies.
- Advice to business lines and to the Caixas Agrícolas on regulatory issues, including product governance, pricing and advertising or evidence of financial crime.
- Provision of advice to the management and supervisory bodies, for purposes of compliance with all the legal and regulatory provisions and other duties to which the Group is or will be subject;
- Prior analysis and provision of advice to the management and supervisory bodies before decisions are taken that involve taking relevant compliance risks;
- Reporting to the management and supervisory bodies of any signs of breach of applicable legal and regulatory obligations, rules of conduct and relations with customers or other duties that could result in the institution or its employees committing an unlawful act corresponding to an offence or causing a negative reputational impact;
- Reporting to the management and supervisory bodies of any situations that compromise or could materially compromise the independence of the compliance function;
- Preparation and execution of Monitoring programmes to verify compliance of processes, procedures and internal standards with regulatory requirements.
- Articulation of institutional relations with supervisors and other bodies at national level, including the monitoring of specific inspections and determinations.

- Processing of court arrest orders in the context of anti-money laundering and countering the financing of terrorism (AML/CFT) proceedings.
- Central Register of Beneficial Owners of Caixa Central and CA Group companies.
- Drafting of the annual report on compliance matters under Banco de Portugal Notice no. 3/2020;
- Annual drafting of a report, to be signed by the head of the compliance function, which includes an assessment of the independence of the function and a description of all the flaws identified by any institution, internal or external to the institution, pursuant to the provisions in Article 28(1)(p) of Banco de Portugal Notice 3/2020.

iii. Risk Management

- Participation in the definition of the risk strategy and risk appetite framework – Risk Appetite Statement (RAS) and the Risk Appetite Framework (RAF).
- Development of policies and processes associated with the risk management system and defining concrete procedures for the different stages of the risk management cycle (identification, evaluation, monitoring, control and reporting), including methodologies, analytical and metrical models, as well as promoting actively its implementation and provide adequate organisational training.
- Definition and monitoring of the execution of the risk management function's business plan.
- Monitoring the risk profile of Caixa Central and GCA, developing timely warning mechanisms for deviations or breaches of risk tolerance limits;
- Provide relevant, independent expert information, analysis and assessments on risk;
- Identification, measurement, control and reporting of the various risks, in particular credit, market, operational, information and communication technologies, interest rate and liquidity risks, articulating the activity developed in this field with the different specialised organic units;
- Implementation of the internal control system from the perspective of risk management, carrying out continuous monitoring of its adequacy and effectiveness and collaborating in the identification and resolution of opportunities for improvement;
- Promotion of an integrated risk management culture and a solid risk management framework throughout the institution;
- Prior analysis of new products and services from the perspective of risk;
- Prior analysis of operations with related parties, identifying and assessing the risks for the institution;
- Analysis and advice prior to making decisions involving the assumption of significant risks with the aim of assessing their impact on overall risk, in particular alignment with strategy and risk appetite;
- Coordinating and supporting the operation of the Risk Committee;

- Participation in committees, namely the Risk Committee, the Assets, Liabilities and Capital Council (ALCCO), the Internal Control Committee, the Business Continuity Management Council and the Sustainability Council;
- Implementation of a continuous process of understanding, analysing and communicating risks in the CA Group, preparing systematic information on risks and their analysis and internal reporting to the relevant bodies and external and regulatory reporting;
- Coordination of the actions of the Risk Management Function at Group level, in particular through the Common Services Unit (USC) of the Risk Management Function.

iv. Monitoring, Guidance and Supervision of **Caixas de Crédito Agrícola Mútuo**, its Associates.

- Monitor the suitability of members of the Management and Supervisory Bodies of CCAMs.
- Supervise and monitor the activity of CCAMs through a set of controls and the monitoring of indicators, in order to preventively identify governance or equity imbalances and ensure compliance with legal provisions of a prudential nature and the guidance of the supervisory authorities and Caixa Central.
- Ensure the execution of *in loco* inspection and inspection actions of CCAMs.
- Participate in activities of a transversal nature relating to SICAM's internal control system, in conjunction with and in addition to the other control functions of Caixa Central, with a view to ensuring that the management bodies of CCAMs maintain an adequate internal control system, considering their size and the degree of centralisation of authority and delegation.
- Regularly submit to Caixa Central's Executive Board of Directors information on the evolution of a set of risk indicators for CCAMs.
- Ensure the functioning of the Executive Monitoring and Supervision Committee.

v. Intervention of **Caixa Central** in its Associated **Caixas de Crédito Agrícola Mútuo**, under the provisions of Article 77 or 77-A of RJCAM

- Ensure the functioning of the Executive Committee for Transformation and Development.
- Monitoring the situation of CCAMs that show levels of financial, commercial or operational performance deviating from the guidelines established by Caixa Central and by the Supervisory Authorities and support in the definition of concrete action measures to mitigate the deviations identified.
- Definition of action strategies, through the definition of guidelines, objectives, specific transformation measures and respective implementation plans for CCAMs that fall under the intervention regime – under Articles 77 and 77-A of RJCAM – need financial assistance or have deviating levels of financial, commercial or operational performance.
- Development of business plans and economic and financial analyses to support the evaluation and implementation of action measures.

- Structuring and promoting multidisciplinary working groups with a view to the design and implementation of action measures, guaranteeing the correct articulation between de CCAMs and the organic structures of Caixa Central.
- Analysis of proposals related to the granting of possible authorisations under specific rules of intervention and financial assistance contracts and preparation of opinions for higher deliberation.
- Periodic reporting of the evolution of performance evidenced by the CCAMs that are being monitored by the Transformation and Development Office, in particular those that fall under the intervention and financial assistance process.

vi. Financial Management

- Treasury management, considering the liquidity position of SICAM and the institutional exchange position of Caixa Central, according to the rules and guidelines defined.
- Participation, within the scope of participation in the Assets, Liabilities and Capital Management Committee (ALCCO), in the definition of the strategy for the management of assets and liabilities of SICAM.
- Management of financial asset portfolios, according to the rules and guidelines defined.
- Intervention in financial markets, namely money, foreign exchange and capital markets.
- Management of market risks, interest rate risk of the banking portfolio and liquidity risk, according to defined rules, limits and guidelines.
- Development and management of products for operationalising the transfer and remuneration of intra-SICAM liquidity (e.g. deposits from Associated Caixas at Caixa Central).
- Support to SICAM’s commercial network in structuring treasury and risk coverage products.
- Preparation and distribution of market information for reference of SICAM.
- Relationship management with Correspondent Banks and Other Credit Institutions.

vii. Credit Risk Management

- Leadership of the Credit Risk GTO, in conjunction with the other participants.
- Risk analysis of credit proposals using the rules, methodologies and analysis tools established for SICAM, in the context of granting credit, including new operations, renewals and restructuring according to the defined delegation of powers in the Credit Granting Standard.
- Risk analysis of proposals for Syndicated Credit operations.
- Issuance of a non-binding risk opinion for customers who have higher risk levels, or which imply a significant exposure to a CCAM, measured in relation to own funds, under the terms of Credit Granting Standard of Caixa Central and the Reference Standard for SICAM.

- Issuance of risk opinion within the scope of the acceptance and management of institutions eligible as counterparts and authorised for the purpose of trading.
- Secretarial Services of Credit Boards for the decision levels at which the Executive Board intervenes.
- Participation in the definition of Caixa Central's credit risk management policy and the guidelines for SICAM.
- Responsible for the credit limit management system, for customer or group of customers and product or product set and parameterisation of the automatic originator of reference limits.
- Participation in the definition of prudential limits and risk profile for the granting of credit.
- Validation of Economic Groups in the context of opening new customers when granting credit.
- Reports to the Executive Board of Directors, and to external bodies when applicable, within the scope of credit granting, with indicators and segmentation and activity reports.
- Reporting to the Executive Board of Directors on the monthly evolution of incoming operations for risk analysis, indicating their risk profile, possibly suggesting measures aimed at improving risk.
- Promoting and developing the automation of credit analysis processes, by digitising and automating decision-making.

viii. Credit Monitoring

- Definition and operationalisation of the mechanisms for monitoring compliance with the contractual obligations by the borrowers and their financial situation and reporting in the context of the monitoring of the loan portfolio of Caixa Central and the Associated Caixas;
- Centralised management of economic and risk groups (GER) at SICAM, focused on the regular revision of the relations of direct and indirect influence between customers, in articulation with and with the contribution of the commercial structural of SICAM;
- Individual impairment analysis of eligible customers of Caixa Central and selective revision of the individual impairment analyses conducted by the Associated Caixas;
- Definition and operationalisation of the model for the dynamic analysis of the portfolio of collateral by customer or economic and risk group (GER), namely customers with credit risk positions at more than one SICAM institution, for mitigation of the risk of overdraft facilities and optimisation of the capital level of SICAM;
- Monitoring of the individual and sectoral credit concentration of SICAM and production of monitoring reports, with periodic reporting to the Executive Board of Directors of Caixa Central and of the Associated Caixas;
- Preventive monitoring of the credit lines and limits at SICAM supported by automated reading of the monitoring measurements in line with the risk appetite framework;
- Definition and operationalisation of automated mechanism for monitoring and reporting early warning indicators on the performance of the customers of SICAM;

- Recommendation of mitigation strategies and action plans for the commercial structure of Caixa Central and the Associated Caixas;
- Regular assessment of the defined credit monitoring strategies, with periodic reporting to the Executive Board of Directors of the Caixa Central and the Associated Caixas (namely whether they are appropriate to the credit profile and the terms under which they are applied – namely whether they meet the proportionality criterion);
- Identification, measurement and analysis of credit risk factors of SICAM's portfolios, taking into account macroeconomic factors and regular reporting to the Executive Board of Directors of Caixa Central and of the Associated Caixas.

ix. Credit Recovery

- Credit Recovery Board Leadership;
- Preventive action and support in the recovery of the non-performing loans of CCAMs, pursuant to the binding regulations of credit recovery of SICAM;
- Development and operationalisation of mechanisms for monitoring the credit recovery activities at SICAM, pursuant to the binding regulations of credit recovery of SICAM;
- Transition to its management, together with the liabilities of Customers that are part of the overdue loan portfolio it manages, of all the liabilities of Customers that are covered by the events described in SICAM's binding credit recovery standard, even though some may not be overdue;
- Registering and analysing requests for suspension of transition, verifying the respective reasons, and proposing their admissibility;
- Undertaking of contacts, negotiation and restructuring in the context of Credit Recovery at Caixa Central;
- Extrajudicial recovery under Caixa Central distinguishing customers/economic groups of high exposure and/or complex contracts, of contracts of minor complexity and exposure;
- Organisation of the proceedings and preparation for litigation;
- Monitoring of insolvent customers;
- Enforcement proceedings, monitoring of legal proceedings;
- Production, analysis and reporting of management information under the Credit Recovery of Caixa Central.

x. Internal Control

- Optimisation of the governance model and methodology for resolving deficiencies in the Crédito Agrícola Group, in conjunction with the internal control functions;
- Liaising with the various parties involved in the process of resolving deficiencies in order to promote their resolution;
- Advising the Internal Control Committee;
- Timely reporting to the supervisors on matters associated with internal control flaws, namely in the context of the respective regulatory reports.

xi. Banking Security;

- Definition of the governance model for the logical and physical security, ensuring its approval;
- Definition of the Security Policy, in line with the Group's business requirements and strategy and respecting the laws and regulatory framework of the sector;
- Ensure the creation, approval, disclosure of and compliance with security rules, in articulation with the Group's different institutions, pursuant to that defined in the Security Policy;
- Definition of the strategic function of cybersecurity to be operationalised at CA Serviços;
- Definition and supervision of the implementation of the security controls, according to the risk profile of the system components to which they refer;
- Definition and supervision of the operationalisation of the response capacity of the different institutions of the CA Group to security incidents;
- Identification, management and control of cybersecurity risk in accordance with the Group's guiding principles and the legal and regulatory provisions in force;
- Definition and supervision of the implementation of internal controls that services, applications and processes must comply with, in accordance with the defined cybersecurity risk profile;
- Ensuring the adequacy of suppliers' cybersecurity, ensuring the necessary controls to guarantee the security of information applied to suppliers;
- Carrying out bank security inspection visits to buildings and ATMs and remote control of the sites;
- Issue of the security reports and recommendations;
- Coordination of Business Continuity Management.

xii. Technology and Data

- Definition and leadership of the CA Group's global IS/IT strategy, ensuring alignment between the business and technology vision;

- Stimulation of the CA Group’s IS/IT innovation process among the internal structures and external partners in collaborative action models;
- Coordination and support in the planning, development and management of projects and initiatives in the CA Group's business plan with an impact on technology, from the selection and prioritisation of initiatives to their roll-out, communication and closure (e.g. changes to procedures, training manuals on tools, definition of access according to roles and responsibilities), in conjunction with the Business and CA Services;
- Coordination of the completion and submission of annual and four-monthly activity templates, ensuring their completeness and alignment between the business and IT teams. Revision of the fields and/or information requested in the templates on an annual basis or whenever necessary;
- Preparing the necessary documents for the annual and four-monthly planning committees;
- Convening and acting as secretary to the annual and four-year prioritisation committees;
- Coordination and management of the group's portfolio of projects and initiatives (annual and four-monthly) with a technological scope;
- Definition of the CA Group's IS/IT subcontracting policies and strategies and analysis of the risk of global exposure to external service providers supported by management models for services received, based on monitoring indicators, service level follow-up, among other metrics deemed relevant;
- Formalisation and alignment of the IS/IT strategy, construction and operation with CA Serviços, assessing and mitigating potential impacts on its structure and action capacity;
- Monitoring of the IS/IT management and maintenance activity of the CA Group, reporting to the management bodies, and identification of optimisation measures with CA Serviços;
- Ensuring the implementation of technology controls and processes with a view to complying with data quality in conjunction with the Business and IS/IT;
- Documentation of the IS/IT policies, processes, risks and management controls and data management of the CA Group;
- Coordination and management of the relationship with all the external regulatory institutions on matters if technology, in close partnership with the internal departments and CA Serviços;

Coordination and management of the relationship with all the internal users of Caixa Central on matters of technological evolution, in close partnership with CA Serviços.

xiii. Data Protection

- The Data Protection Officer (DPO) is responsible for:
    - Informing and advising the data controller or processors, as well as the employees who process the data, of their obligations under the relevant data protection legislation;
    - Monitoring compliance with the GDPR and relevant data protection legislation and with the controller's or processor's policies on the protection of personal data, including the allocation of responsibilities, awareness-raising and training of staff involved in data processing operations, and corresponding audits;
    - Providing advice on data protection impact assessments and monitoring the performance of impact assessments on processing operations, in accordance with the GDPR;
    - Cooperation with the Supervisory Authority, which in Portugal is the National Data Protection Commission (CNPD), being the point of contact for the Supervisory Authority on issues related to data processing (including prior consultation in cases where the impact assessment indicates that processing would result in a high risk, in accordance with Article 36 of the GDPR), and consultation, where appropriate, with this authority on any other matter.
- Implementation of the governance model and methodology for managing the processing of personal data in the CA Group;
- Implementation of the data protection control and reporting model (indicators, recipients and frequency);
- Definition and execution, in conjunction with the other relevant structures, of the processes relating to the execution of requests concerning the rights of data subjects (access, updating, forgetting, limitation, opposition, notification, portability and consent), communication and notification of personal data breaches, and other processes relevant to Data Protection;
- Monitoring of the implementation of the data protection programme in the context of the CA Group;
- Ensuring compliance with the CA Group's General Policy for the Protection and Processing of Personal Data;
- Liaison with and support for the privacy monitors of the Caixa Central structures and CA Group institutions on all issues relating to the protection of CA Group personal data;
- Ensuring the timely processing and reporting of data breaches to the CNPD and/or their communication to data subjects;
- Guaranteed processing and response to requests to exercise the rights of data subjects;
- Disclosure of guidelines and recommendations on all issues relating to the protection of the CA Group's personal data;
- Promoting and advising the Crédito Agrícola Group's Data Protection Committee;
- Monitoring technological or other data protection projects.

xiv. Strategic Planning and Management Control

- Leadership of the Strategic Planning process of the CA Group, incorporating analyses of market trends, competitive benchmarks and diagnosis of the internal situation;
- Collection and analysis of economic and financial information, construction of projection scenarios for macroeconomic, financial and business variables in the banking and insurance sector. Collaboration with DRG in defining reference (base) and alternative scenarios (e.g. *reverse tests*) for macroeconomic, financial and business variables, taking into account the balance of risks involved;
- Development and maintenance of the funding and capital plan, incorporating the medium and long-term strategic goals, the commercial policies and goals, and the limits arising from Risk Management, as well as the development of the institution’s underlying funding and capitalisation strategies, in the context of the Funding and Capital Strategy process and the controls put in place;
- Coordination of the preparation of the Recovery Plan, the collection of information required by the Resolution Authorities and the identification and implementation of measures aimed at improving the Authorities' assessment of resolvability;
- Development of the annual Activity Plan (including budget, objectives, annual and four-monthly initiatives) and monitoring of its execution, in conjunction with the DOT's PMO structure, and the evolution of the activity in its critical aspects, in the context of the Management Control process;
- Management of the Shared Services Catalogue according to the dynamics of the evolution of the CA Group’s strategy, in line with the guidelines of the Pricing Board and the Executive Board of Directors of Caixa Central;
- Implementation of the regular reporting of Analytical Accounting of Caixa Central and CA Serviços, in collaboration with the DCF and CA Services;
- Permanent monitoring of regulations and best practices regarding *pricing* models for credit operations and implementation of the minimum pricing methodology;
- Development and management of the process of obtaining and monitoring the Crédito Agrícola Group’s rating(s), including relations with Rating Agencies and development of the CA Group's Investor Relations activities;
- Monitoring of the equity holdings of the CA Group, to support the management bodies entrusted with this matter, under the Management of Equity Holdings process;
- Participation in the following Caixa Central governance forums: ALCCO Board, Risk Committee, Pricing Board, Information Systems Board, Sustainability Board and Crisis Planning Committee;
- Worked as a liaison for the operational risk function, as a sustainability ambassador, as a data owner in the field of governance and data quality (BCBS239), and as a member of the Pedagogical Committee, among others.

I. Intranet (CAIS) and website

In addition to its internal network (CAIS), where information on internal regulations is systematised in an integrated and up-to-date manner, and is accessible to all its employees, Crédito Agrícola also has a website in Portuguese and English devoted to disclosing institutional information on the Crédito Agrícola Group.

This website is available at http://www.creditoagricola.pt.

D. REMUNERATION

I. Remuneration Policy

The Remuneration Policy for Members of the Management and Supervisory Bodies of **Caixa Central** for 2023 was approved at the Ordinary General Meeting held on 20 May 2023, in compliance with the provisions of Article 115-C(4) of RGICSF, approved by Decree-Law 298/92 of 31 December, in its consolidated version.

Pursuant to Article 115-C(1) of RGICSF, **Caixa Central**, as a Credit Institution, is obliged to define its Remuneration Policy and as a “parent company”, of the Group that it heads.

Thus, and as a result of this legal requirement, the Remuneration Policy approved at the General Meeting of 20 May 2023 enshrines, in Point I, the Remuneration Policy for Members of the Management and Supervisory Bodies of **Caixa Central** and, in Point II, the Remuneration Policy for Members of the Management and Supervisory Bodies of the **Crédito Agrícola Group**.

REMUNERATION POLICY FOR MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES OF CAIXA CENTRAL – CAIXA CENTRAL DE CRÉDITO AGRÍCOLA MÚTUO, CRL AND THE CRÉDITO AGRÍCOLA GROUP

Pursuant to Article 115-C(4) of the Legal Framework of Credit Institutions and Financial Companies (RGICSF), approved by Decree-Law 298/92 of 31 December, and Articles 7(3) and 19(4) of the Remuneration Statute of the Integrated System of Crédito Agrícola Mútuo (hereinafter Remuneration Statute of SICAM), the Remuneration Committee of CAIXA CENTRAL – CAIXA CENTRAL DE CRÉDITO AGRÍCOLA MÚTUO, CRL (hereinafter CAIXA CENTRAL), hereby submits for the approval of the General Meeting the Remuneration Policy for Members of the Management and Supervisory Bodies of CAIXA CENTRAL and the CRÉDITO AGRÍCOLA GROUP for 2023.

It is proposed that the Remuneration Policy for Members of the Management and Supervisory Bodies of CAIXA CENTRAL and the CRÉDITO AGRÍCOLA GROUP for 2023 be approved under the following terms:

I. REMUNERATION POLICY FOR MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES OF CAIXA CENTRAL

1. INTRODUCTION

In compliance with applicable regulations, the Remuneration Policy for Members of the Management and Supervisory Bodies of CAIXA CENTRAL was defined and drawn up so as to reflect adequately and proportionately the size, internal organisation and nature of the Institution, the scope and complexity of the business carried out by it, the nature and magnitude of the risks assumed and to be assumed and the degree of centralisation and delegation of powers established within the same Institution.

The Remuneration Policy also reflects the role of CAIXA CENTRAL as the Central Body of the Integrated Mutual Agricultural Credit System and the specific nature and purposes of this system, which place it in a unique position in the Banking Sector, as well as the responsibilities arising from being a debt issuer in the international market.

The Remuneration Policy considers the applicable legal and regulatory instruments, namely the following:

a) *The RGICSF;*

b) *Directive 2013/36/EU of the European Parliament and of the Council (IV Capital Requirements Directive);*

c) *Regulation 575/2013 of the European Parliament and of the Council (Capital Requirements Regulation);*

d) *European Banking Authority Guidelines EBA/GL/2021/04 on Sound Remuneration Policies;*

e) *European Banking Authority Guidelines EBA/GL/2021/05 on Internal Governance;*

f) *European Banking Authority Guidelines EBA/GL/2018/06 on the management of non-performing exposures and restructured exposures;*

g) *European Banking Authority Guidelines EBA/GL/2020/06 on the granting and monitoring of loans;*

h) *Banco de Portugal Notice 3/2020 of 15 July, which regulates the governance and internal control systems, and defines the minimum standards that should underpin the organisational culture of institutions subject to supervision of Banco de Portugal and repeals Notices 5/2008 and 10/2011, as well as Instruction 20/2008;*

i) *The Remuneration Statute of SICAM.*

2. GENERAL PRINCIPLES

The legal and regulatory framework in force provides for the application of the principle of proportionality in defining remuneration policies, and therefore the relevance given to items such as the legal nature of the Institution as a cooperative or the fact that the Remuneration Policy of CAIXA CENTRAL is consistent with the discouragement of excessive risk-taking, insofar as it recommends awarding moderate remuneration, compatible with the traditions and specific nature of Crédito Agrícola.

From this perspective, and in view of the circumstances described above, in addition to having to consider inapplicable to CAIXA CENTRAL all legal or regulatory provisions (including those contained in the instruments referred to above) which presuppose that the institutions subject thereto have the legal nature of public limited companies, the application of many of the other rules had to be considered, always by reference to the principle of proportionality envisaged in Article 115-C(3) of RGICSF.

Consequently, the aforesaid principle of proportionality presided over the drafting of this Remuneration Policy that, pursuant to the RGICSF and Articles 7(4) and 19(5) of the Remuneration Statute of SICAM, also pursues the following objectives:

a) *Promote and be consistent with sound and prudent risk management and not encourage risk-taking that exceeds the level of risk tolerated by the Institution.*

b) *Be compatible with the Institution's business strategy, objectives, values and long-term interests and include measures to avoid conflicts of interest.*

c) *Make a clear distinction between the criteria for setting the fixed component of the remuneration, based mainly on the relevant professional experience and organisational responsibility of each member of the Management or Supervisory Body, and the criteria for determining the variable component of the remuneration, based on the sustainable and risk-adapted performance of the Institution, as well as the fulfilment of the duties of the Members of the Management Body beyond what is required, with objectives being set as appropriate in this context and their fulfilment being assessed,*

d) *Be gender neutral.*

3. GENERAL CONSIDERATIONS

It is further stated that:

a) *The Remuneration Policy for Management and Supervisory Bodies is defined by the Remuneration Committee, which is responsible for reviewing it periodically, at least once a year, with a view to its approval by the General Meeting of CAIXA CENTRAL under the terms of Article 115-C(4) of RGICSF.*

b) *The description of the variable component of remuneration, including the items that compose it, is set out in the following sections of this Policy, it being understood that variable component means the benefits that should be classified as such under the terms of European Banking Authority Guidelines EBA/GL/2021/04.*

c) *In view of the nature of the Institution, although it is impossible to pay remuneration in the form of shares or instruments pursuant to Article 115-E(3) of RGICSF, the payment of a portion of the variable remuneration shall be deferred under the terms referred to in the following sections;*

d) *The Remuneration Policy aims to align the interests of the Members of the Management Body with the long-term interests of the Institution;*

e) *Without prejudice to that which is specifically provided for in this Policy with regard to the assessment of the individual performance of the Members of the Management Body for the purpose of the attribution and determination of the variable component of remuneration, in view of the cooperative nature of CAIXA CENTRAL, the performance of the Management and Supervisory Bodies is, in the first place, assessed by the Members at the General Meeting, such assessment reflecting not only the Institution's economic performance, but also other criteria directly related to the above mentioned cooperative nature, including the quality of the relationship established between the Management and the Cooperative Members and of the information provided to them on the progress of the company's business.*

4. REMUNERATION OF MEMBERS OF THE SUPERVISORY BODY: GENERAL AND SUPERVISORY BOARD

The remuneration of Members of the General and Supervisory Board – which is fixed, under the terms of the Law and Articles. 19(8) and 9(4) of SICAM's Remuneration Statute by the General Meeting, as proposed by the Remuneration Committee – taking into account the nature of the composition of this Governing Body, and consists exclusively of a fixed component, paid twelve times a year, in each of the calendar months, being paid on the same date as the salary processing for most employees, and may take into account, when determining the amount to be awarded to each of them, their participation in Committees or Commissions of that Governing Body and/or, in general terms, the duties performed within the same Body.

In addition to this remuneration, they have the right to use work equipment and are entitled to be reimbursed for business expenses that they justifiably incur in the performance of their duties.

5. REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS: EXECUTIVE BOARD OF DIRECTORS

5.1 REMUNERATION OF EXECUTIVE DIRECTORS

The fixed component of the remuneration of the Executive Members of the Board of Directors is determined by the Remuneration Committee, under the terms of the law and Article 9(4) of SICAM's Remuneration Statute, and consists of the award of a fixed monthly amount, paid twelve times a year, in each of the calendar months, and paid on the same date as the processing of salaries for most employees.

For the purposes of SICAM's Remuneration Statute, all members of the Board of Directors of CAIXA CENTRAL are considered to be Executive Directors.

In view of the specific nature of CAIXA CENTRAL, there is no type of plan for the attribution of shares or options for the acquisition of shares to Members of the Executive Board of Directors.

Variable remuneration may be attributed on an annual basis to the Members of the Executive Board of Directors, which is defined by the General and Supervisory Board, according to the assessment of the overall performance of the Executive Board of Directors conducted by the Supervisory Body and pursuant to the opinion of the Remuneration Committee.

With a view to promoting healthy and prudent management, the aforesaid variable remuneration, the attribution of which is not guaranteed, should consider, among others, the Institution's risks and performance, where there is a close connection with the strategic pillars defined for the respective economic cycle.

For strict use within the scope of their functions, Members of the Executive Board of Directors are provided with a credit card, mobile phone and company car, without prejudice to their right to reimbursement of justifiable expenses incurred in the exercise of their functions.

"Displaced" Executive Directors will be considered to be those who reside in a location at least one hundred and fifty (150) kilometres away from their place of work, which, for the purposes of this Policy, is assumed to correspond to the city of Lisbon, where the registered office of CAIXA CENTRAL is located, this distance is measured on the basis of common routes used to travel between the two locations.

Unless expressly waived or of transfer of residence, on a definitive basis, to the city of Lisbon or to a location less than one hundred and fifty (150) kilometres away, measured in accordance with the terms indicated in the preceding paragraph, the Executive Directors who are found to be displaced shall be entitled, alternatively, to:

a) *Housing allowance to cover the costs of accommodation in a place located in the Municipality of Lisbon or in a neighbouring municipality, for the purposes of carrying out the respective functions and while they last; or*

b) *Payment by CAIXA CENTRAL of all or part of the rent for a property or building unit situated in the Municipality of Lisbon or neighbouring municipality, for the purposes of carrying out their respective functions and for as long as they last.*

The maximum amount of the housing allowance or rent to be borne by CAIXA CENTRAL, when applicable, will be determined by the Remuneration Committee, taking into consideration the general principles and rules contained in this Policy and market conditions.

In addition to the above-mentioned amounts, Members of the Executive Board of Directors do not receive any other compensation, namely regarding the exercise of functions in the governing bodies of other companies of the Crédito Agrícola Group.

5.1.1 Performance evaluation

a) The General and Supervisory Board is the body responsible for assessing the individual performance of Executive Directors, namely for the purpose of attributing the variable component of remuneration and determining its value, after obtaining the opinion of the Remuneration Committee.

b) The predetermined criteria for the evaluation of individual performance on which the right to a variable component of remuneration is based as follows:

i. Evaluation of the performance of qualitative targets weighting the individual contribution made and the response capacity shown, in view of the complexity of individual assignments and the interaction established with Caixa Agrícola Mútuo and companies of the Crédito Agrícola Group.

ii. Performance of the Institution, ascertained by assessment of the accomplishment of the qualitative goals defined for the strategic pillars of implementation of the CA Group's strategy, pursuant to that defined in this Policy's Implementing Regulation.

c) The assessment of performance will also take into account the various types of current and future risks, as well as the cost of the Institution's capital and liquidity requirements;

d) The definition of the total value of the variable component of remuneration will combine the assessment of individual performance and the assessment of the performance of the Board of Directors as a whole with the overall profit or loss of the Institution;

e) f) The development of the criteria referred to in item b) above and the way in which they are applied and weighted will be set out in this Policy's Implementing Regulation, to be prepared by the Remuneration Committee, which will define the relative weight of each criterion for the purposes of determining the individual performance assessment on which the right to the variable component is based for the purposes of determining the real total amount of the said component to be attributed to each Executive Director.

5.1.2 Acquisition of the right to the variable component of remuneration

Regarding the acquisition of the right to the variable component of remuneration, the following should be taken into account:

a) Executive Directors shall only be considered to have an established right to the variable component and its payment when the same component is sustainable in light of the financial situation of the Institution and justified by the performance of the Institution, the Board of Directors and each Executive Director. The variable component may not determine an impact greater than 5% of the Institution's net annual profit or loss and no variable component may be attributed when the Institution shows negative profit or loss.

b) The annual variable remuneration is subject, considering the minimum limit provided for in the legislation, to a deferral period, defined in the Remuneration Policy Implementing Regulation and, in relation to the total amount of said remuneration, to reduction and reversal mechanisms, in accordance with the provisions of this Policy and the regulations and guidelines in force;

c) *The variable remuneration is composed of an annual component and a long-term component, which corresponds to the duration of the mandate, and the rules for awarding both components are defined in the Remuneration Policy Implementing Regulation;*

d) *Without prejudice to applicable legislation, the variable component of remuneration may be changed under the terms of the following items, by application of the malus or clawback mechanisms, if the performance of the Institution declines or is negative, taking into account both current remuneration and reductions in payment of amounts for which the right to receive payment has already been established under the terms of items a) and b).*

e) *The mechanisms of reduction (malus) and reversal (clawback) will be applied under the terms of Article 115-E(10) of RGICSF, i.e. the former will correspond to the regime whereby the Institution may, when assessing performance, reduce all or part of the amount of variable remuneration that has been deferred and whose payment is not yet an acquired right, pursuant to items a) and b), and the latter will correspond to the regime whereby the Institution, when assessing performance, will retain the amount of variable remuneration whose payment is already an acquired right.*

f) *The decision to apply the mechanisms of reduction (malus) or reversal (clawback) may only apply to Executive Directors in respect of whom it is shown, during the respective assessment, that they participated in or were responsible for an action which resulted in significant losses for the Institution; losses which imply non-compliance with the prudential ratios or limits to which the Institution is bound, or who failed to comply with the suitability criteria inherent in the Internal Policy for the Selection and Assessment of Members of the Management and Supervisory Bodies of CAIXA CENTRAL.*

g) *The decision to apply these mechanisms is taken by the body responsible for assessing Executive Directors, as defined in section 5.1.1 a) above, with the opinion of the Remuneration Committee.*

5.1.3 Ratio between the fixed and the variable component of remuneration

a) *Under no circumstances may the variable component exceed the fixed component of annual remuneration.*

b) *Without prejudice to basic principle established in the previous paragraph, in relation to the year of 2023, the variable component shall correspond, at the most, to 30% of the aforesaid fixed component.*

5.2 REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Management Body does not include non-executive members.

6. GENERAL PROVISIONS

The following general provisions are applicable to this Remuneration Policy:

a) *Since the legal nature of the Institution is that of a cooperative, it is impossible for it to award variable remuneration in shares or options, meaning that Article 115-E(3), (4) and (5) of RGICSF are inapplicable.*

b) *Apart from the provisions of this Policy, namely any variable component of the Directors' remuneration, no annual bonuses or other pecuniary benefits are awarded or attributable;*

c) *The Members of the Management Body under no circumstances shall be entitled to receive remuneration in the form of profit sharing.*

d) *In the event of the dismissal or early termination of office of any Member of the Board of Directors or of the General and Supervisory Board, there shall be no entitlement to the payment of any other indemnity or compensation beyond that established in the applicable legal provisions, where the Remuneration Committee is responsible for establishing the maximum value of all the compensations payable to the Members as a result of the aforesaid dismissal or termination of office;*

e) *Members of the Board of Directors of the Institution do not receive any remuneration paid by companies in a group or control relationship with the Institution.*

f) *There are no supplementary or early retirement pension arrangements whatsoever in force, nor are discretionary pension benefits granted, in relation to the Members of the Management and Supervisory Bodies;*

g) *There are no other relevant non-cash benefits that may be considered remuneration;*

h) *Members of the Governing Body do not use any remuneration or liability insurance, or any other risk hedging mechanisms to mitigate the risk alignment effects inherent to their remuneration arrangements.;*

i) *Without prejudice to the provisions of the following paragraph, no entitlement to guaranteed variable remuneration is conferred under any circumstances;*

j) *On an exceptional basis, taking into account the Institution's long-term interests and provided that there is a sound and strong capital base at the Institution, guaranteed variable remuneration may be attributed to an Executive Director elected for his/her first term of office, aimed at compensating him/her for the termination of previous positions.*

7. STATUTORY AUDITOR

The remuneration of the Statutory Auditor is established based on market practices and defined within the scope of the contract for the provision of auditing services, under the terms foreseen in the legislation and regulations specifically applicable in this matter.

8. OTHER CORPORATE OR STATUTORY BODIES

The remuneration of the other Corporate or Statutory Bodies of CAIXA CENTRAL shall be determined by the General Meeting, upon proposal of the Remuneration Committee, except for the Assessment Committee, whose remuneration is set by the Executive Board of Directors, upon proposal of the Remuneration Committee.

9. FINAL PROVISIONS

This Remuneration Policy shall enter into force after its approval by the General Meeting and shall be disclosed on the Institution's website.

II. REMUNERATION POLICY FOR MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES OF THE CRÉDITO AGRÍCOLA GROUP

This policy applies to companies that are in a controlling or group situation with CAIXA CENTRAL.

The remuneration of Members of the Management and Supervisory Bodies of companies of the Crédito Agrícola Group shall be subject, with the necessary adaptations, to the same principles and rules established above, insofar as they are not incompatible with their specific nature or with the rules applicable to them according to the activity they perform, with the following particularities:

a) *Notwithstanding the provisions of items b) and c), if the Board of Directors includes Non-Executive Members, these shall be entitled to a fixed remuneration determined by the competent governing body.*
b) *In the event of accumulation of corporate positions in various companies of the Crédito Agrícola Group, the principle shall apply that only one of them will be remunerated, a principle which may only be waived in exceptional cases and with adequate justification, without prejudice to the right to reimbursement of expenses justifiably incurred in the exercise of the unremunerated position, applying in particular to Members of the Executive Board of Directors of CAIXA CENTRAL the principle that other positions held in the Group are free of charge, as referred to in point 5.1 above;*

c) *The principle referred to in the previous item shall apply whether various positions are accumulated within the Management or Supervisory Bodies, or whether these positions are accumulated with functions of a different nature, especially those carried out under employment or service provision contracts.*
d) *As the companies of the Crédito Agrícola Group are obliged by legal or regulatory requirements to approve remuneration policies, these must be compatible with this Remuneration Policy, without prejudice to the specificities dictated by the nature of each of them and with the degree of information and detail required by the applicable legislation or regulations.*

In addition, CAIXA CENTRAL, as the central body of the Integrated System of Crédito Agrícola Mútuo (SICAM), shall also monitor the definition and implementation of the remuneration policies of its Associated Caixas de Crédito Agrícola Mútuo, with a view to assisting them in the said definition and implementation, and shall be responsible in particular for:

- *Disclosing applicable national and EU legal and regulatory rules.*
- *Providing support in interpreting and integrating the same rules, as well as those contained in the Remuneration Statute of SICAM.*
- *Commenting on requests for exemption from compliance with the rules of the Remuneration Statute of SICAM, under the terms laid down therein.*
- *Preparing any opinions requested in the matter of Remuneration Policies.*
- *Without prejudice to the applicable legislation and regulations and the autonomy of the Associates, preparing and making available to them Remuneration Policy models that comply with the same legislation and regulations.*
- *Ensuring that, in general, remuneration is in line with the provisions of Article 115-C and following of RGICSF and with the objectives pursued by the same legal rules, as well as with the Remuneration Statute of SICAM.*
- *Using its legal powers of guidance and supervision of the Associates to correct any irregularities detected in the matter of Remuneration Policies.*
- *In particular, supervising compliance with the Remuneration Statute of SICAM, under the terms stipulated therein, and apply, if necessary, the penalties provided for therein.*
- *Issuing, pursuant to the terms of its Articles of Association and applicable legal and regulatory provisions and in the exercise of its guidance and supervision functions, rules, guidelines and recommendations on Remuneration Policies.*

II. - Remuneration Committee

The General and Supervisory Board is statutorily obliged to create a Remuneration Committee, with the responsibilities and composition foreseen in the Law, namely in Article 115-C(6) and Article 115-H of RGICSF (in accordance with Article 28(1) of the Articles of Association).

The majority of members of the Remuneration Committee shall be independent, under the terms and for the purposes of the provisions of Article 45(1) of Banco de Portugal Notice 3/2020.

The members of the Remuneration Committee, in accordance with Article 45(2) of Notice 3/2020, have, at the collective level, specific professional qualifications and experience for the exercise of their functions, namely, adequate professional qualification and experience in matters of remuneration policies and practices, as well as in the area of risk management and other internal control functions, so as to ensure that the Committee gathers adequate qualifications to ensure effective alignment between the remuneration structures of the Institution, its risk profile and capital base.

In addition to the duties in terms of remuneration setting, and the others provided for in the Law, in terms of remuneration policies, these are responsibilities of the Remuneration Committee:

a) Prepare proposals and recommendations on the setting of remuneration of Supervisory Body members, as well as of the employees of Caixa Central with the highest total remuneration of the Institution, including decisions with implications in terms of risks and risk management of Caixa Central.
b) Provide all necessary support and make recommendations for the purpose of approving the general remuneration policy of Caixa Central.
c) Use, in all matters within its competence, internal consultancy services as well as external consultancy services, in an appropriate and proportional manner to the size and complexity of Caixa Central.
d) Review the findings of any advisory services it has engaged pursuant to the preceding paragraph.
e) Ensure that, using external consultancy services, no natural or legal person is contracted who provides or has provided services to Caixa Central, in the previous three years, in relation to matters directly under the responsibility of the Executive Board of Directors or that have contractual or corporate relations with institutions that provide consultancy services to Caixa Central, a rule that must also be respected as regards natural or legal persons who are related to the external consultant through employment or service provision contracts.

The Remuneration Committee must:

a) Exercise their functions with scrupulous respect for the applicable legal and regulatory rules.
b) Send information annually to the General Meeting stating how it performed its functions, information that must include at least a reasoned opinion on the adequacy of the remuneration policy and any changes to it that it deems necessary.
c) Be present at General Meetings where the remuneration policy is on the agenda.
d) Provide information requested by the General Meeting.

III. Remuneration Setting

The remuneration of members of the General and Supervisory Board is determined under the terms of the Law and of Article 19(8) of the Remuneration Statute of **SICAM**, by the General Meeting, based on a proposal from the Remuneration Committee.

The determination of the fixed component of the remuneration of members of the Executive Board of Directors is the responsibility of the Remuneration Committee, pursuant to the Law and Article 9(4) of the Remuneration Statute of **SICAM**, which may be a performance bonus also paid to members of the Executive Board of Directors, attributed by the General and Supervisory Board, in accordance with the assessment of the overall performance of the Executive Board of Directors carried out by it and under the opinion of the Remuneration Committee.

IV. Remuneration Disclosure

In compliance with the provisions of Article 47 of Notice 3/2020 of Banco de Portugal, as well as in Article 450 of Regulation (EU) 575/2013 of the European Parliament and of the Council, it is required to provide the following information, regarding the Remuneration Policy for Members of the Management and Supervisory Bodies and Employees of Caixa Central de Crédito Agrícola Mútuo, CRL, as well as the disclosure of the annual amount of remuneration earned by Members of the Executive Board of Directors, General and Supervisory Board and employees with a material impact on the institution's risk profile, in 2023:

1. Remuneration Policy for Members of the Management Body and the Supervisory Body

Pursuant to the Remuneration Policy for Members of the Management and Supervisory Bodies of Caixa Central de Crédito Agrícola Mútuo, CRL:

- The variable component of the remuneration of the Members of the Executive Board of Directors is linked to the sustainable and risk-adjusted performance of the institution, as well as the performance of their duties beyond what is required;
- The variable remuneration component was paid to the Members of the Executive Board of Directors exclusively in cash;
- The deferral of variable remuneration will be adjusted at the time of payment of the instalment due for 2023;

- The remuneration of Members of the General and Supervisory Board is composed exclusively of a fixed component.
- During 2023, no hiring subsidies were paid, nor severance payments were made due to the early termination of employment.
- In 2023, no Member of the Executive Board of Directors or of the General and Supervisory Board received remuneration equal to or higher than 1 million euros, broken down into pay brackets of 500 thousand euros, for remuneration between 1 million euros and 5 million euros, and broken down into pay brackets of 1 million euros for remuneration equal or greater than 5 million euros.

2. Remuneration of members of the Management Body and the Supervisory Body

Table 1 – Disclosure of quantitative data on the remuneration of Members of the Executive Board of Directors:

Members of the Executive Board of Directors:

Executive Board of Directors	Fixed Remuneration	Remuneration in Kind	Fixed Remuneration with Remuneration in Kind	Variable Remuneration (2)	Total
Licínio Manuel Prata Pina – Chairman	€486,000.06	€24,360.00 (1)	€510,360.06	€89,424.00	€599,784.06
Ana Paula Raposo Ramos Freitas – Member	€345,000.04	€0	€345,000.04	€62,790.00	€407,790.04
Sérgio Manuel Raposo Frade – Member	€345,000.04	€0	€345,000.04	€63,825.00	€408,825.04
Isabel da Conceição Alves – Member	€345,000.04	€0	€345,000.04	€46,791.45	€391,791.49
Luis Manuel Bravo Seabra – Member	€345,000.04	€0	€345,000.04	€47,305.64	€392,305.68

(1) Amount of remuneration in kind in respect of the use of a residential house.

(2) Variable remuneration paid in cash.

Table 2 – Disclosure of quantitative data on the remuneration of Members of the Supervisory Body:

Members of the General and Supervisory Board:

General and Supervisory Board	Fixed Remuneration
Ricardo Filipe de Frias Pinheiro – Chairman	€126,000.00
Vítor Fernando da Conceição Gonçalves – Deputy Chairman	€102,900.00
Ana Cristina Louro Ribeiro Doutor Simões – Independent Member	€94,500.00
João Luís Correia Duque – Independent Member	€88,200.00
Maria Helena Maio Ferreira de Vasconcelos – Independent Member	€73,500.00
Licínia do Carmo de Oliveira Bugalho – Non-Independent Member	€78,750.00
João Alexandre Moreira Laranjeira – Non-Independent Member	€63,000.00
Orlando José Matos Felicíssimo – Non-Independent Member	€78,750.00
Armandino José Barbosa da Silva – Non-Independent Member	€63,000.00

3. Employee Remuneration Policy

As per the Employee Remuneration Policy of Caixa Central de Crédito Agrícola Mútuo, CRL:

- The variable component of remuneration is composed of pecuniary remuneration, in the terms reproduced below.
- The variable remuneration component was paid in cash;
- The payment of the variable component of remuneration is not subject to deferral.
- During the 2023 financial year, no hiring subsidies were paid, nor severance payments were made due to the early termination of employment.
- In the 2023 financial year, no Employee has received remuneration of 1 million euros or more, broken down into pay brackets of 500 thousand euros, for remuneration between 1 million euros and 5 million euros broken down into pay brackets of 1 million euros for remuneration equal or greater than 5 million euros.

a) Fixed remuneration

Employees covered by Article 46(2) of Notice 3/2020, referred to in Article 115-C(2)(b) to (e) of the Legal Framework of Credit Institutions and Financial Companies receive a fixed remuneration, paid 14 times a year, in accordance with the conditions set out in the Collective Labour Agreement of Crédito Agrícola Institutions and in the Labour Code, which may also include a fixed monthly remuneration supplement, established contractually or following casuistic remuneration readjustment, of a permanent or temporary nature.

b) Variable remuneration

A non-predetermined variable remuneration may be awarded annually, which is defined on the basis of an evaluation process of a set of critical competencies for the function, the results obtained, and the risks incurred by the institution.

The performance evaluation methodology and criteria, approved by the Executive Board of Directors, are internally disclosed and applied in the same way to the institution's employees in general. The Executive Board of Directors validates the final results of the performance evaluation carried out by the direct hierarchy of employees.

For the employees in question, the variable component of remuneration, with an undetermined final value and an unsecured attribution, has a maximum limit of 15% of the total annual remuneration (excluding the increase provided for in clause 71(4) of the ICAM ACT), a percentage which corresponds to about two gross wages per employee.

The variable component can, therefore, be attributed annually, considering, among others, the results of the performance evaluation, with respect to the rules and procedures applicable to the activity, namely the internal control rules and those related to relations with customers and investors.

Variable remuneration, when attributed, is always paid in cash, based on the criteria previously defined and in accordance with the best practices at all times.

4. Remuneration of employees with a material impact on the institution's risk profile

Table 3 – Disclosure of aggregated quantitative data as provided for in Article 450(h) of Regulation (EU) 575/2013:

Activity	No. of Employees	Variable Remuneration (1)	Variable Remuneration (2)	Total
Top management	29	€3,533,088.76	€248,700.00	€3,781,788.76
Control functions	8	€734,635.64	€61,000.00	€795,635.64
Other functions	4	€455,930.35	€38,747.15	€494,677.50
Total	41	€4,723,654.75	€348,447.15	€5,072,101.90

(1) Includes fixed basic pay, food allowance and, where applicable, pay supplements, exemption from working hours and other regular allowances.

(2) Variable remuneration paid in cash.

Table 4 – Disclosure of aggregated quantitative data as provided for in Article 450(g) of Regulation (EU) 575/2013:

Business Area	Total Remuneration Fixed and Variable
Sales	€698,640.19
Control	€795,635.46
Support	€3,577,826.07
Total	€5,072,101.90

E. TRANSACTIONS WITH RELATED PARTIES

The rules set out in the Crédito Agrícola Group's Policy for the Prevention, Communication and Resolution of Conflicts of Interest and Transactions with Related Parties, hereinafter "PPCI", reflect the provisions of Notice no. 3/2020, namely those set out in Articles 33 (Related Parties) and 34 (Conflicts of Interest).

Of particular note are the rules on dealing with transactions with related parties, which include the obligation to draw up a "List of Related Parties" for each institution subject to the PPCI, updated on a quarterly basis, establishing reporting obligations for the members of the management and supervisory bodies of the same institutions, to the extent that various natural and legal persons related to them must appear on the list.

The registration, processing and filing of the declarations of interest and, in the case of the members of the Management and Supervisory Bodies, the Lists of Related Parties, is ensured through a technological solution called the Governing Body Portal, used to submit and update the declarations of interest and, subsequently, to obtain the List of Related Parties of each institution of the Crédito Agrícola Group centrally from the information uploaded by the members of the Management and Supervisory Bodies.

I. Items relative to business

Information on business with related parties, in accordance with IAS 24, is available in the Notes to the Financial Statements of this Management and Accounts Report.

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SUMMARY OF THE SELF-EVALUATION REPORTS UNDER THE TERMS OF ARTICLE 60 OF NOTICE 3/2020

SELF-ASSESSMENT REPORT OF THE CRÉDITO AGRÍCOLA GROUP

In accordance with Article 60 of Banco de Portugal Notice 3/2020, the General and Supervisory Board hereby presents the summary of the Self-Assessment Reports prepared under Articles 58 and 55 of the same Notice, respectively as the supervisory body of the Crédito Agrícola Group's parent company and as the supervisory body of Caixa Central – Caixa Central de Crédito Agrícola Mútuo, CRL (Caixa Central).

Background

The Self-Assessment Report presents the results of the assessment carried out concerning the adequacy and effectiveness of its internal control system to ensure compliance with the requirements defined in Article 51 of Notice 3/2020, as well as in relation to the consistency of the internal control systems of the subsidiaries and the parent company's internal control system, as at 30 November 2023.

The Self-Assessment Report consists of the assessment documents of Caixa Central's supervisory body (General and Supervisory Board), the assessment of Caixa Central's management body (Executive Board of Directors), the assessment of Caixa Central's supervisory body on the consistency between the internal control systems of Caixa Central and Associated Caixas (CCAM) and Caixa Central's Executive Board of Directors opinion on the individual self-assessments of the CCAMs.

The Self-Assessment Report is accompanied by annexes with (i) the identification of the flaws with F3 – high and F4 – severe classification, and the information on the flaws with F1 – reduced and F2 – moderate classification, as at 30 November 2023, and the respective measures and deadlines for their resolution, (ii) the description of the criteria for classifying the flaws, (iii) the statement of the General and Supervisory Board and the Executive Board of Directors on the adequacy of the classifications assigned to the flaws with F3 – high and F4 – severe classifications.

In addition, the annexes include (i) the multi-year action plan of the Internal Audit function and (ii) the description of the internal organisation of the CA Group and the main changes that have occurred since 30 November 2022 and (iii) the individual reports of self-assessment of Caixa Central and the 68 Associated Caixas incorporated in the Integrated System of Crédito Agrícola Mútuo (SICAM).

Assessment of the General and Supervisory Board

The General and Supervisory Board believes it should point out that the knowledge and bases for assessing the organisational culture and the governance and internal control systems of the Associated Caixas derive from the information resulting from the activity and supervision exercised by Caixa Central under the terms of its status, taking into account the autonomy that is legally conferred on the CCAMs.

The General and Supervisory Board assessed the adequacy and effectiveness of the CA Group's internal control system, assisted by its specialised committees and commissions, considering the impacts of the outstanding flaws, having concluded that, as at 30 November 2023, it proved to be adequate and that no other impacts arising from those flaws had been identified.

There was regular monitoring of the evolution of the accomplishment of the measures defined to correct the detected flaws, including the flaws of the internal financial control system and the accounting system reported by the statutory auditor, or identified by other institutions outside the CA Group, including supervisory authorities, with a positive evolution having been found in relation to their resolution, in addition to an improvement in their monitoring process.

The General and Supervisory Board monitored the flaws related to the CA Group classified at level F3 - high or level F4 - severe, and believes that, pursuant to the methodology presented in Annex II of Banco de Portugal Instruction 18/2020, the classification is appropriate as a whole.

The General and Supervisory Board is of the opinion that the internal control functions have sufficient status and authority to perform their duties in an objective and independent manner.

The General and Supervisory Board considers that the processes of preparation of the prudential and financial reports and the processes of preparation of information to be disclosed to the public are globally reliable, and considers adequate the compliance with the duties of public disclosure performed by the CA Group, which result from applicable legislation and regulations, and which respect the matters set out in Notice 3/2020, including financial and prudential information.

The General and Supervisory Board is aware of the limitations underlying any internal control system that can only provide a reasonable degree of comfort to management and supervision regarding the achievement of the objectives defined under Notice 3/2020. Given also the dynamic nature of any internal control system, the assessment made in the reporting period cannot be used for future projections on the adequacy and effectiveness of the internal control system.

Assessment of the Executive Board of Directors

The Executive Board of Directors assessed the organisational culture of the CA Group and its governance and internal control systems, concluding that, in general, they are adequate and effective, without prejudice to the constraints and opportunities for improvement that still exist, as indicated in the internal control files on flaws, attached to the Self-Assessment Report, which are an integral part thereof.

The Executive Board of Directors, under its assessment and decision-making related to internal control and organisational culture, took into account the External Auditor's reports, including those derived from audits carried out on the CCAMs in the context of the process of assessment of compliance with legal and regulatory standards, as well as in the context of financial reporting, the recommendations and determinations of the supervisory authorities, and periodic reports produced by the Internal Control Office on the evolution of the process of management and resolution of flaws of the CA Group.

The Executive Board of Directors considers that policies and procedures were approved, for the monitoring process of the organisational culture and the governance and internal control systems by the Associated Caixas, and that there is an adequate knowledge of the types of risks to which the CA Group is or may be exposed and of the processes used to identify, evaluate, monitor and control those risks.

The implementation and maintenance of information and communication processes adapted to the activity and risks of the CA Group is generically assured, and periodic reports on the adequacy and effectiveness of the internal control system are prepared, in order to communicate the detection and correction of flaws.

Most of the CCAMs with weaker internal control systems have been integrated in merger processes or have undergone changes in their governing bodies with a view to strengthening their suitability and effectiveness.

The Executive Board of Directors considers that, as a whole and despite the increased number of flaws with corrective measures under implementation, there has been a positive evolution in terms of the process of management and resolution of internal control flaws, with priority having been given to the resolution of those which are oldest and of higher risk.

The control environment relating to the conduct of the different activities undertaken continues to benefit, in a very relevant way, from the set of initiatives in the organisational, technological, procedural and risk management fields that have been developed. The investments that have been made, and those underway, in the implementation of suitable tools for better identification and control of risk situations in the different areas reveal the priority and importance that topics related to internal control have merited.

Reference is made to the stronger consolidation of the shared services of Internal Audit Function and Risk Management Function, rendered by Caixa Central through the common services units created to this end, under the guidance, follow-up and supervision of the Audit Department: (for the internal audit common services) and the Global Risk Department (for risk management common services), in articulation with local interlocutors for each of the functions, as defined in Article 50 of Banco de Portugal Notice 3/2020.

Assessment by the General and Supervisory Board as to the consistency of the internal control systems of CCCAM and the CCAMs

The General and Supervisory Board is not aware of any information indicating that there are any relevant inconsistencies between the internal control systems of the subsidiaries (CCAM) and the parent company (CCCAM).

As far as it is presented to the General and Supervisory Board, the Executive Board of Directors promotes consistency between the internal control systems of its subsidiaries and that of the parent company.

The internal control functions are ensured through a partially centralised model, leveraged on Caixa Central's internal control structures, with the implementation of common services within the sphere of the internal audit function and the risk management function, framed by article 50 of Notice 3/2020, which have contributed to strengthening the consistency of the CA Group's internal control system.

The activity of the Monitoring and Supervision Department, equivalent to the second line of defence of Caixa Central, alongside the risk management and compliance functions, given its important responsibilities in terms of follow-up. monitoring and supervision of the Associated Caixas included in SICAM, contributed to strengthening the consistency of the internal control systems of these entities.

Opinion of Caixa Central on the CCAM individual self-assessments

The Executive Board of Directors issued its opinion taking into account the Individual self-assessments of the supervisory bodies, and also the conclusions of the Statutory Auditors' reports on compliance with the legal and regulatory standards, in addition to the results of the monitoring and control actions performed by Caixa Central's control functions. It also took into account complaints about the CCAMs that reach Caixa Central, following which investigation processes are triggered.

Although the self-assessments of the CCAMs did not always provide evidence of such, concrete situations have been reported to the Executive Board of Directors of Caixa Central revealing that the organisational culture, and the governance and internal control systems need to be strengthened, leading Caixa Central, in those cases, to take the measures it deems appropriate.

The performance, under a common services regime, of the internal audit function and the risk management function, as permitted by Article 50 of Notice 3/2020, has helped to overcome some residual situations where the full independence of these functions was not guaranteed and to provide an internal control environment governed by homogeneous criteria and more consistent practices. During the reference period of this report, the controls of the compliance function were made more robust, improving the CA Group’s internal control system.

Caixa Central, as the CA Group's parent company for the purposes of the provisions of Banco de Portugal Notice 3/2020, has approved/revised binding policies, defined procedures and disclosed guidelines aimed at ensuring compliance with the requirements of the aforementioned Notice.

An independent assessment was completed on the conduct and values of the Integrated System of Crédito Agrícola Mútuo (SICAM), with the support of the consultant KPMG. Furthermore, an independent audit was initiated, conducted by the consultant KPMG, on the system for reporting irregularities (whistleblowing) and related topics, although its conclusions are as yet unknown.

The strengthening of control and monitoring of the matters set out in Banco de Portugal Notice 3/2020 is planned, by the internal control functions, with a view to mitigating any existing weaknesses, and the implementation of a Training Plan for CA Group employees that aims to meet the needs identified in each area of activity, in addition to periodic training.

SELF-ASSESSMENT REPORT OF CAIXA CENTRAL – CAIXA CENTRAL DE CRÉDITO AGRÍCOLA MÚTUO, CRL

Background

The Self-Assessment Report presents the results of the assessment, made by Caixa Central, on the adequacy and efficacy of the organisational culture in force and its governance and internal control systems, including the remuneration practices and policies and all other matters addressed in Banco de Portugal Notice 3/2020, as at 30 November 2023.

The Self-Assessment Report consists of the assessment documents of the General and Supervisory Board, the Executive Board of Directors and the reports of the persons responsible for the internal control functions - risk management, compliance, internal audit and, since 2022, by determination of Banco de Portugal, the monitoring and supervision function.

The Self-Assessment Reports have annexes presenting (i) the identification of flaws classified as F3 – high level and F4 – severe, and information on flaws classified as F1 – low level and F2 – moderate, as at 30 November 2023, and the respective measures and deadlines for their elimination; (ii) the description of the criteria for classification of flaws; (iii) the report issued by the person responsible for the internal audit function with a validation of the classification assigned to flaws; and (iv) the statements of the General and Supervisory Board and Executive Board of Directors on the adequacy of the classifications assigned to flaws classified as F3 – high level and F4 – severe.

Furthermore, the annexes also include (i) the multi-year action plan for Internal Audit; and (ii) the description of the internal organisation of Caixa Central and the main changes occurred since 30 November 2022.

Assessment of the General and Supervisory Board

The General and Supervisory Board assessed the organisational culture and the governance and internal control systems of Caixa Central, assisted by its specialised committees and commissions, considering the impacts of the outstanding flaws, having concluded that, as at 30 November 2023, they prove to be appropriate and effective from an overall perspective.

There was regular monitoring of the evolution of the implementation of the measures defined to correct the detected flaws, including the flaws of the internal financial control system and the accounting system reported by the statutory auditor, or identified by other institutions outside Caixa Central, including the supervisory authorities. There has been a positive evolution in the resolution of these issues and an improvement in the monitoring process, namely the articulation of the Internal Control Office with the internal control functions and with the other structures of the institution in order to speed up the resolution of these issues.

The General and Supervisory Board monitored the flaws related to Caixa Central classified at level F3 - high and F4 - severe, and believes that, pursuant to the methodology presented in Annex II of Banco de Portugal Instruction

18/2020, the classification is appropriate as a whole.

The General and Supervisory Board is of the opinion that the internal control functions have sufficient status and authority to perform their duties in an objective and independent manner.

The processes for preparing prudential and financial reports and the processes for preparing information to be disclosed to the public are considered to be generally reliable. Compliance with the duties of public disclosure performed by Caixa Central, which result from applicable legislation and regulations, and which relate to the matters set out in Banco de Portugal Notice 3/2020, including financial and prudential information, is also considered adequate.

Assessment of the Executive Board of Directors

The Executive Board of Directors assessed the organisational culture of Caixa Central and its governance and internal control systems, remuneration practices and policies and other matters dealt with in Banco de Portugal Notice 3/2020, concluding, in general, that they are adequate and effective, without prejudice to the constraints that remain, due to the internal control flaws still open, documented in the annex to the Self-Assessment Report and which forms an integral part thereof.

The Executive Board of Directors is aware of the flaws detected in the reference period or carried forward from previous periods that maintain corrective measures in the implementation phase, through reports with the conclusions of the control actions carried out by the internal control functions as well as the reports of the supervisor's inspections and the conclusions of the reports prepared by the Statutory Auditor of Caixa Central and CA Group in the context of the statutory audit of Caixa Central’s accounts and consolidated accounts and the half-yearly impairment analysis.

The Executive Board of Directors of Caixa Central has been assessing the progress of implementation of the actions aimed at resolving the flaws reported in previous reports and those that have been identified in the meantime, namely through periodic reports produced by the Audit Department and the Internal Control Office. The Executive Board of Directors considers that, as a whole, there has been a positive evolution in terms of the process of management and resolution of internal control flaws, with priority having been given to the resolution of those which are oldest and of higher risk.

Caixa Central's Executive Board of Directors intervened repeatedly, during 2023, in order to strengthen the organisation's internal control culture and promote the timely fulfilment of the action plans required to address the flaws identified and thus strengthen the internal control system

The control environment relating to the conduct of the different activities undertaken continues to benefit, in a very relevant way, from the set of initiatives in the organisational, technological, procedural and risk management fields that have been developed. In actual fact, the investments that have progressively been made (and are currently underway), in the implementation of suitable tools for better identification and control of the risk situation in the different areas reveal the priority and growing importance given to topics related to internal control.

Special note is made to the stronger consolidation of the shared services of Internal Audit Function and Risk Management Function, rendered by Caixa Central through the common services units created to this end, under the guidance, follow-up and supervision of the Audit Department: (for the internal audit common services) and the

Global Risk Department (for risk management common services), in articulation with local interlocutors for each of the functions, as defined in Article 50 of Banco de Portugal Notice 3/2020.

Reports of the managers in charge of the internal control functions

The internal audit, risk management, compliance, monitoring and supervision functions consider that they carry out their activities in an independent and autonomous form, and do not detect the existence of situations or constraints that currently compromise them, or could compromise them in the future, with respect to the results of the assessments that have been made, and are therefore not constrained or limited.

Notwithstanding the above, any situations or constraints that currently compromise, or could in the future compromise, the independence of these Functions should be reported immediately to the Executive Board of Directors and to the General and Supervisory Board, which will analyse them, documenting their conclusions and the measures determined to overcome them in a report.

Approval by the Supervisory Board at its meeting held on 15 April 2024

ACTIVITY REPORT OF THE GENERAL AND SUPERVISORY BOARD

Pursuant to the mandate entrusted to it and in compliance with the provisions in Article 441(1)(q) of the Commercial Companies Code and the Articles of Association of Caixa Central – Caixa Central de Crédito Agrícola Mútuo, CRL (Caixa Central), the General and Supervisory Board (CGS) hereby submits to the General Meeting the Annual Report on the activity pursued during the year ended on 31 December 2023.

COMPOSITION AND COMPETENCES

The composition and powers of the General and Supervisory Board are detailed in the Report on Corporate Governance Structure and Practices of Caixa Central which, in accordance with the provisions of Article 70(2)(a)(b) of the Commercial Companies Code, is an integral part of Caixa Central's Management Report.

The General and Supervisory Board includes the following specialised committees provided for in the Law: the Commission for Financial Matters, the Remuneration Committee and the Risk Committee. The Board also decided to create the Commission for Supervisory Matters. The composition of this/these specialised commission and committees and a description of their attributions and competences are also presented in the Report on Corporate Governance Structure and Practices of Caixa Central referred to above.

The General and Supervisory Board monitors Caixa Central, SICAM and Grupo Crédito Agrícola (CA) through its plenary activity, and is directly supported by the specialised committees to which some of its powers have been delegated. The work of the General and Supervisory Board and the specialised committees is coordinated by the Chairman of the General and Supervisory Board. The respective agendas are published at the General and Supervisory Board meetings and the respective chairmen and members report on the topics covered and the main conclusions resulting from the assessment and discussion.

ORGANISATION AND OPERATION

In exercising its powers, the General and Supervisory Board operates and takes its decisions in plenary session, except for matters that fall within the specific competence of its specialised committees or others whose competence it has delegated to them. The General and Supervisory Board benefits from the critical contribution of the work carried out by its specialised committees, as support for the process of analysis, assessment and issuing of opinions on matters within its competence, whenever it so determines.

The General and Supervisory Board ordinarily holds meetings once a month and, extraordinarily, whenever called by its Chairman on his own initiative or at the request of at least two of its members of the Executive Board of Directors.

Under its legal and statutory powers, the Chairman of the General and Supervisory Board is responsible for the organisation and coordination of the activities, as well as the representation of that governing body, and should also strive to ensure the correct enforcement of its decisions. The Chairman of the General and Supervisory Board is a connecting element between the activity of the General and Supervisory Board and that of the Executive Board of Directors.

The operating rules of the General and Supervisory Board and each of its specialised committees are defined in their respective internal regulations.

PLENARY ACTIVITY

During 2023, the General and Supervisory Board held twelve ordinary meetings and three extraordinary meetings, attended by all its current members, either in person or by videoconference, and the respective minutes were drawn up. Among the activities developed by the General and Supervisory Board, special reference is made to the following:

Monitoring and supervision of the activity of the Executive Board of Directors

The General and Supervisory Board monitored and supervised the activity of the institution's Governing Body by: (i) reviewing the minutes of its meetings and requesting clarifications deemed relevant; (ii) the occasional presence of the Chairman of the Executive Board of Directors at General and Supervisory Board meetings to provide information and clarifications; (iii) the presence of General and Supervisory Board members at some meetings of the Executive Board of Directors as observers; (iv) access to documentation produced by the Executive Board of Directors and the institution's various structural units; (v) access to accounting and financial information and information on the results of the institution's activity; (vi) regular meetings with those responsible for internal control functions, namely through the activity carried out by the specialised committees; (vii) meetings with the heads of the structural units, whenever requested; (viii) meetings with the members of the Executive Board of Directors, whenever considered necessary and relevant for the analysis and debate of specific issues.

The General and Supervisory Board monitored the correspondence exchanged between the Executive Board of Directors and the supervisory bodies.

After the closing of the financial year of 2022, and with a view to the opinion to be submitted to the General Meeting of 20 May 2023, the General and Supervisory Board appraised the Management Report and Accounts of 2022 of Caixa Central and of the Crédito Agrícola Group in consolidated terms, also taking into consideration the Legal Certification of Accounts and the Additional Report for the Authority drafted by PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda (statutory auditor), as well as the opinion drafted by the Commission for Financial Matters. It also appraised and issued an opinion on the proposed appropriation of the Net Income for 2022 of Caixa Central. It issued the "Report on the activity of the General and Supervisory Board in 2022" and took note of the "Report on the activity of the Commission for Financial Matters in 2022", with both reports having been incorporated into Caixa Central's "Management Report and Accounts for 2022". In compliance with Article 60 of Notice 3/2020, the General and Supervisory Board prepared a summary of the self-assessment reports provided for in Articles 55 and 58, which were published as an annex to the institution's annual accountability documents.

During 2023, the General and Supervisory Board monitored the CA Group's interim consolidated financial statements.

The General and Supervisory Board monitored the "Resolution Plan" and the minimum requirements for own funds and eligible liabilities (MREL) to be met by Caixa Central, having given its prior consent to the issuance of a senior preferred debt bond (MREL 2023). It also considered the revision of the "Resolvability Management Governance Model".

Credit management monitoring was performed, including the evolution of the loan portfolio in recovery, the appraisal of the “Strategic plan for the management of non-performing loans”, the monitoring of the evolution of NPL ratios at Caixa Central and SICAM and the follow-up of the strategic and operational plan for divestment in real estate 2023-2025”.

At the end of 2023, the General and Supervisory Board proceeded with the appraisal of the proposed "Activity Plan and Budget of the Crédito Agrícola Group for 2024”. The plan's strategic guidelines, the definition of the Group's pillars of action and strategic indicators for 2024, were analysed and discussed with the Executive Board of Directors in a specific meeting prior to drawing up the proposal. In accordance with the Articles of Association, the General and Supervisory Board issued its opinion on the "Activity Plan and Budget of the Crédito Agrícola Group for 2024", which it presented to the General Meeting held on 16 December 2023.

The General and Supervisory Board also monitored the changes to Caixa Central's Organic Structure Standard, as part of the implementation of the "Alvorada" internal restructuring project.

Monitoring and supervising the process of preparation and disclosure of financial information

In 2023, the General and Supervisory Board maintained its regular monitoring of the evolution of the financial situation of Caixa Central, SICAM and the Crédito Agrícola Group (CA Group), through the activity of the Commission for Financial Matters and the appraisal of the management information produced by Caixa Central’s different areas, in particular:

- Financial statements, financial indicators and quarterly results of Caixa Central, SICAM and the CA Group;
- Reports on budget execution and the implementation of the CA Group's strategic plan;
- “Resolution Plan of the Crédito Agrícola Group – Minimum Requirement for Own Funds and Eligible Liabilities (MREL”);
- Evolution of the portfolio of securities under management of the Financial and Treasury Direct Banking;
- Evolution of credit exposure and impairments, at an individual and collective level, including validation of risk parameters;
- Management reports on real estate classified as non-current assets and "GCA's Strategic and Operational Real Estate Divestment Plan for 2023-2025";
- "Strategic Plan for the Management of Non-Performing Loans";
- “Recovery Plan of the CA Group for the 2023 cycle;

Monitoring of the activity of the Statutory Auditor

With the support of the Commission for Financial Matters, the General and Supervisory Board monitored the work carried out by the statutory auditor as part of the statutory audit of the annual accounts, the interim accounts, the half-yearly reports on the process of quantifying impairment of the loan portfolio, and the limited assurance work on the assessment of compliance with legal and regulatory standards by the associated Caixas Agrícolas, in compliance with Article 37 of RJCAM.

Within the scope of its activity, the Commission for Financial Matters verified the appropriateness of the provision of additional services by the statutory auditor, considering that these would not fall within the list of prohibited services, would not constitute a threat to the independence and objectivity of the statutory auditor, within the context of the statutory audit work, and that the amounts of the fees proposed did not exceed the limit of fees for non-audit services as provided by law.

Monitoring and supervision of the Internal Control System

In the course of 2023, the General and Supervisory Board ensured that the adequacy and effectiveness of the organisational culture in force in the institution and its governance and internal control systems were assessed, in accordance with the provisions of Notice no. 3/2020, for Caixa Central and GCA, having drawn up the respective reports with a reference date of 30 November 2023, including statements on the classification of deficiencies and on the coherence between the internal control systems of Caixa Central and the Associated Caixas. The "Memorandum on accounting and internal control aspects" drawn up by the statutory auditor and the self-assessment reports drawn up by each of the internal control functions, including the Monitoring and Supervision Department, contributed to the preparation of these reports.

As part of its monitoring of the internal control system and internal control functions, including SICAM's monitoring and supervision function, the General and Supervisory Board analysed the respective activity plans, including those relating to common services within the scope of the internal audit and risk management functions, and issued the opinions it was legally or regulatory required to issue. It subsequently monitored its implementation through the respective status reports on the implementation of the activity plan.

It monitored progress in resolving internal control deficiencies identified by the supervisors, the external auditor and/or the internal control functions, as well as the communication maintained between the Internal Control Office and the supervisory bodies. It also monitored the work of the Internal Control Office and the Internal Control Committee, with a particular focus on measures to improve monitoring and speed up the resolution of deficiencies.

The General and Supervisory Board considered the reports drawn up by the compliance and risk management functions on the assessment of the remuneration policy for members of the management and supervisory bodies and the remuneration policy for Caixa Central employees in force in 2022, which contributed to the Remuneration Committee drawing up the "Assessment Report on the Implementation of the Remuneration Policy for 2022", which was presented to Caixa Central's General Meeting.

As far as the compliance function is concerned, the General and Supervisory Board examined the reports on the anti-money laundering and combating the financing of terrorism (AML/CFT) activities for the year 2022, including the remediation of AML/CFT flaws, and followed up on the results of the special audit carried out by an external institution on SICAM's AML/CFT and Sanctions system.

The General and Supervisory Board considered and issued its opinion on the "Report on Anti-Money Laundering and Combating the Financing of Terrorism" for 2022 for Caixa Central and SICAM.

The General and Supervisory Board monitored the “Independent Evaluation Programme of the Conduct and Values of SICAM”, assured by an external institution, under the coordination of the compliance function.

The *Compliance* Department promoted the development of a set of supports designed to help strengthen and align the compliance function at CCAMs, as well as a communication plan on relevant topics, aimed at compliance monitors. The General and Supervisory Board monitored the exercise to assess the effectiveness of the compliance function at CCAMs for the year 2022.

The General and Supervisory Board analysed and diligently investigated the reports of serious irregularities received at Caixa Central and followed up on their processing, having examined Caixa Central's "Whistleblowing Report", with reference to 30 November 2022.

The General and Supervisory Board issued an opinion on the transactions with related parties submitted to it and periodically took note of Caixa Central's list of related parties.

As far as the internal audit function is concerned, in addition to the activities carried out under the Commission for Financial Matters, the General and Supervisory Board examined the reports drawn up as a result of internal audit actions or as a result of fact-finding actions. The General and Supervisory Board also monitored the inspection carried out by Banco de Portugal on the Internal Audit Function and the progress of the work relating to the special audit on Data Quality (BCBS239).

The General and Supervisory Board considered the proposal to revise the organic structure of the Audit Department.

As far as the risk management function is concerned, in addition to the activities carried out by the Risk Committee, the General and Supervisory Board monitored the performance of the risk profile defined for Caixa Central and GCA, within the scope of the risk appetite framework, as well as reviewing it.

The General and Supervisory Board monitored the initiatives taken to manage the interest rate risk of the banking portfolio, including the measures to mitigate the exposure of SICAM and Caixa Central's balance sheets to interest rate risk and the initiatives taken to remedy internal control deficiencies.

The quarterly reports drawn up by the risk management function on impairment were analysed, ensuring that adjustments were made to the individual and collective impairment management model, and the measures to resolve internal control deficiencies were monitored. Also in this context, the independent validation reports of the risk parameters used in the impairment quantification model, drawn up by the Model Validation Office (GVM), were examined.

The General and Supervisory Board, through the activity of the CMF, accompanied the *On-site* Inspection conducted by Banco de Portugal, within the scope of credit risk on the assessment of individual impairment and the classification of credit instruments and/or debtors.

The General and Supervisory Board monitored the liquidity and financing risk by examining the "CA Group's Financing and Capital Plan for 2023-25", the reports on the ICAAP and ILAAP exercises with reference to 2022, including the independent validation of the process issued by the GVM and the evaluation report for the year drawn up by the internal audit. The solvency reports of Caixa Central and GCA were also reviewed on a regular basis.

The General and Supervisory Board monitored the Information Systems/Information Technology risk through the audit reports drawn up by the Audit Department in this area and by monitoring the measures underway to improve cybersecurity controls.

As far as the monitoring and supervision function is concerned, in addition to the activities carried out within the scope of the Supervisory Matters Committee, the General and Supervisory Board monitored the supervision of CCAMs carried out by the DAS, in accordance with the application of the CCAM Supervision Model, the results of investigations and inspections carried out as part of complaints about CCAMs belonging to SICAM and the definition and implementation of the plan to restructure and strengthen the DAS. The project to assess compliance with legal and regulatory standards, carried out to comply with Article 37 of RJCAM, was also monitored.

The General and Supervisory Board issued its opinion on the assessment of suitability for key functions for the heads of the Transformation and Development Office, the Global Risk Department and the Credit Risk Department.

The General and Supervisory Board also monitored the activities of the GVM, including its Activity Plan for 2023 and 2024, and the independent evaluation reports of the models produced by this area.

In addition to the assessment of other regulations, the General and Supervisory Board assessed and issued its opinion on the following binding regulations:

- Revision of the GCA Code of Ethics and Conduct;
- Revision of the Credit Recovery Regulations;
- Binding Rule on the Remuneration of Provisional Directors, Members of Supervisory Committees and Delegates;
- Revision of the Policy for the Selection and Appointment of Statutory Auditor/Audit Firm (statutory auditor) and the Hiring of Non-Prohibited Separate Audit Services;
- Data Protection Regulations;
- Revision of the Binding Standard for the Valuation of Real Estate and Movable Property;
- Revision of the Model Risk Management Policy;
- Revision of the Global Risk Management Policy;
- Revision of the Policy for the Prevention, Communication and Sanctioning of Conflicts of Interest and Transactions with Related Parties;
- ESG Risk Policy;
- Revision of the Monitoring and Supervision Standard;
- Revision of SICAM's Remuneration Statute;
- Revision of the Training Standard.

Monitoring of SICAM

The General and Supervisory Board monitored the supervisory activities carried out by Caixa Central with the member banks, with the support of the work carried out by the Supervisory Matters Committee, including the situation of the CCAMs that have been intervened or have a financial assistance contract.

The General and Supervisory Board appraised and issued an opinion on matters related to the Associated Caixas or to their supervision, pursuant to the legal, regulatory or statutory requirements, proposed by the Executive Board of Directors, in particular:

- Issue of an opinion on the Management and Supervisory Bodies of the Associated Caixas pursuant to Article 10 of RJCAM;

- Issue of an opinion on proposals for intervention or extension of intervention in CCAMs under Article 77-A of RJCAM;
- Issue an opinion on the assessment of the suitability of the members of the provisional corporate bodies, appointed for the intervened CCAMs;
- Consideration of proposals for mergers of CCAMs by incorporation.

In compliance with the provisions in Article 6(1) of the Remuneration Statute, the Executive Board of Directors sent the General and Supervisory Board four requests for exemption from compliance with that Statute, for the purpose of obtaining a non-binding opinion from the General and Supervisory Board.

Other issues

The General and Supervisory Board drafted its Activity Plan for 2023 and took cognisance of the activity plans for 2023 drafted by its specialised commission and committees.

The General and Supervisory Board considered the "Remuneration Policy for Caixa Central's Members of the Management and Supervisory Bodies" for 2023 and 2024, approved at Caixa Central's General Meeting, and the review of the respective "Remuneration Policy Implementing Regulation", both proposed by the Remuneration Committee. It also analysed the "Annual information on the performance of the Remuneration Committee's duties in 2022", presented to the Caixa Central General Meeting held on 20 May 2023. The General and Supervisory Board appraised the revision of Caixa Central's Employee Remuneration Policy.

Within the scope of its powers, the General and Supervisory Board was also responsible for assessing the performance of the members of the Executive Board of Directors and approving the values of the variable remuneration to be awarded. It also accompanied the process of performance evaluation of the internal control functions.

The General and Supervisory Board reviewed the criteria for identification, and the resulting list, of employees with a material impact on the institution's risk profile.

The General and Supervisory Board took note of the Caixa Central and CA Group Sustainability Report for 2022 and the proposal to implement the Net Zero Plan at the CA Group.

The General and Supervisory Board monitored the progress of the implementation of the GCA Training Plan for 2023 and followed the definition of the Career Management Model.

COMMISSION FOR FINANCIAL MATTERS

In compliance with Article 21 of the Articles of Association of Caixa Central, Caixa Central de Crédito Agrícola Mútuo, CRL, the Commission for Financial Matters presents its Activity Report autonomously to the General Meeting.

RISK COMMITTEE

The Risk Committee (Committee) held twenty-two meetings throughout 2023.

The Committee selected a series of relevant risks for 2023 and asked those responsible for managing them to make a presentation on the current state of management of that specific risk, the main challenges facing them and the improvement plans underway. During these presentations, the members of the Committee asked for any clarifications they considered pertinent and debated on the basis of the information provided, contributing to a better understanding and framing of the risks under appraisal. The risks analysed in detail throughout 2023 were: Strategy and Business Model Risk, Compliance Risk, Money Laundering and Financing of Terrorism Risk, Liquidity and Financing Risk, Insurance Risk, Model Risk, Interest Rate and Credit Spread Risk, Real Estate Risk, Information and Communication Technology Risk, Credit Risk, Operational Risk, Market Risk and Foreign Exchange Risk.

The Committee regularly monitored the evolution of the results of the Risk Appetite Framework of the Crédito Agrícola Group and Caixa Central.

The Committee has set up a four-monthly meeting with the member of the Executive Board of Directors responsible for Risk to share the Committee members' main concerns on risk matters.

The Committee paid particular attention to issues related to credit risk and non-performing loans, impairment and interest rate risk in the banking portfolio.

As far as credit risk is concerned, the documentation provided by the respective areas responsible for managing non-performing exposures and restructured exposures, default and NPL ratios, as well as the action plans underway to mitigate the shortcomings identified and the reports drawn up under FINREP, were regularly examined. Occasional meetings were held with the heads of the areas responsible for credit risk management. The Credit Risk Management reports were also appraised, including the analysis of the macroeconomic environment and the massive verification of the value of the properties pledged as collateral.

The Committee regularly monitored the impairment of the loan portfolio by analysing and discussing the impairment reports drawn up periodically by the risk management function and the half-yearly reports produced by the statutory auditor. The reports validating the risk parameters used in the impairment model (drawn up by the autonomous unit created to validate models) and the update of the macroeconomic scenarios (forward-looking) were also examined with the support of the head of the risk management function. The action plans for resolving deficiencies in this area were monitored.

The Committee regularly monitored the interest rate risk of the banking portfolio, with the support of the head of the risk management function and the head of the Finance Department, by examining and discussing the reports drawn up internally, the progress of the action plans underway to mitigate the shortcomings identified, including the methodological reviews of procedures implemented.

The Committee monitored the issues of solvency, liquidity and capital adequacy, by analysing and discussing, among other things, the Solvency, ICAAP and ILAAP Reports, including the assessment of methodologies by the Model Validation Office, the reports prepared by the Audit Department in this area and Banco de Portugal's guidelines on these matters, and issued its opinion whenever applicable.

The documents produced by the areas responsible for Operational Risk, Concentration Risk and Banking Security were also appraised and discussed.

During 2023, developments were made to the regulatory framework, namely the revision of the Global Risk Management Policy and the drafting of the ESG Risk Policy, which were considered by the Risk Committee.

As part of its work, the Committee monitored the work of the internal control functions and the Model Validation Office, in particular by examining and discussing their activity plans and their annual and periodic activity reports.

The Committee assessed the Self-Assessment Reports drawn up by each of the internal control functions, as provided for in Banco de Portugal Notice 3/2020, and also by the Monitoring and Supervision Department, with a reference date of 30 November 2023.

The Committee examined various reports issued by the Audit Department, either in-house or co-sourced from external institutions.

The Committee assessed and gave its opinion on the identification criteria and the list of employees with a material impact on the institution's risk profile.

The Committee ensured regular monitoring of the Financial Department's activity, particularly in terms of managing the portfolio of financial assets and monitoring the markets.

The Committee considered the reports drawn up by the Model Validation Office on the rating and scoring analytical models.

The Committee followed the activity of monitoring the application of Decrees 80-A/2022 and 20-B/2023 carried out by the Credit Monitoring Department.

The Committee issued its Annual Risk Committee Activity Report for 2022 and drew up the Risk Committee Activity Plan for 2023.

REMUNERATION COMMITTEE

The Remuneration Committee (Committee) held ten meetings throughout 2023.

As part of its duties, the Committee carried out an assessment of the implementation of Caixa Central's Remuneration Policy in force in 2022. For this purpose, the Assessment Reports drawn up on this matter by the compliance and risk management functions were examined and taken into consideration. The Report assessing the implementation of the Remuneration Policy was presented to the Caixa Central General Meeting held on 20 May 2023. The Committee also drew up a report on its activities during 2022, which, in accordance with its Rules of Procedure, was presented at the aforementioned Caixa Central General Meeting.

The Committee issued its favourable opinion on the revised Remuneration Statute, which entered into force on 28 March 2023.

In conjunction with the DCRH, the Committee drew up the Remuneration Policy for the Members of Caixa Central's Management and Supervisory Bodies (MOAF) for 2023, which was proposed and approved at Caixa Central's General Meeting held on 20 May 2023, and which included adapting it to the changes introduced by the revision of the Remuneration Statute. At Caixa Central's General Meeting held on 16 December 2023, the Committee proposed the Remuneration Policy for the Members of Caixa Central's Management and Supervisory Bodies (MOAF) for 2024, which was also approved by the member banks.

The Remuneration Policy Implementing Regulation of the Executive Board of Directors was revised to make minor corrections and update the assessment criteria and respective objectives for 2023 and for the 2022-2024 term of office.

The Committee took note of the revisions made to the Remuneration Policy for Caixa Central employees, the compilation of rules on performance assessment and the award of variable remuneration and the Career Management Model being implemented by Caixa Central.

The Committee drew up the proposal for assessing the performance of the members of the Executive Board of Directors, as well as the proposal for awarding variable remuneration, for 2022, which were assessed and approved by the General and Supervisory Board, with the support of the Strategic Planning and Control Department to determine the values achieved for each of the assessment criteria defined and with the support of the Audit Department to validate the results of the indicators to be considered for the purpose of determining the degree of achievement of the defined objectives.

The Committee took note of the performance appraisal process for internal control function holders and analysed and debated the proposed performance appraisal of Caixa Central's structures with control functions for 2022 and assessed the performance objectives set for internal control functions for 2023.

The Committee took note of the proposal for the overall bonus ceiling and the proposal for the bonus ceiling to be allocated to each structural unit for 2022 performance, presented by DCRH, for allocation to the employees assigned to the Caixa Central and CA Imóveis structures.

The Committee appraised the proposed revision of the List of Employees with Material Impact on the Risk Profile of Caixa Central, including the criteria defined for their identification.

The Committee considered and gave its non-binding opinion to the requests for waiver of compliance with the Remuneration Statute rule, which were referred to it.

The Committee took note of the Remuneration Policy for CCAMs' Members of the Management and Supervisory Bodies and issued its opinion on the new Binding Standard on the Remuneration of Provisional Directors, Members of Supervisory Committees and Delegates.

The Committee took note of the incentive system proposed for 2023 and aimed at SICAM employees with commercial functions.

The Committee drew up the Remuneration Committee's Activity Report for 2022 and approved its Activity Plan for 2023.

COMMISSION FOR SUPERVISORY MATTERS

The Supervisory Matters Committee (Committee) held seven meetings throughout 2023.

The Committee monitored the activity of the Monitoring and Supervision Department (DAS), with its head presenting the Activity Plan and a progress report on the implementation of its activity plan, including activities carried out in collaboration with other Caixa Central structures. The main challenges and constraints facing the area were also assessed and discussed.

The Committee ensured the follow-up of the change in the DAS organisational structure, in order to separate the "Fit and Proper" activities and competencies and the "Investigations and Inspections" activities related to the analysis and processing of complaints into specialised sub-structures.

The Committee also took note of the topics covered at the meetings of the Executive Monitoring and Supervision Committee, by analysing the summaries of the meetings.

The Committee monitored the results of the quarterly application of the CCAM Supervision Model and its updating in line with the changes promoted by the Global Risk Department (DRG).

The Committee considered and issued its opinion on the DAS Self-Assessment Report on 30 November 2023, which was drawn up following the assimilation of the DAS to a second line of internal control, similar to the compliance and risk management functions.

The Committee assessed the inspection, investigation and/or audit reports drawn up by internal or external institutions regarding complaints about conflicts of interest, failures to comply with internal regulations, irregularities and failures to comply with the code of ethics and conduct. The Committee also monitored the communications exchanged with Banco de Portugal regarding the complaints received.

The Committee monitored and assessed the results of the regular inspections carried out on CCAMs, as part of the Annual Planning of the DAS Inspections Unit.

The Committee examined the periodic progress reports drawn up by the Transformation and Development Office on the CCAMs involved and the CCAMs with Financial Assistance contracts, including the supervisory measures issued, as well as the summary of the meetings of the Transformation and Development Executive Committee.

The Committee monitored the registration of the management and supervisory bodies under Article 10 of RJCAM, the assessment of the suitability of the Provisional Directors and members of the Supervisory Committee for CCAM Loures, Sintra e Litoral and CCAM Coruche, and the merger by incorporation of CCAM Alcácer Sal Montemor Novo into CCAM Costa Azul.

The Committee drew up its Activities Plan for 2023 and the Report on the activities carried out during 2022.

FINAL NOTE

A final note of gratitude to the Chairman of the Executive Board of Directors and to all the other members of this board, as well as the managers of the different structures of Caixa Central and in particular to those in charge of the internal control functions, for all the collaboration provided that greatly contributed to the General and Supervisory Board being able to fully accomplish its mission.

(Approved at the 2nd meeting of the General and Supervisory Board on 19 February 2024)

FINAL NOTE

A final note of gratitude to the Chairman of the Executive Board of Directors and to all the other members of this board, as well as the managers of the different structures of Caixa Central and in particular to those in charge of the internal control functions, for all the collaboration provided that greatly contributed to the General and Supervisory Board being able to fully accomplish its mission.

Approved at the 2nd Meeting of the General and Supervisory Board held on 24 February 2023

ACTIVITY REPORT OF THE COMMISSION FOR FINANCIAL MATTERS

The Commission for Financial Matters (Commission) of Caixa Central de Crédito Agrícola Mútuo, CRL (Caixa Central), set up under the General and Supervisory Board (CGS), hereby presents the Annual Report on its supervisory action, drawn up in compliance with the provisions of Article 444(2) of the Commercial Companies Code and Article 20(d) of the Caixa Central's Articles of Association.

COMPOSITION AND COMPETENCES

The Commission for Financial Matters is composed of three members, with a majority of independent members, where its Chairman is independent and qualified for the matters of the competence of this Commission.

The competences of the Commission for Financial Matters, pursuant to its Internal Regulation, are as follows:

a) Supervise the definition of the accounting policies and verify whether those policies and the valuation criteria adopted by the institution lead to a correct evaluation of the assets and the profit or loss.

b) Verify, when deemed convenient and in the manner deemed appropriate, the regularity of the books, accounting records and documents that support them, as well as the status of any assets or values owned by the institution in any capacity.

c) Supervise the process of preparing and disclosing financial information and submitting recommendations to ensure their integrity;

d) Issue an opinion on the management reports and financial statements of the Caixa Central and the Consolidated Crédito Agrícola Group (CA Group);

e) Supervise the auditing of the accounts and financial statements.

f) Promote appropriate articulation between the internal audit work and the statutory audit work;

g) Inform the Executive Board of Directors and the General and Supervisory Board of the results of the statutory audit and how the statutory audit contributes to the integrity of financial reporting and the role that the Commission played in that process;

h) Propose to the General Meeting the appointment of the Statutory Auditor.

i) Define the criteria and coordinate the process of selection of the Statutory Auditor;

j) Supervise the independence of the Statutory Auditor.

k) Approve the provision of audit and non-audit services by the Statutory Auditor or any other institution of the Group and/or the Statutory Auditor’s network;

l) Review the scope and frequency of audits and statutory audits of the individual and consolidated financial statements;

m) Issue a reasoned opinion, under the terms of the applicable legislation, on the renewal or extension of the mandate of the Statutory Auditor/Audit Firm at the end of each mandate, to be submitted to the General and Supervisory Board;

n) Appraise and discuss the reports issued by the Statutory Auditor;

o) Define and monitor the implementation of the procedures related to the Commission's receipt, handling and resolution of claims concerning accounting matters, internal accounting controls and audits, as well as complaints, whistleblowing or other irregularities coming from employees, the Statutory Auditor or other agents;

p) Supervise compliance with the applicable sectoral rules and regulatory requirements;

q) Supervise the effectiveness of the internal control system, the internal audit system and the risk management system;

r) Supervise the performance of the internal control functions, the respective activity plans and the reports issued;

s) Monitor the implementation of corrective measures for the deficiencies and weaknesses detected by the Statutory Auditor/Audit Firm and by the Control Functions during audits and other supervisory actions;

t) Analyse the proposed budget and financial plan included in the Annual Activity Plan;

u) Periodically analyse the activity's economic and financial performance through the most relevant key performance indicators.

SUMMARY OF THE ACTIVITIES CARRIED OUT IN 2023

The Commission, set up within the General and Supervisory Board, worked in conjunction with the General and Supervisory Board, the Executive Board of Directors (CAE) and the various departments within Caixa Central's organisational structure, in particular those responsible for internal control functions, including the Monitoring and Supervision Department, which was given the status of second line of control by Banco de Portugal in 2022.

In performing its activities, the Commission held twenty-four meetings during 2023, and minutes were prepared of all meetings held.

The Commission drew up its Activity Plan for 2023 and the Report on Activities carried out during 2022.

The year 2023 was characterised by a tense geopolitical environment, due to the continuation of the war in Ukraine and the start of a new conflict in Israel. The economic context was also challenged by inflationary pressures and some turbulence in the international financial markets, caused by internal control failures at some regional banks in the US and at Crédit Suisse, which undermined confidence in the resilience of the banking system, an impact mitigated by the actions of governments and central banks. These circumstances impacted the Commission's agenda, leading to closer monitoring of the loan portfolio, the constitution of impairments, the evaluation of loan collateral and the evolution of non-current assets held for sale.

Of the activities undertaken by the Commission during the year 2023, the following are noteworthy:

1. Monitoring and supervising the process of preparing and disclosing financial information

The Commission supervised the preparation of the financial statements and the presentation of the results for the year 2023, having monitored, together with PriceWaterhouseCoopers & Associados, SROC, Lda (statutory auditor), and the Accounting and Fiscal Affairs Department (DCF), the accounting policies adopted in order to allow for a correct evaluation of the assets and results.

On the basis of the information provided, and in meetings held with the head of DCF and the statutory auditor team, it regularly monitored and assessed accounting, financial management and budget execution issues relating to Caixa Central, SICAM and the CA Group, including the annual and interim financial statements and results reports, the analysis of the loan portfolio and the evolution of impairments, capital and liquidity ratios, efficiency ratios, among other indicators. The deficiencies detected in the internal control and accounting system underlying the preparation of the financial information were also monitored.

The Commission analysed the Management Report and Accounts for the financial year 2022, for Caixa Central and the CA Group, prepared by the Executive Board of Directors, as well as the legal certification of accounts and the Additional Report for the Supervisory Body, presented by the statutory auditor, on the financial statements, on an individual and consolidated basis, having issued its opinion on both Reports and on the respective proposal for the appropriation of profits. A summary of the self-evaluation report was also prepared, with reference to 30 November 2022, in accordance with Article 60 of Notice No. 3/2020.

2. Supervision of the effectiveness of the internal control system, including the functions of risk management, compliance, internal audit and monitoring and supervision

The Commission supported the General and Supervisory Board in assessing the adequacy and effectiveness of the organisational culture in force in the institution and its governance and internal control systems, in accordance with Notice no. 3/2020, and in drawing up the Supervisory body's Self-Assessment Reports for Caixa Central and the CA Group. Assessed and issued an opinion on the Self-Assessment Reports drawn up by the Internal Control Functions and the Monitoring and Supervision Department. In this context, it also appraised the memorandum of revision of the internal control system underlying the process of preparation and disclosure of financial information (financial reporting) at Caixa Central, prepared by the statutory auditor.

Throughout 2023, the Commission monitored the activity carried out by the internal control functions (internal audit, risk management, compliance and SICAM monitoring and supervision), holding regular meetings with those responsible for them to monitor the implementation of their action plan, review and make adjustments to the activity plan, obtain information on risk management models and assess the revision of binding policies, on which it issued opinions, with a view to supporting the activity of the General and Supervisory Board.

The Commission monitored the activity of the Internal Audit function, in conjunction with its managers, holding regular meetings in which it was informed of the execution of its plan of activities and the challenges it faces.

The Commission appraised and approved the Audit Activity Plans of Caixa Central and Associated Caixas for 2024 and the Multiannual Audit Activity Plan of Caixa Central and Associated Caixas (2024-2028).

The Committee analysed the reports issued by the Audit Department, including those co-authored by external institutions, and assessed the deficiencies identified and the measures proposed by the areas responsible for resolving them. The Commission monitored the progress of the deficiencies identified by the audit function through the progress reports made by those responsible for the audit function and the documentation made available, as well as the independent assessment of closed deficiencies, also carried out by this area at the request of the supervisory body.

As far as the Compliance function is concerned, the Commission assessed and approved the Compliance Department's Activity Plan for 2023, and regularly monitored the function's activity through the assessment of documentation and meetings with its head.

The monitoring of the control activities of the processes of Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) was ensured, as was the consideration and issuing of an opinion on the respective AML/CFT Report. In this context, the resolution plan for the specific orders issued by Banco de Portugal concerning the AML/CFT System was also assessed and monitored.

The Global Risk function’s activity was regularly monitored through the assessment of documentation and meetings with its head. The quarterly Impairment Reports drawn up by the Global Risk function were analysed and the proposed adjustments to the individual and collective impairment model were followed up.

The activity carried out by the Model Validation Office was monitored by examining the results of the validation work carried out by this area on scoring and rating models, as well as the recommendations issued as a result. Also in the course of 2023, the presence of the Director with responsibility for risk management was requested in order to share some concerns and obtain the necessary clarifications.

The Monitoring and Supervision Department ensured regular follow-up of the activity, through the presence of its head at Commission meetings, including the monitoring of the Legal and Regulatory Standards Programme.

The Commission monitored the evolution and status of the deficiencies of the Internal Control System of CCAM, Caixa Central and CA Group, and also the action plans of Banco de Portugal, both through the analysis of the documentation provided and the regular attendance of the head of the Internal Control Office at Commission meetings.

The Commission also took note of the most relevant correspondence exchanged between Caixa Central and the supervisory body, concerning plans to mitigate deficiencies and implement recommendations identified by the supervisor.

3. Supervision of the Activity of the External Auditor and Statutory Auditor

During 2023, the Commission monitored the statutory audit of the individual and consolidated annual accounts, holding meetings with the statutory auditor team to clarify the planning, progress and execution of the audit work, conclusions and relevant audit matters. Obtained confirmation from the statutory auditor that it had access to all the information necessary to conduct its business.

Periodic meetings were also held with the statutory auditor to monitor the interim work associated with the certification of individual and consolidated accounts, as well as to obtain clarification of other work performed by the latter and other issues considered relevant by the Commission members. In this context, the half-yearly reports on the process of quantifying impairment of the loan portfolio were monitored and discussed, among other things, and additional clarifications were requested on the coverage ratios for impaired loans and on the coverage and evaluation of loan collateral.

The Commission monitored the limited assurance work carried out by PricewaterhouseCoopers & Associados, SROC, Lda, on the assessment of compliance with the legal and regulatory norms that govern the activities of the Caixas Agrícolas, in compliance with Article 37 of RJCAM.

The Commission approved the provision of additional services by the statutory auditor, after prior verification of their adequacy and independence. In particular, it considered that the services in question would not fall within the list of prohibited services, would not constitute a threat to the independence and objectivity of the statutory auditor, in the context of the statutory audit work, and that the amounts of the fees proposed did not exceed the limit of fees for non-audit services as provided by law.

4. Monitoring the management and activities of Caixa Central and the CA Group

The Commission monitored the management and evolution of the institution's business throughout the year, through the analysis of documentation sent by the Executive Board of Directors, and the assessment of the performance of the institution's activity and its main risks through the relevant key indicators.

The Commission regularly monitored the evolution and performance of the securities portfolio management activity by the Financial area, the strategic guidelines for the management of the financial asset portfolio defined for the CA Group in 2023, as well as the agenda for ALCCO meetings. The management of investment funds was discussed, with the presence of those responsible for the management of securities and real estate funds at CA Gest.

The Commission also monitored the loan portfolio and the loan portfolio under recovery, by examining the documentation provided by the respective departments and by having the head of the Credit Monitoring Department attend a meeting of the Committee. The evolution of non-performing loans was also monitored, as was the value of the property portfolio received as guarantee.

The Commission monitored the work on drawing up the CA Group's Capital Financing Plan for 2023-2025 and the work on the planning cycle for the CA Group's resolvability programme, and issued its assessment.

Regular monitoring of Caixa Central's and the CA Group's budget execution and the evolution of Caixa Central's headcount was also carried out, and the presence of the Director of DCRH was requested to provide clarifications on selection and recruitment processes, training and talent retention. The six-monthly MREL report was also monitored.

As part of its duties, the Commission monitored the process of defining the CA Group's Strategy and assessed the 2024 Activities Plan and the respective Budget.

5. Start of the selection process for the Statutory Auditor for the 2025-2027 term of office

In view of the fact that PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda will reach the legal limit as Caixa Central's Statutory Auditor at the end of the 2022-2024 term of office, and will therefore not be able to be reappointed as Statutory Auditor, and the need to ensure that there are statutory auditors available to be appointed as Caixa Central's Statutory Auditor for the 2025-2027 term of office, fulfilling all the suitability requirements, the selection process was initiated with a view to appointing the Statutory Auditor for the 2025-2027 term of office.

After the evaluation process, under the terms of the Policy for the Selection and Appointment of Statutory Auditor/Audit Firm (statutory auditor) and the Hiring of Distinguished Auditing Services, the Commission for Financial Matters classified the candidate proposals and will present a proposal to Caixa Central's General Meeting in due course for the appointment of the statutory auditor that will provide auditing services for the 2025-2027 three-year period.

FINAL NOTE

The Commission expresses its appreciation and gratitude to the Executive Board of Directors, the other corporate bodies, the statutory auditor and the organic units of Caixa Central, whose collaboration has enabled it to monitor the institution within the scope of its functions, in order to comply with the regulatory framework.

The Commission considers that the work carried out and the opinions and recommendations issued by it, during 2023, show that the Commission performed its duties diligently, without bias, in a permanent search for the highest standards of performance in carrying out its mission. The Commission also considers that the information and means made available for analysis and decision by this body were adequate and sufficient.

(Approved at the meeting of the Commission for Financial Matters on 14 February 2024.)

Chairman, PhD Vítor Fernando da Conceição Gonçalves

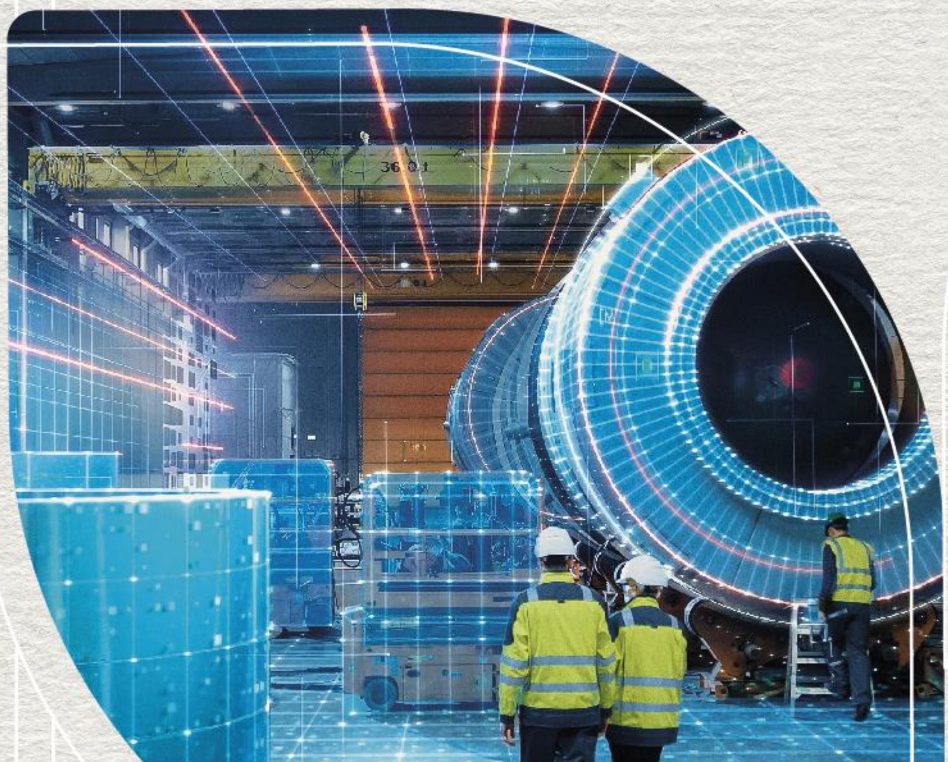
Independent Member, Ana Cristina Louro Ribeiro Doutor Simões

Non-independent member, Licínia do Carmo de Oliveira Bugalho

Parecer do Conselho Superior

Parecer do Conselho Geral e de Supervisão

Parecer da Comissão para as Matérias Financeiras



OPINION OF THE SUPERIOR COUNCIL

ON THE INDIVIDUAL AND CONSOLIDATED ANNUAL REPORT OF THE CRÉDITO AGRÍCOLA GROUP

To the Chairmen and Directors of the Associated Caixas,

Having analysed the Annual Report for 2023, which will be submitted for discussion and approval at the Ordinary General Meeting, the members of the Superior Council issue the present opinion.

The Superior Council noted with satisfaction the net income of 297 million euros achieved by the Crédito Agrícola Group, which, in line with the European banking system, benefited from the escalation of Euribor rates, aware that the 6-month rate reached peak figures in October 2023 that had not been recorded since 2008.

In 2023, the Crédito Agrícola Group more than doubled its average net income of the last 7 years (146 million euros), with its incorporation in its own funds having elevated the total capital and CET1 ratios to 22.3%, one of the highest of the market. This historic milestone was achieved through the effort and competence of the directors and employees of the 68 Associated Caixas, Caixa Central and all the Group’s entities.

Under favourable circumstances of interest rates, but of contraction of the market of loans to customers (-1.6%) and highly intense competition, the Crédito Agrícola Group attained sustained growth of loans from 12.0 billion euros to 12.1 billion euros, strengthening its market share from 5.65% to 5.79%. This growth not only reflects the dedication, effort and discipline of alignment of the activities performed and investments made with the defined strategy, but also the ongoing reading of the customers’ needs, which is only possible due to the proximity and relationships provided by the multichannel approach and network of 618 branches.

During the year under review, there was a decline in Crédito Agrícola’s stock of customer deposits (-1.9%) which, nevertheless, was lower than the decline of the market as a whole (-2.3%), leading to an improvement of the Crédito Agrícola Group’s market share from 7.97% to 8.02%. Crédito Agrícola's off-balance sheet funds recorded a positive performance in 2023, with growth of 8.1% (+164 million euros; i.e. approximately 50% of the decline recorded in deposits) to stand at 2,180 million euros.

The Crédito Agrícola Group showed a significant improvement of its cost-to-income ratio, having shifted from 70% to 42%, driven by the net operating income of 1,008 million euros and operating costs of 421 million euros. The operating costs were exacerbated by the updating of the salaries of the entire set of 4,136 employees (of whom 3,031 belong to the Caixas Agrícolas), by the effect of inflation on contracts, and by the regulatory costs as a whole (e.g. MREL issuance) and costs related to the increased banking and insurance activity.

In 2023, the cost of credit risk stood at 0.77%, representing an increase of 0.33 p.p. compared to 0.45% in 2022. The NPL ratio grew from 5.1% to 6.2%, in other words, to a value of 729 million euros, with the additional 143 million euros having been primarily explained by the increased ‘unlikely to pay’ loans, which account for approximately 66% of the total. The ratio of NPL coverage by NPL impairments (FINREP) stood at 89%, in line with the average figure observed in the last 2 years.

The Caixas Agrícolas and Caixa Central, as a whole and together with FACAM, contributed 288 million euros to the results obtained by the Group, and the insurance companies as a whole contributed 14.5 million euros.

The Crédito Agrícola Group's consolidated equity amounted to 2,438 million euros at the end of 2023, which corresponded to an increase of 15.7%, or 330.3 million euros. It should be added that the Crédito Agrícola Group’s vitality was once again demonstrated by the raising of a further 54 thousand customers throughout the year, to stand at a total of 1,593 thousand customers at the end of 2023, of which 164 thousand are companies.

The market recognised the consolidation of the Crédito Agrícola Group’s trajectory, in particular with respect to the improvement of asset quality, robustness of the capital position and increased profitability levels, with Caixa Central’s Baseline Credit Assessment (BCA) having been upgraded by Moody’s from “ba1” to “baa3” (investment grade) in May 2023.

The Annual Report highlights the alterations which occurred in core business areas in 2023 and the balances sheet changes and figures recorded at the end of the year, which, in our opinion, appropriately reflect the work developed by everyone included in the Crédito Agrícola Group in pursuing the achievement of the goals established in the Activity Plan and Budget for 2023.

The growth of the Portuguese economy is expected to slow down to 2.0% in 2024 (Economic Bulletin of Mar/24), explained by more sluggish growth of external demand and by more adverse funding conditions. Economic activity should benefit from the lower inflation, stronger wage dynamics, robustness of the labour market and reduction of direct taxes, which are effects with a more favourable impact on the income and purchasing power of households and on the recovery of saving rates, which may continue to be partially channelled to debt repayments.

Corporate investment should show an upward turn, reflecting the need for physical and technological investment to respond to the reconfiguration of global supply chains and to digital transition and energy needs, and the national economy’s level of openness should continue to rise in view of the high geopolitical risks in eastern Europe.

This economic scenario should provide yet another opportunity for the Crédito Agrícola Group to distinguish itself in the way it addresses, with proximity and dedication, the specific needs of its Associates and Customers, namely those possibly experiencing greater difficulties in managing the lingering impacts of the high interest rates and those proposing to leverage economic stimulus programmes through investments under the Recovery and Resilience Plan and Portugal 2030.

The Crédito Agrícola Group shows high levels of capitalisation and liquidity that endow the necessary confidence to face the challenges and risks, including new risks such as climate and cybernetic risks, with the habitual determination.

Thus, the Superior Council recommends that the General Meeting approve the Consolidated Annual Report of the Crédito Agrícola Group for 2023.

Approved, by written procedure, on 8 May 2024

OPINION OF THE GENERAL AND SUPERVISORY BOARD

ON THE MANAGEMENT REPORT AND INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

Considering the legal, regulatory and statutory requirements, and based on the information that it was charged to appraise and analyse under its activity during 2023, and described in its Activity Report included in the Consolidated and Individual Annual Report, and also considering the opinions of the Statutory Auditor and the Commission for Financial Matters, the General and Supervisory Board issues a favourable opinion of the Annual Report and Accounts and the proposed appropriation of net income of Caixa Central – Caixa Central de Crédito Agrícola Mútuo, CRL for the year ended on 31 December 2023.

(Approved at the General and Supervisory Board meeting held on 6 May 2024)

OPINION OF THE COMMISSION FOR FINANCIAL MATTERS

ON THE MANAGEMENT REPORT AND INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The Financial Matters Committee (Committee), under the legal, regulatory and statutory terms, appraised the Management Report and Consolidated and Individual Financial Statements, with reference to the financial year ended on 31 December 2023, prepared by the Executive Board of Directors of Caixa Central - Caixa Central de Crédito Agrícola Mútuo, CRL (Caixa Central) and drafted this opinion based on its monitoring and supervisory activity conducted throughout the year, separately indicated in the Activity Report of the Financial Matters Committee, included in the Consolidated and Individual Annual Report, and on an appraisal of the Statutory Auditors' Reports and the Additional Report for the Supervisory Body drafted by PriceWaterhouseCoopers & Associados - Sociedade de Revisores de Contas, Lda (PwC), issued without reservations or emphases.

Pursuant to its duties, the Committee found that:

i. The consolidated and individual balance sheet, the consolidated and individual income statement, the consolidated and individual comprehensive income statement, the consolidated and individual comprehensive statement of changes in equity, the consolidated and individual cash flow statements and the notes attached to the consolidated and individual financial statements enable an adequate understanding of the consolidated and individual assets, liabilities and financial situation of the Crédito Agrícola Group, its consolidated and individual results, consolidated and individual changes in equity and consolidated and individual cash flows;

ii. The adopted accounting policies and valuation criteria adopted are appropriate.

iii. The management report provides a sufficient description of the evolution of the businesses and of the situation of Caixa Central and the Crédito Agrícola Group, highlighting the most significant aspects as well as a description of the risks and uncertainties it faces;

iv. The proposed appropriation of the net income of Caixa Central is not contrary to the applicable legal and statutory provisions;

v. Under the audit of the consolidated accounts of the Crédito Agrícola Group, the statutory auditor analysed the Legal Certification of Accounts of the 68 CCAMs that currently comprise the Sistema Integrado do Crédito Agrícola Mútuo (SICAM or Integrated System of Crédito Agrícola Mútuo), in addition to other procedures considered appropriate to the circumstances, with no materially relevant matters having been identified, either individually or as a whole, that affect the auditor's opinion on the consolidated financial statements of the Crédito Agrícola Group.

In view of the above, the Committee issues a favourable opinion on the Management Report, as well as all the other documents presenting the accounts for 2023, including the proposed appropriation of net income of Caixa Central, presented by the Executive Board of Directors, taking into account the aspects highlighted in the statutory audits and in the Additional Report on the consolidated and individual financial statements issued by PwC for 2023.

Finally, the Committee expresses its gratitude to the Executive Board of Directors, to the heads of the different Departments of Caixa Central and to all the other employees, in addition to PwC, for the collaboration provided and for the support given in the accomplishment of its work.

(Approved by the Financial Matters Committee at its meeting on 3 May 2024)

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Crédito Agrícola