



Lisbon, 16 March 2023

*Unaudited Earnings Release as of 31 December 2022*

## ■ Grupo Crédito Agrícola performance in 2022

### Main highlights

- **The Net Income of Grupo Crédito Agrícola in 2022 amounted to 144.3 million euros**, corresponding to a **Return on Equity (ROE) of 7.1%** and reflecting the positive performance of its main business units (banking, life and non-life insurance and asset management).
- **The -9.1% YoY change in Net Income was influenced by:**
  - 31.2% growth of Core Operating Income to 659.2 million euros (+156.6 million euros), driven by:
    - 17.7% increase of Net Interest Income to 368.4 million euros (+55.5 million euros in comparison to 2021), reflecting the evolution of Euribor rates and its positive impact in the performance of the Group's securities and loan portfolios;
    - 18.5% growth of Net Fees and Commissions to 146.2 million euros (+22.8 million euros than in 2021), due to increased customer transactions and loan volumes;
    - significant increase of 118.2% of the technical margin of insurance activity to 144.5 million euros (+78.3 million euros YoY), partly due to the non-recurring impact of the reversal of provisions related to interest rate commitments in the life insurance portfolio (+65.8 million euros);
  - In the opposite direction, by:
    - Increased cost of credit risk, recognized in provisions and impairments, which increased to 57.4 million euros in 2022 (+59.5 million euros in comparison to 2021), translating into a cost of risk of 0.45%;
    - 7.6% increase in Operating Costs to 400.9 million euros (+28.2 million euros YoY), resulting from growth in staff expenses by 5.9% to 236.4 million euros (+13.2 million euros YoY) and in other operating costs by 12.0% to 129.7 million euros (+13.9 million euros).
  - The YoY change is also influenced by **non-recurring net gains, obtained during 2021, in the amount of 63.0 million euros**, linked to financial operations (51.3 million euros in 1Q21), as well as by **retroactive interest income from 2020, received during 1Q21**, within the scope of the ECB's funding program – TLTRO – **in the amount of 8.0 million euros**;



- The insurance companies played an important role in contributing to the Group's Net Income, with contributions of 47.7 million euros from CA Vida and 11.0 million euros from CA Seguros.
- The continued support lent by Grupo Crédito Agrícola to Portuguese companies, families, social sector institutions and the public sector, is reflected in the **2.2% YoY growth in the Group's (gross) loans and advances to customers portfolio<sup>1</sup> to 12.0 billion euros**. Grupo Crédito Agrícola's market share in terms of gross loans granted to customers, increased slightly YoY, to 5.6%<sup>2</sup> (+0.02 p.p.).
- **The gross Non-Performing Loans (NPL) ratio continued its decreasing trajectory, standing at 5.1% of the loan book (585.9 million euros)**, with a reduction of 2.2 p.p. in comparison to 7.2% at the end of 2021. In absolute terms, the NPL portfolio declined from 819.1 million euros in December 2021 to 585.9 million euros in December 2022 (-28.5%), evidence of the continued improvement in quality of the Group's loan portfolio. NPL coverage by NPL impairments and collateral increased to 151.3% (+17.7 p.p. YoY) and NPL coverage by NPL impairments and collateral (FINREP)<sup>3</sup> increased to 91.9% (or 4.3 p.p. above the level of December 2021).
- During 2022, real estate held for sale by the CA Group declined by 18.0% to 317 million euros (direct and indirect exposure).
- At the end of 2022, **the CA Group continued to show solid levels of solvency and liquidity** and significantly above the minimum requirements. As of December 2022:
  - **CET1 and own funds ratios amounted to 20.0%** (including Net Income for the period);
  - **Leverage ratio was 7.0%**;
  - **Liquidity Coverage Ratio (LCR) was 499.9% and Net Stable Funding Ratio (NSFR) reached 167.7%**.
- As of December 2022, **customer deposits** amounted to approximately 20.4 billion euros, representing 6.0% YoY growth, corresponding to an increase of 1.2 billion euros and to a market share in individual customer deposits from 8.2% in 2021 to 8.3% in 2022. The average balance per depositor at the end of 2022 amounted to 13,400 euros, with 80% of deposits (90.7% of individual customer deposits and 58.6% of SME deposits) covered by the Deposit Guarantee Fund.
- Crédito Agrícola's total liquidity (liquidity buffer<sup>4</sup> plus the amount of demand deposits with the Bank of Portugal) at the end of 2022 amounted to approximately 7.8 billion euros, representing 38% of total customer deposits.
- The growth momentum of the CA Group's customer base continued in 2022, with **net YoY growth of Corporate Customers of 2.9% and of 7.0% in Individual Customers**.

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<sup>1</sup> Including commercial paper in the amount of 400 million euros in the end of September 2022, which compares with 360 million euros in September 2021.

<sup>2</sup> Including the public sector.

<sup>3</sup> Applying haircuts and recovery costs, limited by the exposure of each contract.

<sup>4</sup> Amount available for refinancing operations with the Eurosystem, considering market prices and haircuts in force at each moment.



- The implementation of Grupo Crédito Agrícola's strategy of **digitalization and investment in its digital channels and experience** continues to drive increased usage of remote channels and their penetration of the customer base. By December 2022, the weight of customers with an active online subscription had increased by 2.6 p.p. YoY in Individual customers (42.5% penetration) and by 2.1 p.p. YoY in Corporates (increasing penetration to 74.2%).

## GRUPO CRÉDITO AGRÍCOLA RESULTS AND ACTIVITY (Unaudited)

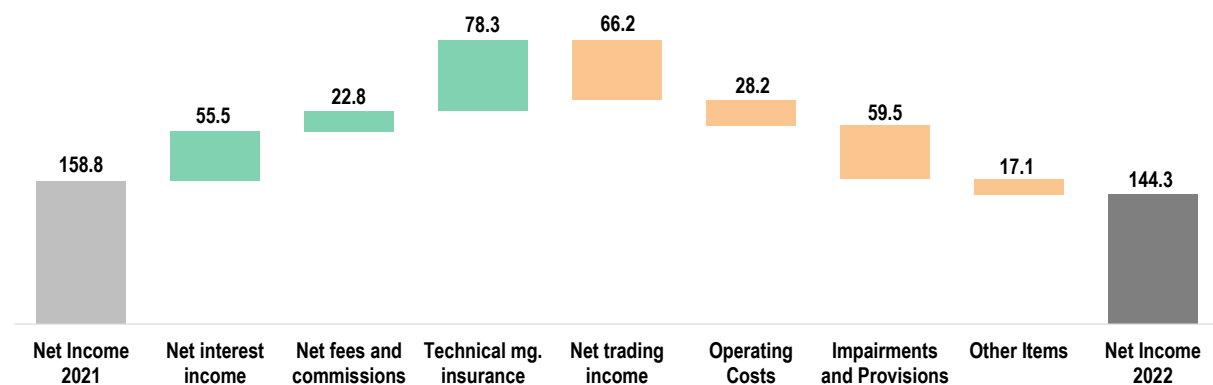
Amounts in million euros, except for percentages

Consolidated indicators of Grupo CA	2020	2021	2022	Δ Abs. 2022 / 2021	Δ % 2022 / 2021
<b>Income statement</b>					
Net interest income	318.5	313.0	368.4	55.5	17.7%
Net fees and commissions	125.9	123.4	146.2	22.8	18.5%
Technical margin of insurance activity	37.3	66.3	144.5	78.3	118.2%
Core operating income	481.7	502.6	659.2	156.6	31.2%
Net trading income	94.8	63.0	-3.3	-66.2	n.a.
Other results	-7.3	4.3	-3.9	-8.2	n.a.
Operating income	569.2	569.9	652.0	82.2	14.4%
Operating costs	-364.8	-372.7	-400.9	-28.2	7.6%
Impairment and provisions for the year	-73.6	2.2	-57.4	-59.5	n.a.
Consolidated net income	86.8	158.8	144.3	-14.5	-9.1%

- For 2022, **Grupo Crédito Agrícola's Net Income** stood at 144.3 million euros, corresponding to a **Return on Equity (ROE)** of 7.1% and reflecting the positive performance of its main business units (banking, life and non-life insurance and assets management).
- The -9.1% YoY change in Net Income was influenced by the 17.7% growth of **Net Interest Income** to 368.4 million euros (+55.5 million euros YoY), reflecting the evolution of Euribor rates and its positive impact on the performance of the Group's securities and loan portfolios; by the 18.5% increase in **Net Fees and Commissions** to 146.2 million euros (+22.8 million euros in comparison to 2021), benefitting from increased customer transactions and loan volumes; by the 118.2% growth in the **technical margin of insurance activity** to 144.5 million euros (+78.3 million euros YoY), partially explained by the non-recurring impact of the reversal of provisions for interest rate commitments in the life insurance portfolio (+65.8 million euros); and, in the opposite direction, by **impairments and provisions** which grew in 2022 to 57.4 million euros (+59.5 million euros in comparison to 2021), translating into a **cost of credit risk** of 0.45%; and by the 7.6% growth in **Operating Costs** to 400.9 million euros (+28.2 million euros YoY).
- The YoY change in Net Income in 2021 is also influenced by **non-recurring net gains obtained during 2021**, linked to financial operations, in the amount of 63.0 million euros (51.3 million euros in 1Q21), as well as retroactive interest received in 2021, relative to 2020, in the amount of 8.0 million euros, in the amount of 8.0 million euros, within the scope of the ECB – TLTRO funding programme.

- The **insurance companies** had a very relevant contribution to the Group's Net Income, booking an 11.0 million euros Net Income at CA Seguros and a 47.7 million euros Net Income at CA Vida, driven by the non-recurring impact of the reversal of provisions for interest rate commitments, considering the update of the discount rates curve to reflect the current juncture with significantly higher interest rates.

## Net Income Evolution 2021 – 2022 (millions of euros)



- **Net Interest Income** grew by 17.7% to 368.4 million euros in 2022, benefitting from the favourable impact of interest rate increases on the performance of the securities and loan portfolios.
- **Net Fees and Commissions** contributed materially to the performance of Core Operating Income, with growth of 18.5% (+22.8 million euros) driven by the continued increase of volume of customer transactions and loans.
- The **technical margin of the insurance activity** showed an increase of 118.2% to 144.5 million euros (+78.3 million euros in comparison to 2021), partly explained by the non-recurring effect of a reversal of provisions for interest rate commitments in the life insurance portfolio (+65.8 million euros).
- **Core Operating Income** booked an acceleration of its YoY growth in 2022 to 31.2% (comparing to an increase of 21.2% in the first nine months of 2022), representing an absolute increase of 156.6 million euros to 659.2 million euros.
- In 2022, there was also a 24.0% increase (+3.9 million euros comparing to the previous year), to a total of 19.9 million euros, in the amount of **mandatory banking sector contributions**, namely Contribution from the Banking Sector, Additional Solidarity on the Banking Sector, Single Resolution Fund, National Resolution Fund, Supervision Fees and the Deposit Guarantee Fund.
- **Operating Costs** reached 400.9 million euros during 2022, an increase of 7.6%, or 28.2 million euros, in comparison to 2021. This increase was mainly explained by **Other Operating Expenses**, which grew by 12.0%, or 13.9 million euros, related to increased activity, continued efforts of process digitalization and also in response to legal and regulatory requirements. **Staff Expenses** booked an increase of 5.9% (+13.2 million

euro) mostly due to the updated salary scale of 2021 and 2022, retroactively accounted for as from 2Q22, as well as the non-recurrent payment, between 250 and 750 euros, made to all CA Group employees during 4Q22 by the entities composing the Group, with a view to mitigating the impacts of rising inflation and loss of purchasing power.

- The **Cost-to-Income ratio** registered a positive YoY evolution of 3.9 p.p. to 61.5%, representing an improvement in comparison to the 65.4% of 2021. The **Core Cost-to-Income ratio** reached 60.8% in 2022, an improvement of 13.3 p.p. vis a vis 74.2% in 2021.
- Seeking to improve the level of efficiency of the Crédito Agrícola Group, during 2022, 4 **mergers** took place between “Caixas de Crédito Agrícola Mútuo” (CCAM). As such, the number of CCAMs was reduced from 75 at the end of 2021 to 71 at year-end 2022.
- During 2022, **impairments and provisions** booked a net impairment in the amount of 57.4 million euros, which compares with a 2.2 million euros reversal in 2021, thus resulting in a YoY increase of 59.5 million euros. This amount includes an increase of 39.4 million euros in credit impairments, related to the annual update of risk parameters and of forward-looking macroeconomic scenarios which took place in 4Q22, an increase of 9.4 million euros (overlay) to accommodate the expected impacts from Decree-Law nr. 80-A/2022 of 25 November, which sets out measures meant to mitigate the effects of the increase of reference interest rates in contracts for the acquisition or building of permanent own homes and, in addition, the impacts from the degradation of exposures related to contracts particularly exposed to sectors affected by the energy crisis, or to logistical issues, stemming from the Russian invasion of the Ukraine.
- As such, at the end of 2022, the **cost of credit risk** stood at 0.45%, which represents a YoY increase of 41 basis points, as a consequence of the abovementioned impacts, namely the credit specific impairments during this period, as well as the overlay's effect.

Amounts in million euros, except for percentages

Breakdown of Grupo CA's Profit	2020	2021	2022	Δ Abs. 2022 / 2021	Δ % 2022 / 2021
Consolidated net income	86.8	158.8	144.3	-14.5	-9.1%
Net income from banking business	68.8	143.3	98.1	-45.2	-31.5%
Insurance Companies (CA Vida and CA Seguros)	10.2	11.9	58.7	46.8	392.7%
Real estate investment vehicles <sup>1</sup>	-8.9	-12.0	-8.5	3.4	-28.7%
Other <sup>2</sup>	16.6	15.5	-4.0	-19.5	-125.6%

(1) Real estate investment funds and CA Imóveis, Unip. Lda.

(2) CA SGPS, CA Gest, CA Serviços, CA Informática, CA Capital, CCCAM GI, CA S&P, Fenacam, FIM CA Institucionais, non-controlling interests, consolidation effects.

## BALANCE SHEET OF GRUPO CRÉDITO AGRÍCOLA (Unaudited)

Amounts in million euros, except for percentages

Consolidated indicators of Grupo CA	2020	2021	2022	Δ Abs.	Δ %
Balance Sheet				2022 / 2021	2022 / 2021
<b>Balance sheet</b>					
Total net assets	23,451	26,002	24,895	-1,107	-4.3%
Total loans and advances to customers (gross) <sup>1</sup>	11,189	11,726	11,982	256	2.2%
of which: Loans to companies and public administration (gross) <sup>1</sup>	6,344	6,698	6,881	183	2.7%
Total loans and advances to customers (net)	10,804	11,393	11,632	239	2.1%
Accumulated impairment and provisions	579	502	501	-1	-0.1%
Customer funds on the balance sheet	17,046	19,236	20,398	1,162	6.0%
Equity	1,889	2,019	2,042	23	1.1%

(1) Including customer debt instruments (commercial paper operations).

- At the end of December 2022, **Total Assets** of Grupo Crédito Agrícola stood at 24.895 billion euros, a reduction of 1,107 million euros in comparison to December 2021 as a result of the full repayment of ECB funding within the scope of TLTRO. Out of the Total Assets, 11.982 billion euros correspond to the **(gross) loans and advances to customers portfolio**, representing growth of 2.2% in comparison with December 2021, with mortgages increasing by 4.5% in comparison with FY21. Grupo Crédito Agrícola's market share in terms of gross loans granted to customers grew slightly YoY, to 5.64%<sup>5</sup> (+0.02 p.p. YoY).

Amounts in million euros, except for percentages

Gross Loans and Advances of Grupo CA	2020	2021	2022	Δ Abs.	Δ %
				2022 / 2021	2022 / 2021
Loans to individuals	4,846	5,029	5,111	82	1.6%
Mortgage	3,235	3,440	3,596	156	4.5%
Consumer and other purposes	1,611	1,589	1,516	-73	-4.6%
Loans to companies and public administration <sup>1</sup>	6,344	6,698	6,881	183	2.7%
<b>Total gross loans and advances</b>	11,189	11,726	11,982	256	2.2%

(1) Including customer debt instruments (commercial paper operations).

- At the end of 2022, **customer deposits** amounted to approximately 20.4 billion euros, growing by 6.0% YoY corresponding to 1.2 billion euros, reflecting growth in individual customer deposits market share from 8.2% in 2021 to 8.3% in 2022. At the end of 2022, the average balance per depositor reached around 13,400 euros, with 80% of deposits (90.7% of individual customer deposits and 58.6% of SME deposits) covered by the Deposit Guarantee Fund.

<sup>5</sup> Including the public sector.



- With a YoY growth in customer deposits (+1,162 million euros) higher than in (net) loans and advances to customers (+239 million euros), the **loan to deposit ratio** continued to decline, reaching 57.0% at the end of December 2022, which compares with 59.2% in December 2021.

## QUALITY OF THE GROUP'S LOAN PORTFOLIO

- The continued implementation of the strategy to improve the quality of Grupo Crédito Agrícola's credit portfolio, the **gross ratio of Non-Performing Loans (NPL)**, according to instruction 20/2019, was lower at 5.1% in December 2022, a favourable evolution with a decline of 2.2 p.p., compared to 7.2% at the end of 2021.
- The current economic backdrop, related to a rising inflation rate and the subsequent increase in interest rates by the central banks, is continuously monitored by Crédito Agrícola, with the aim of best supporting and serving Portuguese families. As of 31 December 2022, within Crédito Agrícola's mortgage loan portfolio, the average monthly payment was 313 euros, with 50% of contracts having a monthly payment below 273 euros. The average debt service to income ratio in Crédito Agrícola's mortgage loans was 42%, with 54% of contracts showing a ratio lower than 40%.
- Within the framework of Decree-Law nr. 80-A/2022 from 25 November, 4,887 customers, meeting the terms of its article nr. 3, were contacted, representing around 420 million euros of mortgage loans, which corresponds to 12% of Crédito Agrícola's mortgage loan portfolio. As of 28 February 2023, 296 contracts out of the universe of contracts falling within the scope of the abovementioned article nr. 3, corresponding to a total exposure of 33.6 million euros (1.0% of the mortgage loan portfolio), were the subject of at least one contractual change.
- Regarding the **quality of the credit portfolio previously under moratoria**, which as of 31 December 2022 amounted to 2,354 million euros (expired moratoria), it is important to note that 89.6% of this exposure corresponded to performing loans and 10.4% to non-performing exposures (stage 3) under moratoria, which compares with 4.39% of non-performing exposures (stage 3) on the total loan book. The weight of non-performing exposures of loans previously under moratoria corresponds to 2.1% of the total loan book and to 42% of the total NPL portfolio.
- At the end of 2022, **real estate**, recovered as settlement of debts, held by the CA Group continued its downward trend, with a YoY decline of 18.0%, to 317 million euros (direct and indirect exposure).
- The **accumulated Non-Performing Loans impairments** with reference to the end of December 2022, amounted to 236.2 million euros, which equates to a level of NPL coverage by impairments of 41.2% and **NPL coverage by NPL impairments and collateral (FINREP)<sup>6</sup>** of 91.9% (or a ratio of 151.3%, not considering the exposure limit per contract). The **Texas ratio**, determined by the ratio between the NPL stock and the sum of the tangible common equity with the stock of impairments (loss reserves), reached 27.3% at the end of 2022.

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<sup>6</sup> Applying haircuts and recovery costs, limited by the exposure of each contract.

Amounts in million euros, except for percentages

Quality of Grupo CA's Loan Portfolio	2020	2021	2022	Δ Abs. 2022 / 2021	Δ % 2022 / 2021
Non-Performing Loans (NPL)	880.7	819.1	585.9	-233.2	-28.5%
Non-Performing Loans (NPL) ratio <sup>1</sup>	8.1%	7.2%	5.1%	-2.2 p.p.	
NPL coverage by credit impairments <sup>2</sup>	43.7%	40.6%	61.3%	20.6 p.p.	
NPL coverage by NPL impairments <sup>2</sup>	35.3%	32.6%	41.2%	8.5 p.p.	
NPL coverage by NPL impairments and collateral <sup>2</sup>	128.1%	133.5%	151.3%	17.7 p.p.	
NPL coverage by NPL impairments and collateral <sup>2 3</sup>	86.8%	87.6%	91.9%	4.3 p.p.	
Texas ratio <sup>3</sup>	40.8%	38.8%	27.3%	-11.5 p.p.	
Restructured Credit Ratio	7.4%	6.1%	5.0%	-1.2 p.p.	

(1) Ratio calculated pursuant to BdP Instruction 20/2019.

(2) Applying haircuts and recovery costs.

(3) Applying haircuts and recovery costs, limited by the exposure of the contract

(4) Determined by the ratio: NPL/(Tangible common equity + Stock of impairments)

## GROUP SOLVENCY, LEVERAGE AND LIQUIDITY

- Complying with CRD IV/CRR rules, Grupo Crédito Agrícola has a level of solvency measured by the **common equity tier 1 (CET1)** and **total own funds ratios** of 20.0% (including net income for the period), a **leverage ratio** of 7.0%, a **liquidity coverage ratio (LCR ratio)** of 499.9% and a **net stable funding ratio (NSFR)** of 167.7%, all above the recommended, and required, minimum thresholds. Own funds showed, as of December 2022, an increase of 21 million euros in comparison to December 2021 (+1.1%), benefitting from the Net Income generated in 2022, amounting to 144 million euros, which was partially offset by the negative impact in the amount of 118 million euros, related to the devaluation of public debt securities booked at fair value, particularly in the life insurance portfolio, due to increasing market interest rates.
- At year-end 2022, Crédito Agrícola's total liquidity (liquidity buffer<sup>7</sup> plus the amount of demand deposits with the Bank of Portugal) amounted to approximately 7.8 billion euros, representing around 38% of total customer deposits.

<sup>7</sup> Amount available for refinancing operations with the Eurosystem, considering market prices and haircuts in force at each moment.





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Amounts in million euros, except for percentages

Solvency of Grupo CA	2020	2021	2022	Δ Abs. 2022 / 2021	Δ % 2022 / 2021
<b>Total Own Funds</b>	1,820.9	1,937.2	1,958.9	21.7	1.1%
Common equity tier 1	1,820.1	1,937.2	1,958.9	21.7	1.1%
Tier 1	1,820.1	1,937.2	1,958.9	21.7	1.1%
Tier 2	0.9	0.0	0.0	0.0	n.a.
Exposure value <sup>(1)</sup>	23,329.2	26,130.7	24,463.2	-1,667.5	-6.4%
Risk weighted exposure amounts	9,809.3	10,095.2	9,797.5	-297.7	-2.9%
RWA Density	42.1%	45.5%	38.2%	-7.3 p.p.	
<b>Solvency ratios <sup>(2)</sup></b>					
Common equity tier 1 <sup>(3)</sup>	18.6%	19.2%	20.0%	0.8 p.p.	
Total own funds <sup>(3)</sup>	18.6%	19.2%	20.0%	0.8 p.p.	
Leverage ratio	7.4%	8.0%	7.0%	-1.0 p.p.	
Liquidity coverage ratio (LCR)	433.5%	477.2%	499.9%	22.8 p.p.	
Net stable funding ratio (NSFR)	150.0%	150.2%	167.7%	17.5 p.p.	

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

(2) Fully implemented ratios. 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).

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

Note: Information based on reported values.

## SUSTAINABILITY AND SOCIAL RESPONSIBILITY

- Crédito Agrícola is the sole bank operating in Portugal affiliated in the European cooperative banking sector (which includes some of the largest banks in the world). The Group is a reference in the Portuguese banking system, its capital held exclusively by national members. Consisting up of a set of financial companies, namely both insurance companies, CA Vida and CA Seguros, the CA Group offers a universal scope of financial and protection products and services.
- Grupo Crédito Agrícola, through the implementation of a coordinated strategy among the 71 Caixas de Crédito Agrícola Mútuo, continues to be committed to the social and economic development of Portuguese regions, cities and villages and to contributing to the social and territorial cohesion of Portugal, through its proximity banking practices, embodied by the territorial capillarity of its 617 branches. Crédito Agrícola has 715 ATMs and 262 branches in localities where no other banking institutions are present, while also operating 1,105 ATMs and 522 branches adapted to people with restricted mobility.
- Crédito Agrícola's evolution in Sustainability is demonstrated by the path the Group has pursued since 2019, when it assumed its vision of becoming a "reference in Sustainability in Portugal", from which we highlight the following milestones:
  - In 2020 it adopted a Sustainability Policy for all its areas;
  - In 2021, it published its [Green, Social and Sustainability Bond Framework](#), having issued its inaugural social bond and raising 300 million euros from institutional investors, meant to finance and



refinance, through the granting of credit, corporate customers and projects in social areas or for social purposes, such as (i) increasing access to essential services (education, health and social housing); (ii) supporting the preservation and creation of employment, namely in economically and socially less developed regions, contributing to the reduction of territorial inequalities; (iii) reducing poverty and social inequalities, supporting non-profit organizations;

- Since 2021 it has gathered and treated environmental and social information from its corporate customers, through questionnaires which aim to attribute an Environmental and Social Rating, to understand the contributions of financing them to sustainable development objectives and, simultaneously, to create conditions to be able to support companies in their climatic transition and social impact processes. In 2022, 24 thousand questionnaires were received and processed.
- The year 2022 was marked by the creation of an autonomous department dedicated to Sustainability and a head of department with proven experience in this field was hired, enabling to consolidate the Group's ambition to become a reference in Sustainability in Portugal and to accelerate the transformation of its business model, a vision set out in the Sustainability Strategic Plan approved for the 2023-2025 period.
- In order to promote the involvement of the people which are a part of Crédito Agrícola in transforming the organization and in the national agendas for Sustainable Development, at the end of 2022 a total of 141 ambassadors for Sustainability were appointed at all Group entities, to act as focal points all over the national territory in the multidisciplinary, transversal and structuring implementation of a vision for a fairer and more sustainable future. In that sense, mixing experience with youth, credibility and knowledge in the field of Sustainability and the realities of society at large, five personalities were appointed to the Sustainability Council as external guests. The first meeting with these members in place already took place in January 2023.
- Early in 2023, Crédito Agrícola published the Allocation and Impact Report of the social bond issued in November 2021, reporting that, in the period between November 2021 and September 2022, the financing of corporate customers / projects with social purposes defined by the framework (479 million euros) surpassed the amount obtained from investors (300 million euros), enabling the funding of 2,179 micro companies and SMEs in regions considered to be underprivileged and 50 non-profit organizations.



## EXTERNAL RECOGNITION

- Also in early 2023, **Crédito Agrícola** was voted by “**Escolha do Consumidor 2023**” (Consumer’s Choice 2023) as the **best bank** in the **Small and Medium-Sized Banks** category for the second year running, earning the preference of Portuguese consumers with a global grade of 82.79%, including an 82.99% score in customer satisfaction and 82.00% in recommendations. This award is presented by “ConsumerChoice, Centro de Avaliação do Consumidor” (Customer Evaluation Centre).<sup>8</sup>
- During 2022, Crédito Agrícola, CA Seguros and CA Vida gained recognition as **Best Companies in the Customer Experience Index – BECX 2021**, in the **Banking, Non-Life and Life Insurance** categories, respectively, for the second time in the case of Crédito Agrícola, fourth consecutive year for CA Seguros and for the fourth time overall time for CA Vida. This recognition is awarded by “Best European Customer Experience”.<sup>8</sup>
- Caixa Central de Crédito Agrícola has a **Baseline Credit Assessment (BCA) rating of Ba1 from Moody's**. The BCA rating is complemented by the Baa3 / P-3 deposit rating, Counterparty Risk Rating (CRR) of Baa2/P-2, Counterparty Risk Assessment of Baa1(cr)/P-2(cr), all investment grade.

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<sup>8</sup> The awards are the exclusive responsibility of the entities mentioned.



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## MAIN CONSOLIDATED INDICATORS OF GRUPO CRÉDITO AGRÍCOLA (Unaudited)

Amounts in million euros, except for percentages

Consolidated indicators of Grupo CA	2020	2021	2022	Δ Abs. 2022 / 2021	Δ % 2022 / 2021
<b>Balance sheet</b>					
Total net assets	23,451	26,002	24,895	-1,107	-4.3%
Total loans and advances to customers (gross) <sup>1</sup>	11,189	11,726	11,982	256	2.2%
of which: Loans to companies and public administration (gross) <sup>1</sup>	6,344	6,698	6,881	183	2.7%
Total loans and advances to customers (net)	10,804	11,393	11,632	239	2.1%
Total customer funds	18,767	21,060	22,398	1,338	6.4%
Customer funds on the balance sheet	17,046	19,236	20,398	1,162	6.0%
Off-balance sheet funds	1,720	1,824	2,000	176	9.6%
Accumulated impairment and provisions	579	502	501	-1	-0.1%
of which: Accumulated impairment of credit	386	333	350	17	5.1%
Insurance contract technical provisions	726	713	782	70	9.8%
Equity	1,889	2,019	2,042	23	1.1%
<b>Results</b>					
Net interest income	318.5	313.0	368.4	55.5	17.7%
Technical margin of insurance activity	37.3	66.3	144.5	78.3	118.2%
Net fees and commissions	125.9	123.4	146.2	22.8	18.5%
Core operating income	481.7	502.6	659.2	156.6	31.2%
Net trading income	94.8	63.0	-3.3	-66.2	n.a.
Other results	-7.3	4.3	-3.9	-8.2	n.a.
Operating income	569.2	569.9	652.0	82.2	14.4%
Operating costs	-364.8	-372.7	-400.9	-28.2	7.6%
Impairment and provisions for the year	-73.6	2.2	-57.4	-59.5	n.a.
Consolidated net income	86.8	158.8	144.3	-14.5	-9.1%
<b>Cost-to-income and return-on ratios</b>					
Cost-to-income ratio	64.1%	65.4%	61.5%	-3.9 p.p.	
Core cost-to-income ratio	75.7%	74.2%	60.8%	-13.3 p.p.	
Return on assets (ROA)	0.4%	0.6%	0.6%	-0.1 p.p.	
Return on equity (ROE)	4.9%	8.1%	7.1%	-1.0 p.p.	
<b>Capital and liquidity ratios</b>					
Common equity tier I <sup>2</sup> ratio	18.6%	19.2%	20.0%	0.8 p.p.	
Total own funds <sup>2</sup>	18.6%	19.2%	20.0%	0.8 p.p.	
Leverage ratio	7.4%	8.0%	7.0%	-1.0 p.p.	
Loan to deposit Ratio <sup>3</sup>	63.4%	59.2%	57.0%	-2.2 p.p.	
Liquidity coverage ratio (LCR)	433.5%	477.2%	499.9%	22.8 p.p.	
Net Stable Funding Ratio (NSFR)	150.0%	150.2%	167.7%	17.5 p.p.	
<b>Quality of assets ratios</b>					
NPL ratio <sup>4</sup>	8.1%	7.2%	5.1%	-2.2 p.p.	
NPL coverage by NPL impairments <sup>5</sup>	35.3%	32.6%	41.2%	8.5 p.p.	
NPL coverage by NPL impairments and collateral <sup>5</sup>	128.1%	133.5%	151.3%	17.7 p.p.	
NPL coverage by NPL impairments and collateral <sup>5,6</sup>	86.8%	87.6%	91.9%	4.3 p.p.	
Texas ratio <sup>7</sup>	40.8%	38.8%	27.3%	-11.5 p.p.	
Cost of risk	0.48%	0.04%	0.45%	0.41 p.p.	
<b>Other Indicators</b>					
# of employees	4,092	4,093	4,110	17	0.4%
# of bank branches	637	624	617	-7	-1.1%
<b>Rating - Moody's (Last Rating Action - December 2022)</b>					
Outlook				Stable	
Counterparty Risk Rating (CRR)				Baa2/Prime-2	
Bank Deposits				Baa3/P3	
Baseline Credit Assessment (BCA)				ba1	
Adjusted Baseline Credit Assessment				ba1	
Counterparty Risk Assessment (CR)				Baa1(cr)/Prime-2(cr)	
Senior Unsecured Notes				Ba2	

(1) Including customer debt instruments (commercial paper operations).

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

(3) Ratio calculated pursuant to BdP Instruction 23/2012, determined by the ratio between net loans to customers and customers deposits.

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

(5) Applying haircuts and recovery costs. (6) Coverage limited by the exposure of the contract.

(7) Determined by the ratio: NPL/(Tangible common equity + Stock of impairments)

Note: Information based on reported values.



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## CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

In thousand euros

BALANCE SHEET	2021	2022	Δ Abs.	Δ %
Cash, cash balances at central banks and other demand deposits	3,971,092	1,356,383	-2,614,710	-65.8%
Financial assets held for trading	18,965	179,445	160,479	846.2%
Non-trading financial assets mandatorily at fair value through profit or loss	49,714	49,231	-482	-1.0%
Financial assets designated at fair value through profit or loss	10,111	3,755	-6,356	-62.9%
Financial assets at fair value through other comprehensive income	1,805,121	781,720	-1,023,401	-56.7%
Financial assets at amortised cost	18,946,839	20,631,058	1,684,218	8.9%
<i>Of which: Loans and advances - customers</i>	10,989,513	11,212,215	222,702	2.0%
Derivatives - Hedge accounting	73,486	885,429	811,943	1104.9%
Investments in subsidiaries, joint ventures and associates	2,494	2,830	336	13.5%
Tangible assets	271,493	247,439	-24,053	-8.9%
Intangible assets	105,460	109,229	3,769	3.6%
Tax assets	67,179	83,848	16,669	24.8%
Non-current assets and disposal groups classified as held for sale	310,830	260,079	-50,751	-16.3%
Other assets	368,736	304,309	-64,427	-17.5%
<b>Total Assets</b>	<b>26,001,520</b>	<b>24,894,754</b>	<b>-1,106,766</b>	<b>-4.3%</b>
Financial liabilities held for trading	387	5,216	4,829	1247.0%
Financial liabilities measured at amortised cost	22,760,335	20,804,720	-1,955,615	-8.6%
<i>Of which: Customer Deposits</i>	19,235,721	20,397,970	1,162,250	6.0%
Derivatives - Hedge accounting	126,448	27,415	-99,033	-78.3%
Provisions	745,721	823,463	77,742	10.4%
Tax liabilities	16,722	14,812	-1,910	-11.4%
Share capital repayable on demand	486	430	-56	-11.5%
Other liabilities	332,868	1,177,034	844,165	253.6%
<b>Total Liabilities</b>	<b>23,982,968</b>	<b>22,853,090</b>	<b>-1,129,878</b>	<b>-4.7%</b>
Equity	2,018,552	2,041,664	23,112	1.1%
<b>Total Equity + Liabilities</b>	<b>26,001,520</b>	<b>24,894,754</b>	<b>-1,106,766</b>	<b>-4.3%</b>



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In thousand euros

INCOME STATEMENT	2021	2022	Δ Abs.	Δ %
Interest income	441,029	562,459	121,430	27.5%
Interest expenses	-128,075	-194,035	65,960	51.5%
<b>Net Interest Income</b>	<b>312,954</b>	<b>368,424</b>	<b>55,470</b>	<b>17.7%</b>
Technical margin of insurance activity	66,252	144,534	78,282	118.2%
Net fees and commissions	123,388	146,224	22,836	18.5%
Net trading income	62,974	-3,262	-66,235	n.a.
Other net operating income	4,295	-3,896	-8,190	n.a.
<b>Operating Income</b>	<b>569,862</b>	<b>652,025</b>	<b>82,163</b>	<b>14.4%</b>
Operating Costs	-372,717	-400,912	28,196	7.6%
Staff expenses	-223,271	-236,440	13,169	5.9%
Other operating costs	-115,732	-129,651	13,919	12.0%
Depreciation	-33,713	-34,821	1,108	3.3%
Gains/losses in modifications	-1,147	5,855	7,002	n.a.
Provisions and impairments	2,152	-57,376	-59,528	n.a.
Gains and losses in other assets (equity method and non-current assets held for sale)	1,275	3,765	2,490	195.4%
<b>Earnings before taxes</b>	<b>199,425</b>	<b>203,357</b>	<b>3,932</b>	<b>2.0%</b>
Taxes	-40,489	-58,757	18,267	45.1%
Non-controlling interests	-159	-304	145	91.6%
<b>Net Income</b>	<b>158,776</b>	<b>144,296</b>	<b>-14,481</b>	<b>-9.1%</b>

Additional Information:

[www.creditoagricola.pt/investor-relations-en](http://www.creditoagricola.pt/investor-relations-en)

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