

2024

Annual Report

T.1

(Euro)

Consolidated	2024	2023	2022	2021
Net Interest Margin	46,662,970	36,935,760	28,388,331	19,942,939
Net Commissions and Fees	17,824,363	15,194,661	17,508,837	15,702,237
Treasury and Capital Markets	20,511,515	27,031,307	10,347,623	26,495,372
Other Income	325,631	1,037,830	194,870	294,261
Operating Income	85,324,479	80,199,558	56,439,661	62,434,809
Personnel Expenses	-26,073,661	-24,382,649	-21,233,057	-21,070,352
Other Administrative Costs	-15,791,063	-14,922,015	-13,591,009	-12,547,803
Cash Contributions	-284,469	-1,072,243	-1,164,782	-1,228,416
Operating Expenses	-42,149,193	-40,376,908	-35,988,849	-34,846,571
Operating Cash Flow	43,175,286	39,822,649	20,450,812	27,588,238
Depreciation	-2,919,955	-3,270,577	-3,473,142	-3,187,138
Provisions	-11,215	-61,171	319,059	1,055,500
Impairments	86,852	1,289,680	-2,695,616	-625,177
Operating Results	40,330,968	37,780,581	14,601,114	24,831,422
Profit Before Income Tax	40,330,968	37,780,581	14,601,114	24,831,422
Current Income Tax	-8,809,685	-8,714,130	-3,605,892	-2,096,910
Deferred Tax	-914,737	-1,373,529	-274,776	-986,964
Profit After Income Tax Before Minority Interest	30,606,546	27,692,923	10,720,446	21,747,548
Minority Interest	-3,568,369	-3,497,857	-478,959	-546,342
Net Income	27,038,177	24,195,067	10,241,487	21,201,206

Individual	2024	2023	2022	2021
Net Income	26,557,803	24,449,135	8,704,277	18,007,237

Selected Indicators	2024	2023	2022	2021
Total Net Assets	2,803,349,165	2,663,349,214	2,436,982,999	2,772,026,509
Shareholder Funds	405,260,603	390,666,894	350,043,120	412,680,913
Own Funds	369,615,813	357,496,450	316,065,294	374,811,723
Client Deposits	2,208,678,567	2,024,574,177	1,611,444,893	1,553,888,768
Non-Performing Loans / Total Loans	0.1%	0.1%	0.3%	0.3%
Loans / Client Deposits	0.9%	1.0%	2.2%	2.7%
Loans / Total Net Assets	0.7%	0.7%	1.4%	1.5%
Assets Under Supervision (*)	8,200,794,769	6,942,720,538	5,808,620,545	6,060,342,028

(*) Assets under management, held in custody and client deposits

Profitability	2024	2023	2022	2021
Return on Average Assets (ROA)	1.0%	0.9%	0.4%	0.9%
Return on Average Equity (ROE)	7.7%	7.5%	2.8%	5.2%
Operating Income / Average Net Assets	3.1%	3.1%	2.2%	2.5%

Solvency	2024	2023	2022	2021
CET1 Capital Ratio	31.1%	31.4%	28.8%	34.4%
T1 Capital Ratio	31.1%	31.4%	28.8%	34.4%

Efficiency	2024	2023	2022	2021
Net Interest Income / Earning Assets	1.7%	1.5%	1.3%	0.8%
Operating Expense / Operating Income	52.5%	53.1%	67.9%	58.9%
Personnel Expense / Operating Income	30.6%	30.4%	37.6%	33.7%

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▲ MANAGEMENT REPORT

2. INTRODUCTION

2.1. BIG PROFILE

Banco de Investimento Global, S.A. (“BiG” or “Bank”) is a specialized financial institution, wholly owned by private investors, headquartered in Lisbon, authorized to perform in all business areas open to the banking sector, which has been operating for 25 years in Portugal and since 2020 in Spain.

The Bank’s business focuses on savings, investment, and advisory services for private and institutional clients. In addition to traditional banking services, the Bank also provides its customers with trading platforms with access to global markets, through which it offers savers and investors easy access to all the main investment markets and products. The Bank’s products and services include deposits, investment funds, RSPs, asset management, brokerage, custody, general banking and payment services for private and institutional clients, as well as treasury applications, investment products, capital markets and financial advice for institutional and corporate clients.

On 31 December 2024, on a consolidated basis, the Bank had € 2.8 billion in assets, € 2.2 billion in client deposits and € 405 million in shareholders’ equity.

On a daily, operational level, we focus on asset quality, liquidity and interest rate risk management, internal operating controls, reliable execution, capital preservation and the control of business risks.

The Bank’s capital is held by a dispersed, stable base of mainly Portuguese individual and institutional investors (see the Section 2.3 – Shareholder Structure and Note 41 of the Notes to the Consolidated Accounts).

Total staff for the Group at year-end 2024 was 404 (see the Section 2.4 – People).

The Bank’s business model and risk appetite are designed to prepare us for operating under adverse market conditions. With this objective in mind, the Bank’s solvency, asset quality, liquidity and other operational metrics are consistently strong and Management’s focus

on financial discipline is deliberate, permanent, and strategic.

Since its foundation in 1998, BiG’s growth has been fundamentally based on retaining the majority of internally generated profits, after paying regular dividends. The policy of retaining earnings has also been important in extending and improving the Bank’s business model, often during periods of volatility in financial markets. BiG’s business is essentially managed using its own funds, customer deposits and interbank financing.

BiG’s business model is based on technology-driven solutions to reach clients and process their transactions. We invest regularly in efficient, scalable processes and procedures and we encourage an operating culture that seeks to limit operational errors and credit losses to very low levels. We favor quality over size and market share across our business lines and have never sought to follow, or to replicate traditional, universal banking models. BiG is independent of banking, specific shareholder, or special interest groups, and since its inception has never requested, nor required, assistance, capital or guarantees from any outside or official source.

2.2. WHAT BIG DOES

For individual clients, the Bank provides savings, brokerage, custody, wealth management and general banking, and payment services. For corporate and institutional clients, services include market risk management, treasury, asset management, brokerage, custody and corporate advisory services, including debt finance. The Bank’s Treasury and Capital Markets area focuses on liquidity and balance sheet management. This area is also central to our culture of managing market-related and credit risks.

The Bank’s businesses, encompassing the Spain branch, subsidiaries and specialized sales and product teams are combined and presented for purposes of internal reporting as two main business lines – Wealth Management and Advisory and Treasury and Capital Markets. These business areas are described in further

detail in Section 6.3 – Results of Business Lines.

The Bank’s main subsidiaries focus on providing savings and investment services (BiG Mozambique), on FinTech-related investments and activities (Onetier Partners), and on brokerage services (DIF Broker). In Spain, BiG has a branch office based in Madrid, which offers deposits and banking services, digital platforms for client trading, and corporate advisory.

The asset side of the Balance Sheet, as a rule, reflects geographic and sectorial diversity, which may vary over time, depending on market conditions and business opportunities. It also reflects our policy of maintaining significant levels of assets that are easily convertible to liquidity. The liability side of the Balance Sheet focuses on stable retail deposits and capital growth. The Bank interacts with clients through a variety of integrated channels. Retail clients are served through online investment platforms, www.big.pt, www.bancobig.es, Apps and a network of 14 branches located in key regions in Portugal. Corporate and Institutional clients are the focus of sales and product teams based in Lisbon, Porto, Madrid (Spain) and Maputo (Mozambique).

The Bank’s brokerage platform is supported by its direct membership in Euronext, which includes domestic and key international exchanges. In addition, the Bank maintains partnership arrangements with global financial services suppliers and clearing houses to provide access for our clients to major equity, options and futures exchanges. Platforms for other “over the counter” (“OTC”) products, bonds, and mutual funds, usually combine in-house technology solutions and agreements with counterparties and providers.

2.2.1. WEALTH MANAGEMENT AND ADVISORY

BiG’s client-facing businesses are non-credit-intensive. They focus instead on helping individual and wholesale clients manage their assets. We work with clients using an integrated multi-channel approach, supported by online banking and trading

platforms and a network of branches in Portugal, Spain and Mozambique.

The combination of internet-based platforms and specialized sales teams help clients execute banking transactions, manage savings, and invest in some of the world's most important regulated markets. This business provides banking services and solutions for clients ranging from self-directed to those seeking assisted investing, with tools for daily banking needs and an array of traditional savings products and investment funds.

For private clients, institutional investors and middle market to larger corporations, the Bank's professionals from key product areas design specific financial solutions, execute trading and investment strategies, and help clients manage their assets and business risks. The broad range of services includes trading in regulated markets, content, asset management, market risk management and corporate advisory services.

2.2.2. TREASURY AND CAPITAL MARKETS

This business area focuses on the Bank's investment activities, as well as liquidity and balance sheet management. It is also central to the Bank's culture of managing and analyzing market risks, particularly the interest rate risk inherent to the Bank's portfolio.

2.3. SHAREHOLDER STRUCTURE

At year-end 2024, the Bank's shareholder structure was composed by about 224 common stockholders, mainly Portuguese individuals. On the same date, 60.81% of the common stock was held by individuals and 39.19% was held by institutions, foundations, corporations or holding

companies. The largest single shareholder, a private individual, held 14.60% of the stock with voting rights directly.

At 31/12/24, 12 shareholders were owners of at least 2% of the Bank's common stock. In aggregate, they held 63.94% of the capital. There are no agreements tying shareholders together.

In accordance with the Bank's statutes, there are no restrictions on the voting rights of shareholders. Each share held corresponds to one vote, which can be exercised provided that each shareholder, or group of shareholders, holds at least 1000 shares.

2.4. PEOPLE

The breakdown by category of staff levels during 2024 may be found in Note 12 of the Notes to the Consolidated Accounts. Total staff on a consolidated basis was 404 at year-end 2024, of which 324 were based in Portugal, 49 in Mozambique and 31 in Spain.

The Bank's corporate culture is based on principles of risk control, quality, execution, and team preparation to implement the defined strategy. As such, leadership plays an active role in recruitment, training, and career development of employees. Employee development is a fundamental investment of BiG, which seeks to reward talent from the outset. In selecting new employees, the Bank values diversity while preserving its core values, such as academic excellence, commitment, teamwork, energy, innovation, respect for others, and, above all, integrity.

The valorization of talent reflects the commitment to a meritocratic environment, with ambition for high standards and continuous evolution and improvement.

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Number of Employees	2024	2023	2022
Portugal	324	331	303
Mozambique	49	50	51
Spain	31	35	28
Number of Employees	404	416	382

3. PERFORMANCE HIGHLIGHTS IN 2024

3.1. MAIN HIGHLIGHTS

An overview of selected income statement and balance sheet items is provided in Table 3 (indicators on a consolidated basis). Further detailed analysis of financial indicators and results of business segments may be found in Section 6.2 – Earnings in 2024 and the Notes to the Consolidated Accounts.

The Bank generated consolidated Net Income, attributable to the owners of the parent company, of € 27.0 million in 2024, versus € 24.2 million in 2023.

The Bank's consolidated Net Operating Revenues in 2024 were € 85.3 million, versus € 80.2 million in 2023.

The Bank's consolidated Shareholders' Equity at 31/12/24 was 405.3 million, versus € 390.7 million for the prior year at 31/12/23.

Consolidated Own Funds at 31/12/2024 were € 369.6 million, versus 357.5 million at 31/12/23.

Earnings per share (EPS) in 2024 were € 0.14, versus € 0.13 in 2023.

Return on Average Equity (ROE) in 2024 was 7.7%, versus 7.5% in 2023.

The Book Value (BV) of BiG's common stock at 31/12/2024 was € 2.17, versus € 2.09 per share at 31/12/23.

BiG's consolidated Tier 1 Capital Ratio at 31/12/2024 was 31.1%, versus 31.4% at 31/12/23.

The consolidated Leverage Ratio at 31/12/2024 was 13.0%, versus 13.3% at 31/12/23.

The consolidated Liquidity Coverage Ratio at 31/12/2024 was 495.6%, versus 360.2% at 31/12/23.

In 2024, around 84 per cent of the Group's revenues were generated in Portugal, with the remaining revenues coming from the business in Spain developed through the BiG branch based there and the investment banking unit in Mozambique.

In terms of the balance sheet, the Bank's activity focuses on investment grade and liquid securities, recognized in trading and banking books. The balance sheet

contains a reduced amount of loans, which are naturally less liquid and not considered strategic from a risk/return perspective. Given the liquid nature of the balance sheet, credit risks and concentrations are managed actively in the context of overall market conditions and investor sentiment with respect to interest rates. These activities are structural and remain unchanged from prior years.

BiG's analysis of credit concentrations and earnings opportunities takes into consideration Management's expectations with respect to trends in credit quality, interest rates and market liquidity, as well as how these issues may be influenced by economic, political, and regulatory movements. As a matter of long-term strategy and appetite for risk, a substantial majority of the Bank's exposure involved country risk exposures other than Portugal, including other European countries, U.S. and, to a lesser extent, other geographies.

T.3

(Euro 000)

Summary of Results	2024	2023	2022	2021
Total Net Revenue	85,324	80,200	56,440	62,435
Non Interest Expense	-44,994	-42,419	-41,839	-37,603
Minorit Interest	-9,724	-10,088	-3,881	-3,084
Taxes	-3,568	-3,498	-479	-546
Net Income	27,038	24,195	10,241	21,201
Earnings per share	0.14	0.13	0.05	0.12
Book value per share	2.17	2.09	1.87	2.21
Return on Average Equity (ROE)	7.7%	7.5%	2.8%	5.2%

Summary of Statement of Financial Position	2024	2023	2022	2021
Shareholders Funds	405,261	390,667	350,043	412,681
Own Funds	369,616	357,496	316,065	374,812
Total Net Assets	2,803,349	2,663,349	2,436,983	2,772,027
Loans	20,127	19,953	34,869	41,467
Deposits	2,208,679	2,024,574	1,611,445	1,553,889
CET1 Capital Ratio	31.1%	31.4%	28.8%	34.4%
T1 Capital Ratio	31.1%	31.4%	28.8%	34.4%
Leverage Ratio	13.0%	13.3%	13.2%	13.4%
Liquidity Coverage Ratio	495.6%	360.2%	239.6%	229.6%

3.2. KEY FINANCIAL METRICS IN 2024

For a more detailed analysis, please refer to Section 6.2 – Earnings in 2024 and the Notes to the Consolidated Accounts.

3.2.1. MARKET BACKGROUND

During the year 2024, the activity context continued to be dominated by military conflicts between Russia and Ukraine, and between Israel and Hamas, which exacerbated the already existing economic and political tensions. The increase in international sanctions imposed on Russia and the instability associated with the possible expansion of the conflicts resulted in high levels of volatility in the market. The instability was further amplified by the presidential campaign and elections in the United States, and the prospect of adopting protectionist policies by the new administration, such as encouraging domestic production over imports and imposing tariffs on certain countries and products.

The year 2024 was also marked by a significant shift in monetary policies adopted by the European Central Bank and the Federal Reserve of the United States, with the beginning of interest rate cuts. The easing of monetary policies aimed to promote sustainable growth after inflation was reduced to levels closer to the target. Given the geopolitical and economic instability, doubts arise regarding the sustainability and scope of economic growth.

3.2.2. EARNINGS

Regardless of market conditions, the long-term strategy defined by Management is to maintain a low risk profile, to preserve capital and to grow in a sustainable manner.

Based on the evolution of market conditions and the focus of balance sheet management on the more recurring components of operating income, in 2024 there was an increase in the net interest margin, with the Bank maintaining the high quality and liquidity of assets on the balance sheet, despite the relatively lower proportion of demand deposits compared to the national banking sector average, reflecting the investment and savings-focused profile of the Bank's clients.

On the other hand, income from trading and investment activities decreased, in a context where long-term interest rates in Europe remained high and, in general, higher compared to the end of 2023.

Net commissions increased, reflecting higher customer activity, visible in the increases in total resources and assets under consolidated supervision, and growth in Spain.

As a result of these developments, **consolidated operating income rose 6.4 per cent to € 85.3 million in 2024, compared to € 80.2 million in 2023.**

Cost-to-income decreased to 52.5%, compared to 53.1% in the previous year, reflecting greater efficiency, despite a 5.2% increase in personnel costs, administrative costs and depreciation and amortization. Total operating costs

amounted to € 45.0 million, compared to € 42.4 million in 2023.

Net provisions remained low, while there was a reversal of impairment losses, with a slight reduction in the amount of expected credit losses (ECL) compared to the previous year. Although there was a growth in impairments starting from the second quarter, a decline was observed in the last months of the year, due to the increased investment in higher-quality sovereign bonds and a decrease in credit spreads following the outcome of the U.S. elections.

The estimate for the Group's income tax for 2024 amounts to €9.7 million, corresponding to 24.1% of Profit before tax.

Consolidated Net Profit attributable to owners of the parent company increased 11.8% to € 27.0 million, compared to € 24.2 million in 2023.

3.2.3. KEY BALANCE SHEET ITEMS

Total Assets as of 31 December 2024 amounted to around € 2.8 billion, 5.3% more than at the end of the previous year.

The Bank maintains a significant component of its assets valued at market prices. This practice translates the principles of prudence, rigor and transparency to which the Bank has been committed since its foundation. It also means that the Bank's financial statements reflect in real time the adjustments in market conditions and in market sentiment of economic agents.

The composition of BiG's earning assets continued to correspond, essentially, to net fixed income financial instruments,

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(Euro 000)

Earnings	2024	2023	2022	2021
Net Operating Revenues	85,324	80,200	56,440	62,435
Net Operating Expenses	-44,994	-42,419	-41,839	-37,603
Pre-tax Profit	40,331	37,781	14,601	24,831
Taxation	-9,724	-10,088	-3,881	-3,084
Net profit before minority interests	30,607	27,693	10,720	21,748
Minority Interests	-3,568	-3,498	-479	-546
Profit or loss for the year	27,038	24,195	10,241	21,201

measured under the accounting headings of *Hold to Collect and Sell* and *Hold to Collect*.

The Hold to Collect accounting item includes a “Medium-term financial margin portfolio”, created in 2022 with the aim of holding medium-term financial assets and receiving contractual cash flows until maturity, as well as a “Long-term financial margin portfolio”, previously set up, dedicated to investing in securities with longer maturities (over 10 years on the date of acquisition).

The ratio of loans granted to customer funds was 0.9% at the end of 2024, lower than in 2023. This ratio may vary slightly from year to year, but tends to remain structurally low over time, in line with the principle of maintaining high structural liquidity. The ratio of overdue loans to loans granted was 0.1% on 31/12/2024, in line with the level recorded at the end of 2023.

The Bank’s main sources of funding in 2024 were retail client deposits and shareholders’ funds. Additionally, the Bank maintains asset sale/repurchase agreements with market counterparties, among which are financial institutions with global presence, with this funding source depending on market opportunities and conditions.

Consolidated Shareholder Funds increased to € 405.3 million compared to € 390.7 million at the end of 2023, reflecting, in addition to the results achieved in the period, net of the early distribution of dividends, a positive performance in terms of fair value reserves, associated with the mark-to-market of the *Hold to Collect and Sell* portfolio.

3.2.4. CAPITAL

The Bank’s capital level provides confidence to clients and counter-parties and reflects key aspects of management. The Bank manages capital by (i) closely monitoring potential risks as well as anticipated returns, (ii) applying the results of capital planning and stress testing processes to the daily management of the balance sheet, (iii) assessing the business environment and (iv) identifying and measuring potential material risks, whether specific or strategic.

As discussed above, the Bank performs projections on funding and capital on a regular basis and provides them to the regulator on an annual basis. Such analyses are fundamental to maintaining discipline in risk taking and, therefore, in the deployment of capital.

Figure 1 provides a brief overview of the capital management process.

T.5

(Euro 000)

Key Statement of Financial Position	2024	2023	2022	2021
Total Net Assets	2,803,349	2,663,349	2,436,983	2,772,027
Shareholders Funds	405,261	390,667	350,043	412,681
Own Funds	369,616	357,496	316,065	374,812
Deposits from Clients	2,208,679	2,024,574	1,611,445	1,553,889
Non-Performing Loans / Total Loans	0.1%	0.1%	0.3%	0.3%
Loans / Client Deposits	0.9%	1.0%	2.2%	2.7%
Loans / Total Net Assets	0.7%	0.7%	1.4%	1.5%
Assets Under Supervision (*)	8,200,795	6,942,721	5,808,621	6,060,342

(*) Assets under management, held in custody and client deposits

T.6

(Euro 000)

Shareholders Capital	2024	2023	2022	2021
Common Stock	186,947	186,947	186,947	186,947
Share premium	1,362	1,362	1,362	1,362
Treasury Stock	-2	-2	-2	-2
Accumulated other comprehensive income	-49,086	-56,989	-86,398	-21,788
Other Reserves	242,071	236,068	232,347	220,111
Profit or loss attributable to owners of the parent	27,038	24,195	10,241	21,201
Anticipated Dividends	-9,347	-6,543	0	0
Minority Interest	6,278	5,629	5,545	4,849
Total Shareholders Capital	405,261	390,667	350,043	412,681
Book value per share	2.17	2.09	1.87	2.21
Net assets / Equity	6.92	6.82	6.96	6.72

F.1



The value of the shareholders' capital at the end of the year was € 186.9 million, corresponding to 186,947,388 ordinary shares issued, each with a nominal value of € 1.

The Bank's Regulatory Capital (Own Funds) is calculated in accordance with Central Bank regulations and amounted to € 369.6 million at 31/12/2024, versus € 357.5 million at 31/12/2023. This figure does not include the 2024 Net Income, which at year-end is still subject to approval by the shareholders at the General Shareholders' Meeting.

The Bank's consolidated Tier 1 Capital Ratio was 31.1% at the end of 2024, close to the 31.4% at the end of 2023. This ratio has remained consistently and significantly above regulatory minimum levels, including under the most stressful market conditions over the past 20 years.

To ensure prudent use of capital and the maintenance of comfortable reserves, the Bank performs stress tests to the most critical balance sheet items. These include: (i) stress tests on solvency and (ii) controls on prudential and internal limits established by the Bank. These tests are

designed to measure the impact on solvency ratios resulting from adverse changes.

The results of the stress tests, while hypothetical, often serve as triggers for Management and business areas to act, by reducing risks or diversifying concentrations. Examples of extreme scenarios used by Management at 31/12/24 are shown below and are discussed in further detail in Section 8 – Risk Management and Internal Control of this report, and in Note 45 of the Notes to the Consolidated Accounts. These results arise from scenarios involving sudden falls in the price of sovereign and other debt securities.

The results of the impact on the Bank's solvency ratios at year-end December 2024 under each scenario are as follows in Table 7.

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December 2024 – Stress test	Base Scenario	Scenario 1	Scenario 2
T1 Capital Ratio	31.1%	26.8%	25.9%
Total Capital Ratio	31.1%	26.8%	25.9%

Scenario 1: Negative variation in fair value recognized 100% in own funds as per EBA haircuts
Scenario 2: Negative variation in fair value recognized 120% in own funds as per EBA haircuts

Through the Bank's Internal Capital Adequacy Assessment Process (ICAAP), the Bank further analyses how to manage the statement of financial position during a severe crisis, how to generate liquidity and/or how to redeploy capital. This assessment incorporates market risk, credit risk and operational risk and, when combined with daily scenario analyses, as described above and in Section 8 – Risk Management and Internal Control of this report, forms the basis for Management's ongoing evaluation of the Bank's capital adequacy.

3.2.5. LIQUIDITY AND FUNDING

Liquidity is a key basis for managing the Bank, and remained strong for 2024, in line with prior years. The ratio of Loans/Deposits in 2024 was below the historical trend (0.9% in 2024 vs average of 1.9% from 2021-2023). Financing via sale/repurchase agreements with several international banking counterparties continued during 2024, although with a lower value at the end of the year than in the previous year. In 2024, the Bank didn't use long-term facilities made available at the ECB. Overall, the Bank's potential, untapped liquidity, based on the capacity to use eligible securities as collateral for further drawdowns, continues with a substantial ratio of eligible assets/deposits. Available

liquidity rises to over 100% of deposits when unencumbered, non-eligible but liquid assets available for sale, and cash are added to unused available amounts of the ECB/EUREX Pools.

At the end of 2024, as in prior years, the majority of the Bank's assets were generally liquid debt instruments, recorded at fair value through other comprehensive income (*HTCS*), at amortized cost (*HTC*), or held for trading (*Trading*). Management believes that this strategy of maintaining significant portfolios of liquid assets which are marked to market encourages discipline in position-taking and statement of financial position growth and appropriately reflects a culture of transparency with respect to valuations of securities. The combination of (i) a low concentration

of illiquid loans, (ii) reduced overall statement of financial position gearing relative to capital and stable funding sources, and (iii) a policy of maintaining a large inventory of unencumbered assets on hand to ensure comfortable levels of liquidity, are central to the business model and profitability of the Bank.

T.8

(Euro 000)

Liquidity and Funding	2024	2023	2022	2021
Loans/Client Deposits	0.9%	1.0%	2.2%	2.7%
Liquid Earning Assets/Total Net Assets	95.3%	95.4%	92.0%	95.1%
Funding from ECB	0	0	25,017	50,000
Other sources of Funding	65,741	131,719	323,944	496,759
Client Deposits/Total Liabilities & Capital	78.8%	76.0%	66.1%	56.1%

T.9

(Euro)

	Average values 1st quarter 2024	Average values 2nd quarter 2024	Average values 3rd quarter 2024	Average values 4th quarter 2024
ECB - POOL value - Eligible assets (includes haircut ⁽¹⁾)	845,362,817	847,907,036	848,381,165	854,482,218
ECB - POOL value - Borrowed	0	0	0	0
ECB - POOL value - Available (a)	845,362,817	847,907,036	848,381,165	854,482,218
EUREX Repo - POOL value ⁽²⁾	239,264,065	279,646,400	342,296,146	430,789,985
EUREX Repo Borrowed Net: (Borrowed - deposits)	0	0	0	6,666,667
Eurex Repo - Available (b)	234,761,565	274,895,037	337,743,195	409,471,286
Eligible assets available for collateral outside the POOLs	66,783,430	72,760,556	97,997,726	96,379,870
Total eligible assets available for collateral (a) + (b) + (c)	1,146,907,812	1,195,562,629	1,284,122,086	1,360,333,374
Eligible assets not available (given as guarantee to other counterparties)	6,876,051	8,013,203	7,760,163	13,870,489
Non eligible assets available held for collateral in repos	40,667,485	36,935,687	41,900,626	34,596,567
Non eligible assets available for collateral (d)	698,558,193	718,165,907	685,744,536	667,155,796
Non eligible assets - Total	739,225,679	755,101,593	727,645,162	701,752,363
Total unencumbered assets (a) + (b) + (c) + (d)	1,845,466,005	1,913,728,536	1,969,866,622	2,027,489,171

(1) POOL assets are valued with the ECB prices, for that reason it may not be equal to market prices.

(2) POOL of assets valued with Eurex prices.

3.2.6. DIVIDEND POLICY

Shareholders have approved, since the Bank's inception, a policy of building the capital base through retained earnings. Proposals to pay dividends are made generally by Management and are subject to approval by the shareholders in the Annual Shareholders' Meeting.

The Bank began paying annual dividends in 2004 (relative to 2003 Earnings). Since that date, and until the end of 2023, the Bank has retained, on average, approximately

47% of Net Income and distributed approximately 53% in dividends, while maintaining high levels of solvency.

For the fiscal year 2024, the proposed dividend is € 0.11 per share, representing a payout ratio of 77%, which includes the anticipated partial dividend of € 0.050 per share, paid to shareholders in December 2024, based on the net results calculated and certified by the Bank's external auditor for the period from 1 January to 31 October 2024.

The Bank's recent history of payouts is described in Table 10.

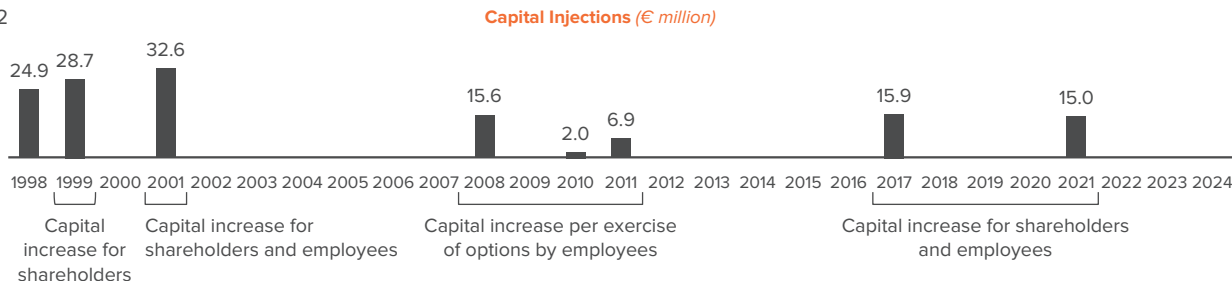
The Bank has distributed to the Shareholders approximately € 229.2 million since 2004, which largely exceeds the total amount of capital injections made by Shareholders since inception, of € 141.7 million.

T.10

Dividends	2024 ¹⁾	2023	2022	2021 ²⁾	2020
Dividend per share	0.110	0.100	0.035	0.050	0.150
% Individual Net Income Distributed	77%	76%	75%	52%	106%

1) Subject to approval by General Shareholders' Meeting
2) Reserves distribution performed in November 2021

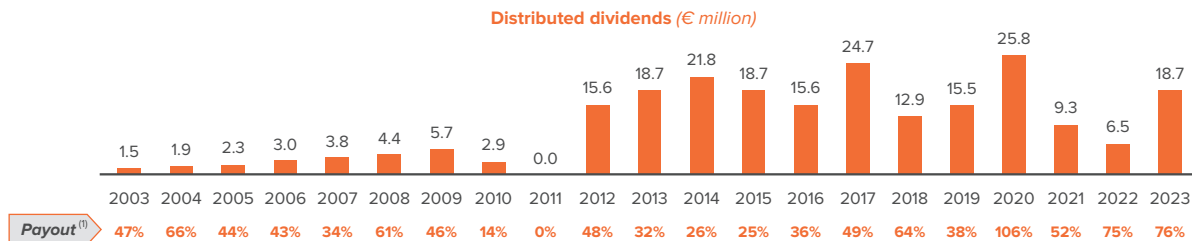
F.2



Total capital injections, including the initial capital

€ 141.7 million

F.3



(1) Based on the individual net income

Total distributed dividends: € 229.2 million

Average payout 2003-2023: 47%

4. REGULATORY BACKGROUND

4.1. REGULATORS

The Bank's activities in Portugal are regulated by the following supervisory bodies:

▲ *Banco de Portugal* (Bank of Portugal): beginning of activity March 1st, 1999, under Code Number 61. www.bportugal.pt/

▲ *CMVM – Comissão do Mercado de Valores Mobiliários* (Portuguese Securities Market Commission): beginning of activity March 8th, 1999, under Code Number 263. www.cmvm.pt

▲ *ASF – Autoridade de Supervisão de Seguros e Fundos de Pensões* (Insurance and Pension Funds Supervisory Authority): registered as an Insurance Agent www.asf.com.pt

The Bank's activity in Spain is regulated by the following supervisory bodies:

▲ *Banco de España* (Bank of Spain): registry on May 31st, 2019, for *Banco de Inversión Global, S.A., Sucursal en España*, under registry number 1569. www.bde.es

▲ *CNMV – Comisión Nacional del Mercado de Valores* (Spanish Securities Market Commission) www.cnmv.es

Banco BIG Moçambique, S.A., a BiG Group entity headquartered in Mozambique, is regulated by the following entities:

▲ *Banco de Moçambique* (Bank of Mozambique): registry on January 29th, 2014, with the start of the bank's activity in 2016. www.bancomoc.mz

▲ *BVM – Bolsa de Valores de Moçambique* (Securities Market Regulator): date of authorization December 14th, 2015. www.bvm.co.mz

Because of its size at the European level, BiG is considered a "Less Significant Institution" (LSI) and is supervised by the Bank of Portugal, according to the guidelines handed down by the Single Supervisory Mechanism (SSM) of the European Central Bank. The SSM directly supervises "Significant Institutions" (SI).

At the same time, the Bank is subject to the same supervisory "Single Rulebook" as all other banks under European Banking Authority (EBA) guidelines.

4.2. REGULATORY DEVELOPMENTS

The year 2024 continued to present a geopolitical framework that posed challenges in terms of monitoring and ensuring compliance with the regulatory requirements inherent to the Bank's activity. It was a year marked by a difficult economic climate, particularly due to the ongoing conflict in Ukraine, which led to, among other socio-political externalities, an escalation of sanctions and restrictive measures applied to Russia and Belarus, and the clashes between Israel and Hamas, which resulted in the strengthening of restrictive measures against these countries and entities.

At the regulatory level, there continues to be a demanding scenario, with significant set of legislative initiatives at both European and national levels, across various aspects.

The following regulatory changes and initiatives stand out, which were under public consultation and had an impact in terms of organization and activity during the year under review:

TARGET Instant Payment Settlement service

TIPS (Target Instant Payment Settlement Service) is a settlement service of the Eurosystem. It allows payment service providers to offer their customers the possibility to transfer funds in real-time and continuously every day of the year through immediate payments. With the entry into force of European Regulation No. 2024/886, of March 13, banks are now required to provide immediate transfers to their customers without charging additional fees for this service.

BiG participated in the implementation projects of this service alongside other market participants and the Bank of Portugal, in order to align banking industry practices with supervisory expectations.

Process of identification, analysis and integration of obligations regarding sustainability

Commission Delegated Regulation (EU) 2022/1288, supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council as regards regulatory technical standards, which generally establish the content, methodologies and presentation of information related to sustainability indicators and adverse impacts on sustainability. In particular, they specify the (i) content and presentation of information related to the principle of "no significant detriment", (ii) the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and finally, (iii) the content and presentation of information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports.

During 2024, BiG continued to identify the inherent requirements, bearing in mind, in light of the principle of proportionality, (i) the limitation of information on this subject in a standardized form currently available in the Portuguese and international markets, (ii) the high commercial and regulatory complexity of the subject, (iii) the relative novelty of the subject for financial market players, and (iv) the size, nature and scale of the Bank's activities.

Additionally, in terms of prudential regulation, particularly regarding the guidelines for the management of C&A risks, especially the supervisory expectations (ECB Guide on Climate-related and Environmental Risks from November 2020 and Bank of Portugal Circular Letter No. CC/2021/102), the Bank sought to align (i) the identification and self-assessment exercises of the risk profile, which includes the components of identifying and assessing the materiality of the risks to which the Bank is exposed; (ii) the risk appetite and the components (internal policies or procedures) that implement it; and (iii) the process for assessing the adequacy of internal capital ("ICAAP") and liquidity ("ILAAP"), as – and when – applicable.

DORA – Digital Operational Resilience Act

The analysis and self-assessment of the implementation of the DORA Regulation aims to provide a framework for digital operational resilience and cybersecurity, which emerges from the need to establish minimum rules regarding the security of networks and information systems currently in place within the European Union, with the goal of mitigating the risks arising from the inherent digitalization of financial services.

During 2024, BiG continued with the identification of the related requirements, keeping in mind, in light of the principle of proportionality, (i) the high commercial and regulatory complexity of the subject, (ii) the relative novelty of the subject for stakeholders in the financial market, and (iii) the size, nature, and scale of the Bank's activities.

New Anti-Money Laundering Report – Instruction of the Bank of Portugal No. 8/2024

With the entry into force of the new regulation, new requirements were introduced for reporting suspicious activities related to money laundering and terrorist financing. A decision was made to change the reporting to a quantitative model, which, in practice, implies the introduction of new reporting obligations with a high level of granularity. The first report, covering 2023, was due by September 30, 2024. Subsequent reports must be submitted by March 31.

Duties with regard to publicity

Notice No. 5/2024 of the Bank of Portugal was published, establishing the principles and rules that must be observed in the advertising of financial products and services subject to supervision of the Bank of Portugal, as well as advertising related to activities and institutional advertising.

The publication of this Notice will shape and define how credit institutions manage advertising topics for products supervised by the Bank of Portugal, including institutional advertising.

4.3. RELEVANT ACCOUNTING POLICIES

BiG's financial statements are prepared in accordance with International Financial Reporting Standards ("IAS/IFRS") as adopted by the European Union. IFRS comprise accounting standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and its predecessor bodies. The preparation of the financial statements in accordance with IAS/IFRS, requires the Bank to make several judgements and estimates and uses assumptions that can affect the application of the accounting policies and the amounts of revenue, expenses, assets and liabilities. These analyses reflect the accumulated experience and perspectives of the Board of Directors, among other factors, and are periodically reassessed in light of the operating environment. Possible alterations to these estimates and assumptions may have a significant impact on the financial statements of the Bank in the periods in which they occur. The Board of Directors considers that the estimates and assumptions adopted appropriately reflect the current environment, and that the financial statements adequately present BiG's financial position, operating results and the cash flows on 31 December 2024, in accordance with IFRS standards, as adopted by the European Union.

The relevant accounting policies used by the Bank are presented in detail in the Notes to the Consolidated Accounts, and the most relevant for the Bank corresponds to the fair value measurement of financial instruments. This results from the fact that the portfolio of earning assets mostly consists of liquid assets, of fixed or variable income, as opposed to less liquid assets. As a result, most of the Balance Sheet is assessed at market prices (marked to market), which leads to greater transparency in accounting information. However, this model requires greater financial discipline, given the impact that market volatility has on certain key categories of the Balance Sheet. In part, this financial discipline is reflected in the Bank's low gearing, in its focus on

quality, solid assets and its high levels of solvency. In view of the occurrence of events that reduce transparency and/or liquidity in the markets, as has occurred occasionally in recent years, thus generating market volatility, the use of this fair value measurement policy can have a significant impact on the way in which financial assets are assessed and, consequently, on the Bank's financial statements.

In accordance with the accounting standard, IFRS 13, the calculation of the fair value of the assets can be based on three levels of information, corresponding to different degrees of uncertainty. The method with the lowest level of uncertainty corresponds to the price quotation of the asset in a highly liquid market (Level 1). When an asset is not traded on a liquid market or when there are no quoted prices, fair value may be calculated through evaluation methodologies based on market information of comparable financial assets (Level 2). The method with the highest level of uncertainty corresponds to the calculation of fair value through valuation techniques incorporating relevant market information that is not observable (Level 3).

Valuation methodologies based on non-observable market data imply a higher degree of judgement compared to methodologies based entirely on observable data. The Bank's financial assets are valued based on prices and market information that reflect the use of Level 1 and 2 methodologies described above. When other valuation techniques, namely the use of financial models, are used to calculate the fair value of some assets, these techniques are periodically reviewed and validated. The models are adjusted in order to guarantee that the respective conclusions reflect the prices and the market information on comparable assets. Furthermore, the models prioritize the incorporation of market information, when available, over the incorporation of unobservable information. The selection of appropriate financial models and the incorporation of information require a higher degree of discretionary analysis when there is no market information immediately available.

In accordance with IFRS 9 – Financial instruments (“IFRS 9”) and according to the business model the Bank classifies its financial assets according to the following categories: (i) financial assets held for trading, (ii) financial assets entered in the accounts at fair value through other comprehensive income and (iii) financial assets carried at amortized cost.

For these three categories, financial instruments are recognized or not recognized on their trade date, or rather, on the date on which the Bank undertakes to purchase or sell the asset.

Financial assets entered in the accounts at fair value through other comprehensive income and financial assets entered in the accounts at amortized cost are subject to impairment losses, their recognition and measurement being calculated from an “expected loss” perspective. The Bank’s model focuses on the concept of significant increase in the credit risk, whose determination is based on the evolution of market factors such as ratings and prices.

The increase in credit risk is classified based on three different stages:

▲ *Stage 1* – Financial assets are classified in stage 1 whenever no significant increase in the credit risk is noted from the date of its initial recognition. For these assets the expected credit impairment loss resulting from events of non-compliance occurring during 12 months after the reporting date should be recognized in the income statement of the year;

▲ *Stage 2* – Incorporates the financial assets in which there has been a significant increase in the credit risk from the date of their initial recognition, even though this situation may not have led to concrete losses and are only indications. For these financial assets expected credit impairment losses are recognized over the assets’ lifetime;

▲ *Stage 3* – Financial assets classified in this stage present objective evidence of impairment on the reporting date as a result of one or more events that have

already occurred that result in a loss. In this case, the expected credit impairment during the expected residual life of the financial assets loss will be recognized in the income statement of the year.

To ascertain the expected credit loss, the Bank implemented a model whose parameters incorporate point in time, through the cycle and forward-looking requirements, calculated monthly. In the case of the securities portfolio, which is the one that is more significant in the statement of financial position, the probability of default (PD) is estimated based on the credit spreads that are obtained from the market interest rate curves (issuer interest rate curve vs. risk-free interest rate curve).

Financial liabilities, including deposits and financing through sale/repurchase agreements, are measured at amortized cost.

4.3.1. OTHER RELEVANT ACCOUNTING ITEMS

Deferred tax: Deferred tax assets can arise from a variety of factors, the most significant of which are: (i) potential losses with financial assets entered in the accounts at fair value through other comprehensive income recorded at market prices, which may lead to future losses or gains recognizable for tax purposes, (ii) losses or gains recorded in the Income Statement that can only be recognized for tax purposes when the corresponding cash flow is recorded, (iii) tax losses that may be recognized in the future, and (iv) amortization of intangible assets. Deferred tax is calculated according to the tax rules in force or substantially approved and using the tax rates on the statement of financial position date and are expected to be applied when the temporary differences are reversed. Deferred tax assets are recognized only when it can be expected that there will be taxed profits in the future.

Control over valuation of financial instruments: The control infrastructures are independent of the revenue generating areas. These processes, together with the methodologies mentioned above,

are defined by the Executive Committee and controlled and revised by the internal and external audit functions of the Bank.

Review of net income and expenditure:

The accounting of income and expenses is the responsibility of independent and control functions. The objective is to identify and resolve potential problems associated to the fair or book value of revenues on an objective and regular basis.

4.4. OTHER PERIODIC REGULATORY ASSESSMENTS

4.4.1. INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP)

Within the scope of the annual Internal Capital Adequacy Assessment Process (“ICAAP”) process, BiG performs an internal analysis of the techniques and models used in the qualitative and quantitative assessment of internal capital and risks to which it is or could be exposed. BiG also carries out a critical analysis of: (i) the suitability of its capital and risk management and monitoring processes, (ii) prospects for the evolution of internal capital and materially relevant risks, (iii) its risk profile and (iv) the adequacy of internal capital levels and assessment of capital requirements.

From a qualitative point of view, in the ICAAP process, this report also reflects a descriptive analysis: (i) of the internal capital and risk management and monitoring processes and (ii) of the adequacy of the organization, structure and processes in view of the internal capital needs and the risks incurred.

Regarding the quantitative aspects, there should be (i) an identification and quantification of the materially relevant risks, (ii) a description of the process of aggregating risk assessments, (iii) a global assessment of capital requirements, which should contemplate, namely, uncertainty about the model used, weaknesses in procedures, risk systems and controls and the differences between equity funds and internal capital.

The regulatory framework of this report is Instruction no. 3/2019 of the Bank of Portugal, which is reported on an annual basis, and can be more detailed or simplified at the regulator’s discretion.

In its annual ICAAP report, the Bank presents a self-assessment analysis of the main risks: market, credit, operational, interest rate, concentration, credit spread, information systems, compliance, reputation and business model. Of the various risks to which the Bank is subject, BiG considers as materially relevant those

that are defined in Pillar I (market, credit – including sovereign – operational and credit valuation adjustments), the interest rate risk of the banking book, the concentration risk, and credit spread risk. Capital requirements are calculated for each of these types of risk. The starting point for the methodologies adopted to establish the requirements for Pillar I risks is the regulatory models. For Pillar II risks (interest rate risk of the banking book, concentration, and credit spread) internal models are used or models based on methodologies developed by other Central Banks.

Following the annual exercise conducted by BiG, the Board of Directors considers that the current levels of capital and liquidity are appropriate taking into account: (i) the risk profile, (ii) the current conditions, (iii) the prospects for the near future and (iv) the dimension and complexity of the Bank.

4.4.2. INTERNAL LIQUIDITY ADEQUACY ASSESSMENT PROCESS (ILAAP)

Instruction no. 2/2019 of the Bank of Portugal intends to fulfil the guidelines of EBA/GL/2016/10 – Guidelines on ICAAP and ILAAP information collected for the purpose of the broader Supervisory Review and Evaluation Process (SREP). This instruction’s objective is to define the procedures relating to the ILAAP process and to establish the respective reporting templates for the Bank of Portugal, in order to guarantee that the liquidity risk to which the institutions are exposed is adequately assessed and that these maintain adequate levels of liquidity, institutions are required to: (i) guarantee that the liquidity and funding risks to which they are exposed are adequately identified, measured, managed and monitored and that their liquidity is appropriate in view of the respective risk profile, (ii) have an internally developed process to identify, measure, manage and monitor the liquidity that complies with the minimum requirements and guidelines defined in Instruction no. 2/2019 of the Bank of Portugal.

The ILAAP is a process that: (i) is part of the management process and culture of

the institution, is regularly reviewed and considers the regulatory context and the economic environment in which the institution operates; (ii) takes into account the type, dimension, complexity and business model of the institution, and also the operating environment and nature and risks of the activities performed; and (iii) is forward looking with reference to the institutions that have an internal strategy to maintain adequate levels of liquidity.

4.4.3. SUPERVISORY REVIEW AND EVALUATION PROCESS (SREP)

The SREP is the process of analysis and assessment, conducted by the supervisory authorities, to ensure that each credit institution has strategies, processes, capital, and liquidity that are adequate for the risks to which it is or may come to be exposed. This process is part of the second Pillar of Basel.

The supervisor aims to determine the capital and liquidity requirements and other supervisory measures to address the specific weaknesses of each institution considering not only the characteristics of each institution, but also the risk it poses for the financial system.

SREP is a process that is applied to both significant and non-significant entities, considering the principle of proportionality. The frequency and depth of the assessment made in the SREP by the supervisor can vary according to: (i) the potential impact of each institution on the financial system and (ii) the respective risk profile.

The analysis made by the supervisor within the scope of the SREP establishes that the risks to which the institutions are exposed must be assessed. This analysis should include: (i) the business model, (ii) internal governance and risk management, (iii) risks for capital and (iv) risks for liquidity and financing.

Following this analysis, an overall assessment is made based on a holistic approach, where decisions are taken relating to quantitative capital and liquidity measures, as well as other supervisory measures.

The following exercises are included in this approach of SREP by the supervisor:

Risk assessment

Risk assessment allows continuous evaluation of the risk levels to which the institution is exposed and, consequently, it allows the establishment of the respective internal controls. This assessment is based on a quantitative and qualitative analysis and uses retrospective and prospective indicators.

Risks that have an impact on capital and liquidity are assessed by risk levels and by the corresponding risk control/mitigation procedures implemented. The Bank of Portugal assesses business risk and profitability of the institutions, as well as the respective internal governance and risk management framework. All evaluations are later integrated into a global assessment.

Assessment of Capital and Liquidity Adequacy

The SREP comprises a comprehensive review of the internal processes of capital adequacy assessment – ICAAP and liquidity adequacy assessment – ILAAP. These are key risk management processes for all institutions, which help to determine capital and liquidity requirements.

The supervisor assesses the fulfilment of the capital requirements defined in Pillar I of the Basel Accords, which are considered as minimum limits. Furthermore, institutions should set up specific additional own funds and liquidity requirements to cover risks not covered, or not fully covered, by Pillar I. For this purpose, institutions must use internal methods of measurement and assessment, which are then reflected in their ICAAP and ILAAP processes.

Quantification of Capital and Liquidity

In SREP exercise, Bank of Portugal uses various information provided by each institution, such as: (i) periodic regulatory reporting, (ii) ICAAP and ILAAP reports, (iii) risk appetite framework, (iv) supervisory benchmarks or proxies used to verify and test institutions' own estimates, (v) risk

assessment results, (vi) stress test results, and also takes in consideration (vii) general priorities of the Bank of Portugal concerning risks thematic.

Based on the information analyzed and assessed throughout the SREP, Bank of Portugal makes an overall assessment of the adequacy of the equity funds and liquidity of the credit institution and prepares decisions and recommendations. SREP decisions include an overall conclusion on the adequate level of equity funds and liquidity of the institution assessed. They may also include qualitative measures recommended, such as ones for addressing deficiencies in the institutions' risk management. The conclusions of this analysis and any corrective action necessary are communicated to the credit institution, which is given the opportunity to present in writing to the Bank of Portugal observations on the facts, objections, and legal grounds relevant for the decision.

4.4.4. RECOVERY PLAN

The Recovery Plan is an instrument designed to help financial institutions prepare for financial crisis management. The Recovery Plan describes the measures and procedures to be adopted to return to financial equilibrium and normal operation of the business after the occurrence of an event of this kind.

The main objectives of the Recovery Plan involve establishing an organized and preventive planning process of the management measures to follow in the event of a financial crisis, idiosyncratic or systemic, ensuring that the Bank has the capacity to react in a timely and adequate manner to it.

The regulatory framework for this reporting is Notice no. 2/2024, Articles 116-G to 116-O of the RGICSF (according to the numbering assigned by Law No. 23-A/2022, of December 9) and Delegated Regulation (EU) 2016/1075 of the Commission.

BiG's Recovery Plan provides a set of recovery measures aimed at strengthening the Bank's liquidity, capital, or

equity funds, describing the mechanisms and assumptions underlying their possible triggering in a scenario of severe macro-economic and financial tension. These mechanisms can be, namely, the possibility of the divestment of the Bank's assets to correct financial shortfalls or needs, access to means of financing as a way to maintain the normal development of the activity, and a capital increase in order to reinforce the levels of solvency of the Bank.

As a component of the management process, and for the purpose of preparing the Recovery Plan, BiG identified the relevant recovery indicators. These indicators can be setup on: (i) capital, (ii) liquidity, (iii) quality of the assets and (iv) profitability of the assets. The indicators are essentially preventive alerts for the activation of recovery measures defined in the Plan. These measures reflect the results from the monitoring of events and/or in results of the stress tests and analysis of scenarios made within the scope of the Bank's risk management and control structure. This monitoring allows a prompt response and immediate action to be taken to ensure the viability and financial solvency of the Bank.

The regulatory framework provides that the Recovery Plan must define an alert level and an activation level for each of the recovery indicators. If any of the triggers is reached, institutions will have to notify Bank of Portugal of that fact, as well as assess the need to take any recovery measures. These levels are preventive signals that aim to anticipate, mitigate, and avoid possible financial problems in the Institution. Besides the alert and activation levels, BiG has also defined pre-alert levels for each of the recovery indicators. These pre-alert levels constitute an internal warning and have as objective to prompt necessary measures to be taken proactively so that the alert and activation levels are never reached.

4.4.5. FUNDING AND CAPITAL PLAN

The Funding and Capital Plan is a medium to long-term forecasting exercise carried out annually by the Bank, which relates to the expected future evolution of the main

captions of results, assets, liabilities, and equity funds of the Bank. It is an element of information submitted periodically by national financial institutions to the Bank of Portugal under its functions of prudential supervision, and as contemplated in Instruction no. 18/2015 of the Bank of Portugal.

Since 2011, the year in which the requirement of this reporting by financial institutions was established, in the context of the Economic and Financial Assistance Program to Portugal, the Funding and Capital Plan has undergone several changes, including in its frequency, format, content, and level of detail. Currently, the Plan is prepared and reported by the Bank annually and contains detailed forecasts of captions of results, statement of financial position, and equity funds for a time horizon of 3 years, including quarterly forecasts for the financial year ongoing at the reporting date.

The Bank’s planning process

The preparation of the Funding and Capital Plan is based on an internal medium-to-long term financial planning process coordinated by the Board of Directors. This planning process incorporates a set of expectations regarding the management of the Bank’s earning assets and sources of funding. In as much as it is a forward-looking exercise, the Bank typically assumes normal market conditions, although several risk factors with potential impact on the Bank are identified.

Normally, the Bank does not estimate a specific rate for the growth of its assets. Conversely, the growth of the Balance Sheet derives from the funds available, market conditions, and existence of a

capital base that guarantees resilience in scenarios of greater stress.

In parallel, according to market conditions, the Bank adjusts to the different business areas, products and distribution channels, in order to increase stable funding and to ensure the preservation of capital and increase revenues. It should be noted that this exercise typically takes place during the first quarter of the year, and so the projections may not coincide with the actual results at the end of the same period.

The Bank’s planning: summary of guidelines and projected development for selected indicators

The key assumptions considered by the Bank include sustainable organic growth and a continuous focus on a business model based on low gearing, high levels of capital and comfortable levels of liquidity. BiG’s asset structure is mostly made up of financial assets with quality and liquidity, cash, and short-term investments.

The Bank’s base of earning assets has focused on investment-grade bonds and corporate and sovereign debt securities issued by Eurozone member countries and the USA. This strategy should remain stable for the next years, given the risk profile of the alternatives and based on the Board of Directors’ experience with these specific markets.

BiG’s reduced focus on traditional lending is based on the perception of risk levels and return has been inadequate over the past two decades. The Board of Directors expects that the Bank’s loans/deposits ratio will remain below the market average for the near future. In fact, given the high level of indebtedness of

Portuguese companies and families, and the growing pressure on the financial sector to generate results, the Board of Directors understands that a change in the current profile of earning assets in favor of an increase in traditional credit continues to be unattractive.

BiG’s funding structure mostly made up of a base of retail deposits, resources from other banks and the Bank’s own capital.

It is expected that the Bank’s resource profile is maintained over the next few years, above all based on stable resources and reduced dependence on the money market.

For strategic reasons, the Bank has used its capital conservatively, and this trend is expected to continue.

T.11

(Euro 000)

	2022	2023	2024	Funding and Capital Plan Mar 25	
				2025E	2026E
Total financial assets	2,296,998	2,550,613	2,681,265	3,042,642	3,242,290
% growth	-12.9%	11.0%	5.1%	13.5%	6.6%
Net credit	34,869	19,953	20,127	23,045	24,582
% growth	-15.9%	-42.8%	0.9%	14.5%	6.7%

T.12

(Euro 000)

				Funding and Capital Plan Mar 25	
	2022	2023	2024	2025E	2026E
Demand deposits	990,630	589,711	671,391	800,846	888,530
Time deposits	497,099	1,337,736	1,439,828	1,616,445	1,690,005
Other	123,716	97,127	97,460	111,589	119,032
Total client deposits	1,611,445	2,024,574	2,208,679	2,528,880	2,697,567
% growth	3.7%	25.6%	9.1%	14.5%	6.7%

T.13

				Funding and Capital Plan Mar 25	
	2022	2023	2024	2025E	2026E
Common Equity Tier 1	28.8%	31.4%	31.1%	30.2%	30.0%

5. CORPORATE GOVERNANCE

5.1. LEGAL STRUCTURE

The organizational structure reflects key aspects of the business culture, which focuses on our goal to ensure the resilience and integrity of the Bank's business model and our ability to withstand any type of crisis. To this end, we seek to be transparent, flexible, focused on market risks and manage to be able to react quickly to perceived increases in business opportunities. The business model is based on the following pillars: comfortable liquidity levels, solid asset quality and a robust capital profile. The Bank's strategy has sought to adapt to the volatile political-economic context and the challenges it poses to the financial sector.

BiG's corporate structure is headed by the Bank. At year-end, the Bank held interests in four subsidiaries:

(i) DIF Broker – *Empresa de Investimento, S.A.*, acquired in 2021;

(ii) ONETIER Partners, SCR, S.A., venture capital company with investments in FinTech companies and management of venture capital funds, namely the management of the Onetier Closed-End Venture Capital Fund, whose units are predominantly held by BiG;

(iii) BiG *Serviços Financeiros, S.A.*, financial advisory and auxiliary services company; and

(iv) *Banco BiG Moçambique, S.A.*, a wholesale bank based in Maputo, majority-owned by BiG, which began its operations in the first quarter of 2016.

The Group has also a branch in Spain, which offers wealth management and financial advisory services, in line with the Bank's specialized business model.

Additionally, the Bank holds stakes in the BiG Diversified Macro Fund and ONETIER – FCR.

The Bank's retail business combines internet-based platforms, www.big.pt and www.bancobig.es, mobile (BiG ES and BiG PT), and integrated sales teams located in Portugal and Spain, concentrated in Lisbon, Oporto and Madrid. Depending on the nature of the service, Institutional Clients have access to teams located in Lisbon, Oporto, Madrid, and Maputo.

In its business model, the Bank does not operate in offshore territories or through special purpose vehicles (SPV).

Properties occupied by the Bank are either leased or directly owned by the Bank. The Bank's head office building

at Av. 24 de Julho in Lisbon is owned directly by the Bank. In its approach to the market, the Bank uses the following brands: *BiG – Banco de Investimento Global*, *Banco BiG* and *Banco de Inversión Global*.

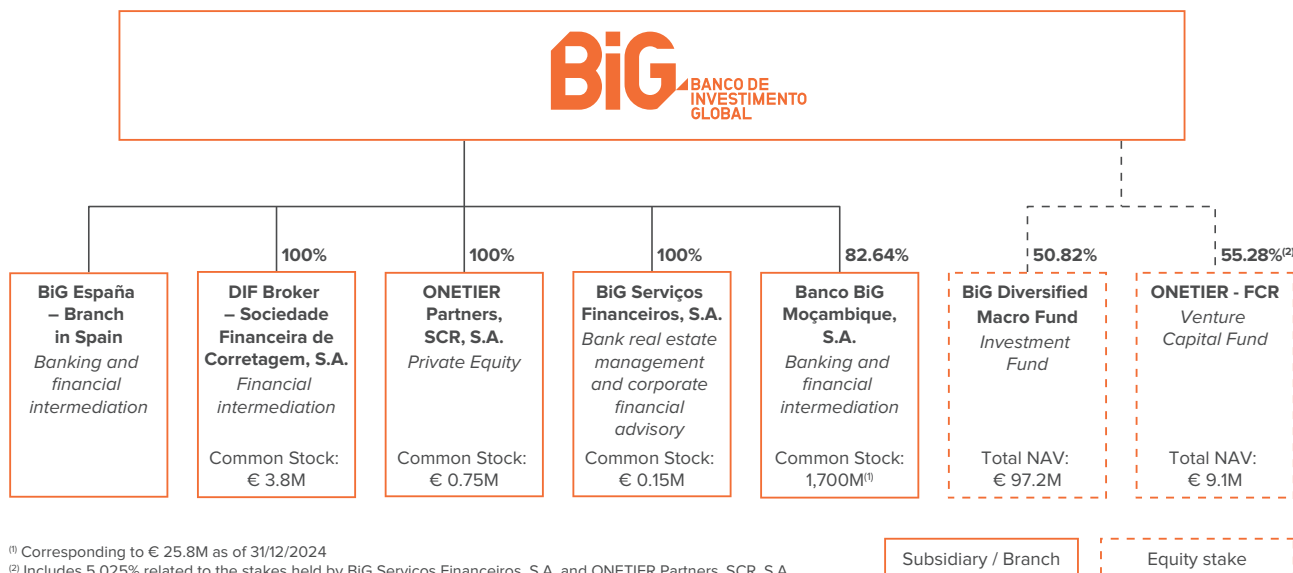
5.2. CORPORATE BODIES

Figure 5 describes BiG's governing bodies.

5.3. INTERNAL CONTROL

The system of internal control is defined by a set of strategies, systems, processes, policies and procedures established by the Board and implemented by the Executive Committee. Functional management responsibilities lie with the members of the Bank's Executive Committee, to whom the general Board of Directors has delegated day to day management. The non-executive members of the Board of Directors oversee the management of the business and the support and control areas of the Bank. As such, these members supervise the various heads of trading, front office, back office, and control functions. As part of its internal control system, the Bank also has a few committees, described in detail in Section 8 – Risk Management and Internal

F.4



F.5

BiG's Corporate Governance	
General Assembly	The General Assembly of the Bank meets at least once a year in order to shareholders to deliberate on matters assigned to it by law and the BiG Articles of Association. Its responsibilities include the election of the governing bodies, the evaluation of the annual reports and accounts, and the approval of the application of results. It is composed of a Chairman and a Secretary, elected by the shareholders for a term of four years. The members of the General Assembly's Board are independent, and the independence requirements and incompatibilities applicable to the Supervisory Board also apply to them.
Advisory Board	Typically composed of around fifteen members, it includes the main shareholders of BiG and other individuals whose presence is considered relevant. The Chairman and the members of the Advisory Board are invited by the Chairman of the Board of Directors, who also has a seat in this body. The Advisory Board when invited by the Chairman, to discuss strategy of the Bank, formulating recommendations on this matter. The decisions of the Advisory Board are not binding on the Board of Directors.
Board of Directors	Composed of seven members, it includes three members with supervisory responsibilities and four members with executive functions ("Executive Committee"), to whom the Board of Directors has delegated the responsibilities and day-to-day management of the Bank. The three non-executive/supervisory members include the Chairman of the Board of Directors and two independent members, who respectively participate in the following Board Committees: Nominations, Risks, and Remuneration. The Chairman of the Executive Committee ("CEO") is appointed from among the executive members to preside over the Executive Committee.
Fiscal Board	The Fiscal Board is the independent supervisory body, consisting of three effective members and an alternate member, elected for four-year terms. This body reports directly to the shareholders. The independent CPA performs periodic audits and also provides an opinion of the accounts.
Compensation Committee	Consisting of three independent individuals elected by the General Assembly for four-year terms, this body reports directly to the shareholders. Compensation for the Board of Directors, Audit Committee and key function holders is determined periodically by this Committee.

F.6

Internal Committees				
Portfolio Booking Review Committee	Assets & Liabilities (ALCO)	All Risks	Compliance	Credit Risk
Whistleblowing	Business Continuity Management Steering Committee	Product Governance	Validation of Findings	Model Validation

Control of this Report. These committees are an integral part of the day-to-day management of the Bank's main risks and control systems.

5.4. INTERNAL AUDIT

Internal Audit plays a key role in the Bank, acting as the third line of defense, responsible for the independent verification of the adequacy and effectiveness of the organizational culture and the internal control and governance systems.

Internal Audit is responsible for evaluating the adequacy and effectiveness of (i)

processes of risk management policies, (ii) internal control mechanisms, (iii) governance issues, and (iv) compliance with internal procedures and regulations.

Internal audit prepares audit plans using a risk-based approach, which considers the priorities set by the Board of Directors and by regulatory requirements. The audit universe includes all businesses, activities and geographic areas and considers their inherent risks and associated controls.

The Audit activity complies with international standards for Internal Audit which are verified through a quality assurance program. The Audit activity is performed

with independence, objectivity, and high standards of conduct and integrity.

This function reports directly to the Board of Directors. The communication of the results of the evaluation carried out by the Internal Audit function includes an auditor's opinion, conclusions, recommendations, and action plans. Internal Audit has procedures to monitor the degree of implementation of the agreed action plans.

5.5. RISK MANAGEMENT POLICIES AND PROCEDURES

The Bank assumes and manages risks in a prudential manner to create value for shareholders. Policies and practices are designed to control these fundamental aspects of the business, ensure a sound operating environment, and allow the Bank to meet the expectations of the stakeholders.

Risk management within the organization involves regular and frequent contacts between business units, internal control areas, and internal supervisory bodies, to ensure that general policies and procedures are well designed and implemented, disciplined, independent, objective, and quantitative. This process also seeks to guarantee compliance with regulatory standards while adopting sensible business practices. Managing risks associated with global markets, lending, processing, technology, and general business risks must be designed and monitored to ensure the integrity of the Bank's business model, to preserve stability and to enhance profitability.

With a culture of personal responsibility and mutual surveillance to the common interest, the Bank seeks to generate revenues from diversified sources. Running the business implies assuming a certain level of exposure to a variety of risks and operating within defined and reasonable guidelines. These guidelines combine common sense but also prudential aspects of the banking business, reflecting the specific experience of the Management and business managers, and are complemented via regulatory or legislative measures. Internal communications on risk matters include but is not limited to: (i) the Bank's adherence to prudential regulations, (ii) the capacity

to monitor transactions appropriately, (iii) knowledge of the clients and understanding of the markets, (iv) the regulatory environment in which the Bank operates, and (v) the appetite for bearing with certain risks given market conditions.

The main risks to which the Bank is exposed are summarized in the following graph and are described in Section 8 – Risk Management and Internal Control.

5.5.1. RISK APPETITE

Appetite for assuming risks is reviewed at regular intervals, from daily to annually, as reflected in the Bank's *Risk Appetite Framework (RAF)* document, which forms part of the Bank's annual capital adequacy self-assessment process. This appetite is reflected in limits, and controls over exposures against those limits.

This process begins with the identification of risks, followed by their quantification, control, and eventual internal and external reporting at appropriate different intervals.

Among other aspects, the definition of risk appetite takes into consideration the fact that the Bank's business relies heavily on the confidence of its employees and stakeholders, and on the reliability of its systems to process operations on a continuous and relatively error-free basis.

5.5.2. RISK MEASUREMENT

Management and control units use several different processes and techniques to review and analyze the risks to which we are exposed. These include financial, non-financial and other kinds of risks, with a primary focus on market

risks, credit risks, operational risk, and reputational risk.

Control processes, besides checking internal and prudential limits, involve a range of stress tests, performed daily, which are adjusted periodically, and which examine results of scenarios for all major asset classes and portfolios.

F.7



6. FINANCIAL PERFORMANCE

6.1. MARKET ENVIRONMENT

6.1.1. OVERVIEW

The year 2024 marked the reversal of the monetary cycle in the context of combating inflation by most central banks, both in the development and emerging markets. To this end, the U.S. Federal Reserve and the ECB reduced key interest rates by around 100 basis points, with the upper limit of the FED Funds rate set at 4.5% and the ECB deposit rate at 3%, respectively.

The global economy grew by 3.2% during the year, and inflation showed signs of stabilization, although generally still above the targets set by central banks.

The cumulative impact of rising price levels, more than the interest rate hikes (which were later reversed), asymmetrically affected the growth of the main global economic regions. The U.S. economy, supported by consumer and labor market strength, as well as technological advances and unique productivity gains achieved over the last decade, showed greater dynamism compared to Europe. In contrast, Europe was impacted by persistent recession in Germany and a sharp contraction in the industrial sector, as a result of the deflationary spiral that continued to affect the Chinese economy.

Geopolitically, uncertainty remained, with the ongoing Russia-Ukraine conflict and its human and economic impacts. The violent regional confrontation between Israel and Hamas was also impactful from a human perspective, despite a temporary ceasefire agreement towards the end of the year. Fears of direct Iranian involvement in the regional conflict did not materialize, although there were occasional retaliatory missile attacks on Israel by the Tehran regime.

The end of the year was also marked by the U.S. presidential elections, which resulted in the return of Donald Trump to the White House. His campaign was based on protectionist policies, deregulation, and tax cuts. After Trump's election, U.S. risk-free interest rates rose by more than 100 basis points, reflecting the rise in real rates associated with greater economic optimism, despite inflation expectations remaining anchored during the same period, compared to historical trends.

6.1.2. MACROECONOMIC INDICATORS AND ECONOMIC TRENDS

EUA

The U.S. economy continued to perform strongly in 2024, virtually immune to the monetary tightening implemented by the FED in the previous years, with a growth of 2.8% for the year, in line with the 2023 figure (2.9%). From the perspective of aggregate production, consumption – the main driver of economic growth – remained exceptionally resilient, growing 2.8% year-on-year. This performance was supported by the continuation of a robust labor market, benefiting from a dual positive effect, both quantitative and qualitative, namely historically low unemployment rates and real wage growth following the ongoing normalization of inflation.

Also noteworthy is the favorable performance of both public and private investment, which showed year-on-year growths of 3.4% and 4.0%, respectively. The strength of the U.S. consumer was reflected in the worsening trade deficit between the United States and its trading partners, which resulted in a sharper rise in imports (+5.4%) compared to exports (+3.2%). The strong economic performance in the U.S. suggested risks of

T.14

Macroeconomic Indicators and Economic Trends – Detail	% Real GDP growth			Inflation		
	2023	2024E	2025E	2023	2024E	2025E
World	3.2	3.2	2.9	3.3	3.2	2.9
Developed Economies	1.9	1.8	1.8	5.7	3.9	3.2
USA	2.9	2.8	2.3	4.1	3	2.8
Euro Zone	0.4	0.7	0.9	5.5	2.4	2.2
Germany	-0.3	-0.2	0.3	6.1	2.5	2.3
Spain	2.7	3.2	2.5	3.4	2.9	2.3
Portugal	2.6	1.9	1.9	5.3	2.7	2
Japan	1.5	0.1	1.2	3.3	2.7	2.5
United Kingdom	0.4	0.9	1	7.4	2.5	2.8
Emergent Economies	4.4	5	4.2	5.8	6.6	3.4
Emergent Asia	5.1	5.3	4.5	1.7	1.4	1.6
Latin America	1.9	2.2	2.7	22.8	34.5	8.7
China	5.4	5	4.5	0.2	0.2	0.7
India	7.6	9.2	6.3	5.7	5	4.8
Russia	4	4.1	1.6	6	8.4	8
Brazil	3.3	3.4	2.1	4.6	4.4	5.1

Source: Bloomberg

structurally higher inflation, which would complicate the FED's monetary normalization process, particularly under the new administration. The "super-core" inflation remained above 4%, as did wage growth, making it difficult to foresee a reduction in inflation below 2%.

The financing conditions for the U.S. economy remained relatively favorable. The rise in market interest rates and the gradual steepening of the yield curve could complement the FED's actions towards tighter monetary policy.

In November, the presidential election was held, resulting in the return of Donald Trump to the White House. It is expected that the elected president will continue policies of deregulation, tax cuts, and the widespread application of tariffs on trading partners, the impact of which on price dynamics and global growth remains highly uncertain but will certainly have negative consequences. The trajectory of the U.S. deficit and debt shows signs of concern, with the amount of interest payments made by the U.S. Treasury more than doubling over the last two years.

Euro Zone

The Eurozone economy recorded a growth of 0.7% in 2024, reflecting a slightly better performance compared to 2023 (+0.4%). However, there was still considerable fragmentation between the resilience of the services sector and the significantly depressed levels of manufacturing, leading to highly asymmetric GDP growth rates between Southern and Core countries. In particular, Germany registered a contraction in activity of 0.2% of GDP. The residual effects of the monetary tightening implemented by the ECB, weak external demand due to the deflationary context of the Chinese economy – the main destination for exports that drive the German economy – and the significant dependence on the energy sector, heavily impacted by the continuation of the conflict between Russia and Ukraine, represented a combination of factors – that considerably hindered the economic performance in Europe. The end of the year was also marked by political instability in countries such as Germany and

France, reflecting the growing social dissatisfaction affecting the European Bloc, which has failed to drive technological progress and remains excessively dependent on traditional sectors, alongside long-standing political constraints. As mentioned in the Draghi Report published in September 2024, Europe is running an aggregate budget deficit around 3% of GDP and is in need of a significant fiscal shock to correct its failed trajectory, from which it has been unable to escape for the last 15 years, and to leverage new avenues of growth in the future. This fragile economic scenario is expected to pressure the ECB to continue reducing interest rates throughout 2025, with the possibility that Eurozone rates could break below the theoretically neutral level, which should be around 2% in the current cycle.

The weakness of the Euro, while generally positive for export activity, has an overall inflationary effect on price dynamics, a situation that, alongside the significant rise in wages in the Eurozone (which in 2024 reached the highest year-on-year growth of the 21st century), constitutes an additional risk for any potential excessive monetary policy easing that the ECB may pursue in 2025.

Portugal

In the course of 2024, GDP recorded a growth of 1.9% in volume, after a 2.5% increase in 2023. Domestic demand made a positive contribution to the annual GDP change, higher than the previous year, reflecting the acceleration of final consumption expenditures, while investment slowed down. The contribution of net external demand was negative in 2024, after being positive in the previous two years, as imports of goods and services in volume slowed down, while exports maintained growth similar to that observed in the previous year.

The idiosyncratic profile of the Portuguese economy, characterized by an excessive dependence on tourism – a deliberate strategy adopted by the country after the Troika period – ended up driving Portugal's economic performance, placing it above its European peers

in recent years. The accumulated inflation of over 30% in the last five years has had the effect of boosting the state's fiscal revenues and triggering a more favorable trajectory for public debt metrics, with the Debt/GDP ratio below the 100% benchmark.

Portugal's economy growth is expected to exceed the 2% threshold in 2025, gradually reducing in the subsequent years. This growing dynamism reflects a more favorable environment, with improved financial conditions, expected acceleration of external demand, and increased inflows of European Union funds. The labor market remains robust, with employment increases and a sharp rise in nominal wages, alongside low unemployment. The expansionary and pro-cyclical orientation of fiscal policy also contributes to the greater dynamism of economic activity.

6.2. EARNINGS IN 2024

6.2.1. OPERATING INCOME

In 2024, consolidated Operating Income amounted to € 85.3 million, an increase of 6.4% compared to 2023, essentially driven by the performance in net margin and net commissions.

Table 15 summarizes the main components of Operating Income in 2024 and in prior years.

The net interest income reached € 46.7 million, compared to € 36.9 million in 2023, reflecting the evolution of the market context. The Bank maintained the high quality and liquidity of its balance sheet assets, despite a relatively lower proportion of demand deposits compared to the national banking sector average, reflecting the investment and savings-focused profile of the Bank's customers.

Net commissions derive largely from asset management and brokerage activities with retail and wholesale clients. These businesses include a variety of managed investments and largely self-directed, client trading platforms made available to clients who can trade cash

T.15

(Euro 000)

Revenues	2024	2023	2022	2021
Interest income	113,098	81,239	53,657	36,794
Interest expense	-66,435	-44,303	-25,268	-16,851
Net interest margin	46,663	36,936	28,388	19,943
Income from capital instruments	116	100	129	47
Fee and comission income	22,056	19,353	21,837	19,570
Fee and comission expenses	-4,232	-4,158	-4,328	-3,868
Profit/loss of assets and liabilities at fair value through Profit & Loss	8,099	24,373	2,223	1,234
Financial assets at fair value through other comprehensive income	8,481	4,465	500	16,651
Exchange differences, net	3,815	-1,907	7,495	8,535
Income from the sale of other assets	0	0	1	29
Other income	326	1,038	195	294
Net operating income	85,324	80,200	56,440	62,435

equities, warrants, futures, foreign exchange, and contract for difference. This category also includes fees from distribution and custody services, banking fees, such as revenues from ATMs, and retainers and commissions associated with corporate advisory mandates. Total net commissions were 14.0% higher than in 2023, reflecting increased customer activity and growth in Spain.

The net interest margin and net commissions represented 75.6% of operating income in 2024. This performance is in line with the Bank's strategy of strengthening the most recurrent components of net operating revenues (net interest income and commissions) and reflects the focus on developing the Wealth Management business area over the last few years, a trend that is expected to continue.

The remaining component of operating income essentially corresponds to income from trading and investment activities (Treasury and Capital Markets) related to a diversified portfolio of liquid fixed income assets associated with active management of diversified credit concentrations, maturities, and country risks. This portfolio is key to managing the Bank's liquidity and interest rate positions.

These revenues tend to be highly dependent on market conditions. In a context where long-term interest rates in Europe remained high and, in general, higher than at the end of 2023, revenues from trading and investment activities

amounted to € 20.8 million, compared to € 28.1 million in 2023.

The Bank's Operating Income over the next few years is expected to continue to derive mainly from the categories described above (net interest income, commissions and treasury and capital markets). In particular, the Bank's business and balance sheet management will be aimed, as mentioned above, to strengthen more recurrent components of income: net interest income and commissions. The proportions may vary depending on the evolution of market conditions and the Bank's performance, notably with respect to client deposits, assets under custody, and assets under management, while maintaining a focus on discipline and strict adherence to BiG's values and culture, in particular the financial pillars of soundness, asset quality, liquidity, and efficiency.

6.2.2. OPERATING COSTS

In 2024, operating costs amount to € 45.0 million, compared to 42.4 million in 2023, translating a rise of 6.1%.

Table 16 summarizes the different components of operating costs.

Operating costs include administrative expenses, cash contributions to resolution funds, depreciation and amortization, provisions, and impairments. Overall, operating costs are essentially influenced by remuneration, growth in the number of employees, external supply costs and

the management's confidence regarding levels of business activity.

Staff expenses, other administrative expenses and depreciation and amortization, together totaled € 44.8 million, an increase of 5.2% compared to 2023. Staff expenses increased by 6.9% due to the inflationary pressures of recent years, which have been reflected in the labor market.

The administrative expenses item includes costs with communications, information services, publicity, licensing, agreements with stock exchanges and related suppliers, consultants, contribution from the banking sector, rents and other expenses related to the day-to-day operation of the Bank. These costs are correlated with inflation, the evolution of the business and staff, as well as specific investments.

In turn, amortization and depreciation expenses are mainly due to real estate occupied by the Bank, investments in hardware and other equipment, initial licensing fees with software agreements and rights of use resulting from leases, namely real estate and vehicle leasing contracts. The portion associated with premises includes the head office building and investments in and improvements to the Bank's branch and ATM network. The Bank regularly invests in its IT infrastructure to ensure quality execution, state-of-the-art security and appropriate redundancy. The Bank invests in third-party IT solutions and equipment to support infrastructure and

T.16

(Euro 000)

Operating Costs	2024	2023	2022	2021
Administrative expenses				
Staff expenses	-26,074	-24,383	-21,233	-21,070
Other administrative expenses	-15,791	-14,922	-13,591	-12,548
Cash Contributions	-284	-1,072	-1,165	-1,228
Depreciation	-2,920	-3,271	-3,473	-3,187
Provisions	-11	-61	319	1,056
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss				
Financial assets at fair value through other comprehensive income	89	1,310	-1,452	-475
Financial assets at amortised cost	-89	15	-1,242	-32
Financial asset available for sale	0	0	0	0
Impairment or reversal of impairment on non-financial assets				
Other	87	-35	-1	-118
Total costs	-44,994	-42,419	-41,839	-37,603

has dedicated resources to managing the infrastructure with in-house solutions.

Notwithstanding the increase in costs, due to the rise in revenues, the Cost-to-income ratio decreased to 52.5% in 2024, compared to 53.1% in the previous year, reflecting greater efficiency.

The operating costs structure also includes cash contributions to the Portuguese Resolution Fund, namely associated with the various bank resolutions that have occurred since 2014, as well as to the European Resolution Fund.

In light of the above, and as illustrated in Table 17, Operating results and Pre-Tax Profit amounted to € 40.3 million in 2024, compared to € 37.8 million in 2023.

The tax rate on the Bank's profit before tax and minority interests in 2024 was 24.1 per cent, compared to 26.7 per cent in 2023.

6.3. RESULTS OF BUSINESS LINES

Internally, Management reviews the performance of the Bank at the level of major business lines, sales teams and product areas, based on objective criteria and on the Bank's accounting records. Performance is reviewed at various levels and for numerous individual profit centers. These, for purposes of presentation, are combined below into two broad segments: *Wealth Management and Advisory* activities, and *Treasury and Capital Markets*.

Operating results on a "management" basis involve allocating revenues and expenses by client segment or business area. The operating costs of each business area include direct costs and indirect costs, which are allocated based on criteria defined by the Executive Committee.

6.3.1. WEALTH MANAGEMENT AND ADVISORY

Table 18 contains a summary of the results associated with the Wealth Management and Advisory business area.

The combined business areas under general *Wealth Management and Advisory Services* contributed € 46.1 million to net revenues in 2024, compared to € 47.7 in 2023. Growth in this segment tends to be slow and sustainable, rather than immediate and disruptive.

Contributing to total revenues in this segment were net commissions – from brokerage, asset management, financial advisory and other banking services – and net interest margin associated with client funds raised by this business area. In effect, the Bank's client-related funding essentially comes from this area.

T.17

(Euro 000)

Results and Taxation	2024	2023	2022	2021
Operating results	40,331	37,781	14,601	24,831
Profit or loss before tax and minority interests	40,331	37,781	14,601	24,831
Tax expense or (-) income related to profit or loss from continuing operations				
Current Taxes	-8,810	-8,714	-3,606	-2,097
Deferred Taxes	-915	-1,374	-275	-987
Net income before minority interests	30,607	27,693	10,720	21,748
Minority Interests	-3,568	-3,498	-479	-546
Profit or loss for the year	27,038	24,195	10,241	21,201

T.18

(Euro 000)

Wealth Management and Advisory Services	2024	(%)	2023	(%)	2022	(%)	2021	(%)
Fees and Commissions - Core Business	18,379	40%	15,544	33%	16,242	38%	13,633	39%
Margin	12,901	28%	10,396	22%	9,589	22%	7,740	22%
Other Banking Commissions	1,385	3%	497	1%	760	2%	901	3%
Trading / Sales	1,282	3%	858	2%	1,297	3%	1,700	5%
Corporate Finance	1,366	3%	1,157	2%	1,517	4%	1,485	4%
Additional Margin Allocated	10,754	23%	19,210	40%	13,541	32%	9,496	27%
Net Revenues	46,068	100%	47,661	100%	42,944	100%	34,955	100%
Operating Costs	-31,797		-29,338		-27,712		-26,380	
Pre-tax Income	14,271		18,322		15,233		8,574	
% Operating Revenues / Total Segments Revenues	54%		59%		77%		56%	
% Operating Costs / Total Segments Costs	83%		77%		72%		78%	

The retail sub-segment of BIG *Wealth Management and Advisory* business is a combination of brokerage and investment platforms and an integrated, specialized banking offering for the private individual. The approach combines “high touch,” or personalized service, with “low touch,” associated with electronic means of transacting business. Products and services include cash accounts, debit and credit cards, payment services and, to a lesser extent, certain consumer credit arrangements, such as margin accounts. The platforms provide a range of savings and investment products from general banking and credit arrangements for the client requiring assistance, to more sophisticated online trading and investment platforms for self-directed clients. These include trading in equities, ETF’s, warrants, futures, CFDs, and third-party mutual funds.

The Bank reaches clients via different channels, including internet, telephone and physical branches, staffed by financial consultants. The range of products and distribution methods are designed to efficiently target clients with different investment profiles, appetite for risk, transaction needs and profiles.

The Institutional and Corporate Advisory sub-segments of this business feature specialized sales teams and tailored solutions for wholesale clients with specific needs. Product offerings include institutional asset management, brokerage, risk

management, sales of tailored investment products, and independent advisory services and capital markets for corporate, banking and institutional clients.

6.3.2. TREASURY AND CAPITAL MARKETS

Table 19 contains a summary of the results associated with the Treasury and Capital Markets business area.

The Treasury and Capital Markets business segment seeks to generate revenues, while managing the exposure of the Bank to interest rates, foreign exchange market, fixed income, equities and derivative instruments.

The business focuses on managing the Bank’s liquidity and exposure to interest rate risk, in conjunction with credit activities and their concentrations. Credit exposures feature liquid debt instruments of quality corporate, financial, and sovereign issuers for a variety of maturities. The Bank may also trade in major foreign currency instruments, interest rate and equity futures, futures on major indices and similar instruments, mainly in connection with its hedging activities. In managing the various trading books, the team’s activity touches on many areas internally and is a source of expertise, market risk management and consistent profitability for the organization.

6.4. STATEMENT OF FINANCIAL POSITION AND SOURCES OF FUNDING

Management’s view on risks and the evolution of the balance sheet takes into consideration the stability of core capital, mainly through reinvested earnings, the evolution of customer deposits, the existence of acquisition opportunities and the core objectives of ensuring prudent levels of liquidity and solvency at all times.

Paying close attention to the size and composition of the Bank’s balance sheet is one of Management’s most important exercises in risk management. Assets and liabilities frequently change due to client activity, market conditions and available business opportunities, but the size and composition of the Bank’s balance sheet at any given time may reflect a variety of factors. These include (i) the nature and availability of stable sources of funding, (ii) the level of the Bank’s capital or own funds, based on actual and stressed, or hypothetical, levels, and (iii) Management’s overall view of opportunities and associated risks. The process involves regular review of Management’s appetite for risk, planning of available investment opportunities and funding strategies via the ALCO (asset and liability) committee, definition of limits on balance sheet growth by business, asset class or concentration, daily monitoring of key metrics by Risk

T.19

(Euro 000)

Treasury & Capital Markets	2024	(%)	2023	(%)	2022	(%)	2021	(%)
Income from capital instruments	116	0%	100	0%	129	1%	47	0%
Profit/loss of assets and liabilities at fair value through Profit & Loss	8,481	22%	4,465	14%	500	4%	1,234	5%
Gains or losses with financial assets and liabilities at fair value through profit or loss and hedge accounting	8,099	21%	24,373	74%	2,223	18%	16,651	63%
Exchange differences, net	2,533	6%	-2,765	-8%	6,198	50%	6,835	26%
Results from sale of other assets	0	0%	0	0%	1	0%	29	0%
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	89	0%	1,310	4%	-1,452	-12%	-475	-2%
Additional Margin Allocated	20,440	52%	5,898	18%	5,259	43%	2,744	10%
Fees paid	-510	-1%	-442	-1%	-509	-4%	-498	-2%
Net Revenues	39,248	100%	32,939	100%	12,348	100%	26,566	100%
Operating Costs	-9,183		-9,007		-11,350		-7,527	
Pre-tax Income	30,065		23,932		998		19,537	
% Operating Revenues/ Total Segments Revenues	50%		41%		23%		44%	
% Operating Costs / Total Segments Costs	23%		23%		28%		22%	

Management, and importantly, the use of scenario analyses and stress tests as an essential tool in maintaining financial discipline. Most earning assets of the Group are securities classified as (i) financial assets at fair value through other comprehensive income, marked to market daily and are used to manage the Group's exposure to movements in interest rates and (ii) financial assets at amortized cost, including assets in the medium-term financial margin portfolio, constituted in 2022 in the context of defining a new business model aimed at strengthening the contribution of financial margin to the Group's operating income.

Our risk framework has been based, for many years, on a core strategy of maintaining a liquid balance sheet. The Bank's processes and procedures encourage a dynamic management of our assets and liabilities and include:

- ▲ Daily review and at least weekly planning of key asset and liability items;
- ▲ Daily monitoring of key risk measures and use of capital;
- ▲ Analysis of different scenarios compiled and measured daily;

▲ Annual projections of funding and capital requirements for a multi-year period;

▲ Annual review of limits (or more frequently, as required).

Some key interrelated concepts of liquidity management, asset quality control and capital adequacy are presented in sections 8.3, 8.4 and 8.7 of this Report.

In general, the changes in the nature of the Group's balance sheet over the years have been gradual. Accordingly, there have been no significant changes in 2024. Table 20 summarizes some of the key indicators of the Group's consolidated balance sheet in 2024 and in prior years.

Total consolidated net assets at the end of 2024 were approximately € 2.8 billion, compared to € 2.7 billion at the end of 2023. This evolution reflects the increase in total earning assets of about 5.1 % to € 2.7 billion.

Deposits with Banks and with other financial institutions are used by the Bank to manage short-term liquidity and reserve requirements with the Central Bank and counterparties.

The "Financial assets measured at fair value through other comprehensive income (HTCS)" category includes a mix of sovereign debt, financial debt, and senior debt securities. Among the factors that may affect the size of this portfolio are opportunities to generate margin or investment income throughout the year.

The item "Financial assets at amortized cost – Debt securities" relates to the assets in the *Hold to Collect* portfolios, including the medium-term financial margin portfolio.

The item "Financial assets at amortized cost – Loans and advances – Clients" refers to credit, a portion of which is composed of current account credits (margin accounts) to retail customers. At the end of 2024, virtually all credit assets in this class were fully collateralized by real estate and/or securities and are consequently low risk. Funding of this nature to clients tends to correlate positively with performance in financial markets and, this way, to decline in periods of stress (see Section 8.10 – Credit and Investment Risk).

The decision to hold assets to take advantage of margin or to divest is discussed daily and also, more formally,

T.20

(Euro 000)

Key Balance Sheet Items	2024	2023	2022	2021
Total Net Assets	2,803,349	2,663,349	2,436,983	2,772,027
Earning Assets	2,672,113	2,541,526	2,241,427	2,635,644
Loans to Total Net Assets	0.7%	0.7%	1.4%	1.5%
Deposits from Central Banks	0	0	25,017	50,000
Funding from other Credit Institutions	65,741	131,719	323,944	496,759
Deposits from Clients	2,208,679	2,024,574	1,611,445	1,553,889

T.21

(Euro 000)

Earning Assets	2024	2023	2022	2021
Deposits with Banks	278,465	386,842	246,416	219,057
Financial assets held for trading	85,453	73,312	54,722	75,459
Non-trading financial assets mandatorily at fair value through profit or loss	8,167	8,689	7,787	5,872
Financial Assets designated at fair value through profit or loss	7,604	8,551	2,375	1,556
Financial assets at fair value through other comprehensive income	1,216,201	1,069,926	1,013,518	1,746,150
Financial assets at amortized cost				
Debt securities	962,166	886,193	847,123	338,030
Loans and advances - Clients	20,127	19,953	34,869	41,467
Loans and advances - Banks	93,930	88,060	34,616	208,053
Total	2,672,113	2,541,526	2,241,427	2,635,644

at the level of the Asset and Liability Committee (ALCO), which takes into consideration market concentrations and the Bank's overall liquidity profile.

At the funding level, the Group's main sources of funding were, as in prior years, client deposits, and shareholder funds, as well as, to a lesser extent, sale/repurchase agreements at favorable rates with market counterparties such as EUREX Repo and other banks.

Client deposits are primarily retail in nature, and grew over € 2.2 billion, reflecting the Bank's growth in the Spanish market.

ALCO provides insight into the nature of the concentrations and liquidity of the Bank's assets and conservative

management with respect to the composition of funding referred to above. The Board seeks to ensure that substantial net surplus cash positions exist to cover normal or hypothetical capital outflows. For more information regarding secured funding and client deposits, see Section 8.8 – Liquidity Risk and Note 45 of the Notes to the Consolidated Accounts.

The Bank's consolidated shareholders' capital at the end of 2024 was € 405.3 million, compared to € 390.7 million at the end of 2023. The increase reflects, fundamentally the positive results achieved during 2024, as well as the positive variation on "Other accumulated comprehensive income" associated with the mark-to-market evolution of assets in the "Hold to Collect and Sell" portfolio.

BiG is regulated by the Bank of Portugal and, in accordance with banking regulations, is subject to consolidated, risk-based capital requirements. In broad terms, regulatory capital, which is reported regularly, is used as the basis for assessing key aspects of the banking business and involves a number of regular adjustments to the Bank's capital line. Capital requirements are presented as capital ratios that compare adjusted capital to risk-weighted assets. The Tier 1 ratio and other solvency ratios reported regularly by the Bank are a key part of the regulatory capital process.

In light of the above, some of the key performance metrics in 2024 and previous years are summarized in Table 25.

T.22

(Euro 000)

Main Liabilities and Capital	2024	2023	2022	2021
Financial liabilities held for trading	5,808	3	0	25,820
Financial liabilities designated at fair value through profit and loss	0	19,040	20,831	156,233
Deposits from Clients	2,208,679	2,024,574	1,611,445	1,553,889
Deposits from central banks	0	0	25,017	50,000
Deposits from other banks	65,741	131,719	323,944	496,759
Shareholder funds	405,261	390,667	350,043	412,681

T.23

(Euro 000)

Shareholders Capital	2024	2023	2022	2021
Common Stock	186,947	186,947	186,947	186,947
Share premium	1,362	1,362	1,362	1,362
Treasury Stock	-2	-2	-2	-2
Accumulated other comprehensive income	-49,086	-56,989	-86,398	-21,788
Other Reserves	242,071	236,068	232,347	220,111
Profit or loss attributable to owners of the parent	27,038	24,195	10,241	21,201
Anticipated Dividends	-9,347	-6,543	0	0
Minority Interest	6,278	5,629	5,545	4,849
Total Shareholders Capital	405,261	390,667	350,043	412,681
Book value per share	2.17	2.09	1.87	2.21
Net assets / Equity	6.92	6.82	6.96	6.72

T.24

(Euro 000)

Consolidated Regulatory Capital	2024	2023	2022	2021
Shareholders Equity	405,261	390,667	350,043	412,681
Anticipated Dividends	9,347	6,543	0	0
Net Income	-27,038	-24,195	-10,241	-21,201
Intangible Assets	-10,674	-11,457	-11,373	-11,790
Loans to Employees	-151	-161	-344	-344
Value adjustments due to the requirements for prudent valuation	-1,358	-1,209	-1,155	-2,044
Other	-5,771	-2,885	-10,865	-2,490
Own Funds	369,616	357,303	316,065	374,812
Risk-Weighted Assets	1,190,209	1,136,430	1,099,231	1,088,419
CET 1 Capital Ratio	31.1%	31.4%	28.8%	34.4%
T1 Capital Ratio	31.1%	31.4%	28.8%	34.4%

T.25

Performance Measures	2024	2023	2022	2021
Profitability				
Return on Assets (ROA)	1.0%	0.9%	0.4%	0.9%
Return on Equity (ROE)	7.7%	7.5%	2.8%	5.2%
Operating Revenues/Average Net Assets	3.1%	3.1%	2.2%	2.5%
Efficiency				
Net Margin/Earning Assets	1.7%	1.5%	1.3%	0.8%
Cost-to-Income	52.5%	53.1%	67.9%	58.9%
Personnel Expenses/Operating Income	30.6%	30.4%	37.6%	33.7%
Solvency				
CET1 Capital Ratio	31.1%	31.4%	28.8%	34.4%
T1 Capital Ratio	31.1%	31.4%	28.8%	34.4%

The return on average equity (ROE) in 2024 was 7.7%, compared to 7.5% in 2023. In terms of efficiency, the cost-to-income ratio stood at 52.5%, down from 53.1% in 2023. The Bank maintained comfortable capital levels, with the T1 Capital Ratio standing at 31.1% at year-end.

6.5. RISK FACTORS AFFECTING THE BANKING BUSINESS

The Bank manages a number of risks inherent to the banking business. In addition, the risks summarized previously and discussed in greater detail in this Management Report and in the Notes to the Consolidated Accounts, economic, political, competitive and regulatory conditions and changes also affect the Bank's business.

These include the following geopolitical risk factors:

- ▲ Political, economic and social impacts due to the international military conflicts, particularly in Ukraine and the Middle East;
- ▲ Impacts on the financial markets resulting from tensions of various kinds at international level, particularly between major powers;
- ▲ Institutional disruptions at the international level due to changes in diplomatic, commercial, financial, and military policies by major blocs, particularly the U.S.;
- ▲ Political instability at national or international level;
- ▲ Political instability and fragmentation in Europe;
- ▲ Growing divergences between the EU on one hand, and the U.S. and China on the other, particularly due to a focus on regulation, consumer protection, and environmental policies vs. deregulation and promotion of economic growth.

Additionally, the following economic and financial risk factors are identified:

- ▲ Global trade disputes, with the imposition of tariffs and other barriers to international trade and the consequent effects on the economy and financial system;
- ▲ Changes in monetary policy or potential interference by political agents in the monetary policy of major international blocs;
- ▲ A new rise in inflation, particularly driven by military conflicts or global trade disputes, necessitating a reversal of monetary policies;
- ▲ Potentially significant corrections in the valuation of assets in sectors with high appreciation in recent years (e.g. technology, real estate), resulting in market instability;
- ▲ Possible waves of instability in the financial sector, namely due to a lack of confidence on the part of depositors, creditors and/or shareholders;
- ▲ Regulatory or prudential changes with an impact on the financial sector;
- ▲ Continued growth and complexity of the regulatory and legislative burden on the banking industry;
- ▲ Disruptions in international markets, particularly in the energy sector, commodities, and other goods and services with global impact;
- ▲ Economic slowdown and/or recession, particularly in core Eurozone countries;
- ▲ Rating downgrades in bond/issues with potential increased credit/default risk;
- ▲ Risks of significant fluctuations in interest rates and credit spreads;
- ▲ Restrictions on access to funding from market counterparties, namely in the use of securities as funding collateral.

6.6. EVENTS FOLLOWING THE YEAR END 2024

Market conditions and political instability

Financial markets have shown high levels of volatility. At the beginning of 2025, following the inauguration of the new administration in the U.S., global political tensions increased, already heavily influenced by the wars in the Middle East and Ukraine. Economically, announcements of protectionist policies have undermined trade relations and global growth objectives. Additionally, there are impacts on areas such as health, education, migration, and international security, with the U.S. withdrawal from several global health and education organizations and the start of ceasefire negotiations with Russia without the participation of Ukraine and Europe. At the time of this report, there remains a high degree of uncertainty regarding the impact of the measures adopted and planned.

Uncertainty regarding the effects of the ECB's restrictive monetary policy

After a period of aggressive tightening of interest rates in 2023, there was a reverse tendency in monetary policy in 2024. In January and March 2025, the ECB implemented two 25 basis point cuts in the key interest rates, setting the deposit rate at 2.50%. Although inflation in the Eurozone is approaching the 2% target, the ECB remains cautious regarding further rate cuts. It is expected that the key interest rates will stabilize throughout 2025, reflecting the ECB's focus on stimulating economic growth in the Eurozone, in the context of increasing trade tensions, notably resulting from the proposal by the new U.S. President to impose a 25% tariff on European cars and products.

7. ESG RESPONSIBILITY

Since its foundation, BiG has acted responsibly in a number of areas, making a commitment to sustainability issues, particularly environmental, social and internal governance issues, recognizing their importance for a sustainable and responsible economy.

In fact, despite the high technical and scientific complexity of sustainability issues and the novelty of measuring environmental and social risks and factors and their impact on financial performance, BiG recognizes the growing need to train human resources and strengthen the technical resources of market agents in order to address the challenges of this issue.

BiG has made efforts to monitor legal and regulatory developments, in order to remain compliant with its positioning and within the requirements of supervisory bodies in terms of sustainability.

In this regard, the Bank established an ESG Working Group in 2023, coordinated by a non-executive member of the Board of Directors, and composed of 11 members, including the CEO and the CRO. The Working Group provides support and participates, when necessary, in decisions to be made by the Board of Directors, which is ultimately responsible for defining and approving the sustainability strategy and the management of ESG risk factors, as well as overseeing their proper implementation.

The aim of this Working Group is to address the challenges arising from the growing regulatory requirements in this area and to promote the progressive integration of ESG factors into the Bank's business management. Given the relevance of the different aspects and taking into account the supervision expectations defined and the Bank's size and business model, the initial plan of activities prioritized the integration of Climate and Environmental Risks ("CER") into its risk management framework.

For illustrative purposes, the Working Group has been monitoring the review of the pre- and post-contractual information of the products and services offered by BiG in relation to sustainability, taking into

account the applicable legislation and the strategic plans of the Regulators, with the aim of enhancing the quality of the information disclosed to investors and identifying and mitigating risks.

In 2024, the Working Group also monitored the work on (i) defining a Climate and Environmental Risk Management Policy, (ii) Materiality Assessment of RCA factors, as an essential component for proper ESG risk management, and (iii) the preparation of the "Business Environmental Scan and Strategic Positioning in relation to Climate and Environmental Risks". These instruments are described in more detail in Section 7.2 – Environmental Responsibility below.

In terms of employee training, following the initiatives developed in 2022 and 2023, BiG continued its internal capacity-building efforts in the ESG area, promoting a series of training sessions. These sessions, both in-person and remote, were directed at the members of the Board of Directors, the ESG Working Group, as well as Directors from the Compliance and Risk areas, with the aim of deepening knowledge and strengthening skills.

The training focused primarily on environmental aspects, including a detailed analysis of emerging standards and regulations. Key topics covered included:

- ▲ CSRD/ESRS, which establishes new requirements for sustainability reporting;
- ▲ CSFR, which enhances financial transparency regarding climate risks;
- ▲ Double Materiality, which assesses how ESG factors affect the company's financial performance and how the company impacts the environment and society;
- ▲ CSDDD, which establishes the obligation for companies to carry out due diligence to identify, prevent, mitigate, and remedy adverse impacts in the value chains.

BiG intends to continue to carry out a survey, in the light of the principle of

proportionality and considering its size and scale of activities, on the assessment of the current situation and the definition of concrete ESG objectives to be considered. BiG will continue to address address the constraints that are mainly related to the limited information currently available on the market and the high regulatory complexity associated with this issue.

7.1. IDENTIFICATION OF SUSTAINABLE DEVELOPMENT GOALS (SDGS) WITH THE MOST SIGNIFICANT CONTRIBUTION

The Bank has identified the following Sustainable Development Goals (SDGs) as priorities for its sustainability activities:



Promotion of the population's financial literacy, contributing to more informed management of personal finances, savings

and investment. Development of employees' personal and professional skills and training activities aimed at clients, potential clients and its various stakeholders.



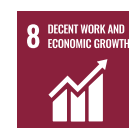
Promoting gender equality and non-discrimination between women and men, as a structuring factor in creating value

for the institution.



Reduction of energy consumption and responsible use of natural resources, contributing to the control of global

warming through measures to reduce the carbon footprint.



Promoting productivity, creativity and innovation in business development. Developing employees' skills is an important factor contributing to BiG's innovation.

Below are some initiatives that have been developed and that contribute to the selected objectives:



BiG has stood up as a promoter of inclusion and financial literacy, developing and disseminating various initiatives for both

customers and general community. Among these actions, events, webinars, and the production of different content distributed through various channels, including social media and the web, are particularly notable.

In 2024, more than 500 webinars were held, with the following initiatives standing out:

▲ *Investor Week*: An event that offered educational sessions with experts from various fields and institutions, as well as special conditions to promote financial literacy and encourage more conscious and responsible investing;

▲ *ETF Sessions*: A collaboration between BiG and VanEck, which explored different investment approaches in ETFs and provided specialized insights in this area;

▲ *Outlook*: An initiative led by BiG's Asset Management team, where perspectives on financial markets and investment opportunities for 2024 were shared.

These three events had, respectively, more than 5,400, 600, and 1,100 participants.

In addition to these initiatives, BiG continues to produce its daily podcasts, *Valor Acrescentado*, a concise summary of the main economic news and the evolution of financial markets.

As part of its collaboration with the Portuguese Banking Association (APB), BiG played an active role in financial literacy actions for the population, particularly through the delivery of financial literacy classes, conducting around 16 sessions in 2024 at secondary schools for students from grades 7 to 12.



BiG endeavors to be an inclusive bank by promoting a culture of diversity and equal opportunities.

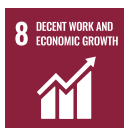


The Bank has invested in improving its energy efficiency in order to mitigate the risks related to climate change, through the use of

renewable energies (with the installation of solar energy panels in its head office building).

Additionally, for over a decade, it has been committed to the digitalization of processes and operations to limit the use of paper, having acquired and developed a process workflow system, ensuring the elimination of paper usage in these processes.

Since the 4th quarter of 2022, the Bank has been collecting its clients' ESG preferences as part of its investment consultancy and portfolio management services.



BiG has sought to modernize and streamline the bank's processes and operations, as well as Client relations through the

bank's digital channels. This positioning aims to achieve more efficient business processes, contributing to increased productivity and economic growth in the countries where the Bank operates.

In addition, since 2016 BiG has been investing in several start-up companies operating in the Fintech and Insurtech segments, thus contributing to growth, innovation and digitalization in the financial sector.

7.2. ENVIRONMENTAL RESPONSIBILITY

In recent years, the Bank has developed a significant set of measures with a positive impact on environmental responsibility resulting from its activity, as illustrated in Figure 8.

In addition to the initiatives related to the direct impact of its activity in terms of carbon emissions, the Bank has been developing a set of initiatives to gradually integrate RCA into its business strategy and risk management framework.

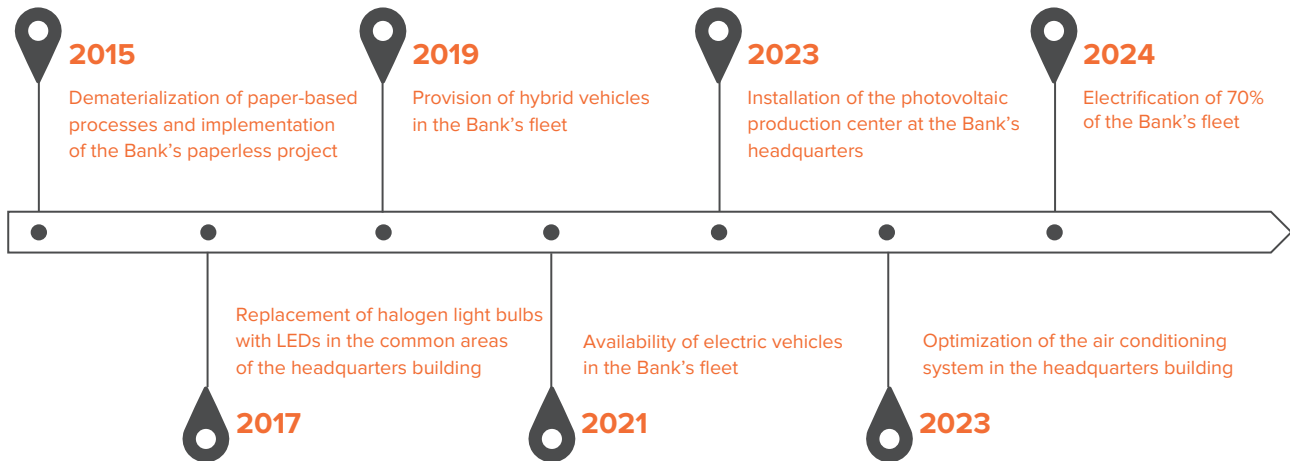
In 2021, the Bank of Portugal sent a letter to less significant institutions, setting supervisory guidelines related to the identification and management of risks associated with climate and environmental changes ("C&A risks – Climate and Environmental"), in four dimensions: (i) strategy and business models, (ii) internal governance policies, (iii) risk management policies, and (iv) relevant and related information disclosure. These expectations are based on the current regulatory framework, which requires that material risks be managed prudently and proportionally.

At the end of 2023, the regulator intensified its monitoring on this matter, requesting less significant credit institutions to conduct a self-assessment of their degree of compliance with the previously established supervisory expectations.

In this context, during the year 2024, the following instruments were developed and approved by the Board of Directors in November and December 2024:

▲ *Climate and Environmental Risk Management Policy*, which defines the guiding principles, structures, processes, and responsibilities associated with managing the climate and environmental risks to which the Bank is exposed. This Policy was developed in accordance with the current prudential regulation, particularly the guidelines established in the "ECB Guide on Climate-related and Environmental Risks" of November 2020 and in the Bank of Portugal Circular-Letter No. CC/2021/10. Recognizing the evolving nature of knowledge regarding RCA (Climate and Environmental Risks), as well

F.8



as the processes and methodologies associated with sustainability practices, the Policy incorporates mechanisms for regular review, ensuring continuous updating in light of developments in this area.

The established procedures are fully integrated into BiG's risk management system, specifically linking to: (i) risk profile identification and self-assessment exercises, incorporating components of risk identification and materiality assessment, (ii) the risk appetite framework and its implementation policies; and (iii) the processes for evaluating internal capital adequacy ("ICAAP") and liquidity ("ILAAP"), as applicable.

▲ Materiality Assessment of RCA factors, as an essential component for the proper management of ESG risks, as well as for analyzing the impact of these factors on the Bank's risk profile and defining regular risk management processes. This analysis focuses on three key components: (i) the systematic identification of relevant RCAs for the institution, (ii) the analysis of transmission channels through which these risks can affect the Bank, and (iii) a detailed assessment of materiality for each identified type. The Materiality Assessment provides a fundamental analytical basis to determine which RCAs require greater attention and resource allocation within the institution's overall risk management strategy.

▲ Business Environment Scan and Strategic Positioning in relation to Climate

and Environmental Risks, as outlined in the Climate and Environmental Risk Management Policy, containing an analysis of the climate and environmental risk context in which the Bank operates, the potential impacts on the Bank's business and strategy, and the opportunities that may arise, also including a set of future metrics and objectives.

7.3. SOCIAL RESPONSIBILITY

In carrying out its business, BiG adopts a socially responsible stance, enshrining in its Code of Conduct a set of values and rules of deontology, ethics and professional conduct that reflect the fundamental guiding principles of its activity.

These guidelines reflect the institutional policy of demand, responsibility and rigor. In this way, the Bank's employees are bound by guidelines that require them to act with integrity and responsibility.

In terms of selecting and managing human resources, BiG seeks to promote diversity in terms of gender, ethnicity, culture and nationality, adopting the principle of non-discrimination, basing its decisions solely on the competence and capacity requirements for each employee's job.

To this end, BiG, as part of its regular communications to employees on the

principles set out in the Code of Conduct, has taken the opportunity to reinforce the existence of whistleblowing channels to alert them of possible situations that could jeopardize their personal integrity.

Finally, aware of the importance of training and education for the sustainable development of the economy, the Bank actively contributes to this goal by promoting the dissemination of information, not only to its employees, but also to the community.

Thus, internally, training courses are provided in accordance with internal regulations, which are considered essential for the diligent and informed performance of employees.

7.4. GOVERNANCE

The Group has endeavored to adopt a robust governance model adapted to its size, activity and business strategy in order to be consistent with its duty to act honestly, fairly and professionally in the best interests of its clients. In this context, the Bank relies on the continuous work of its control functions, which ensure that there is an internal structure that keeps up with regulatory developments and best market practices in order to contribute to strengthening BiG's positioning.

The Bank's internal regulatory management model provides for a regular review

of processes to ensure that they are well defined, comprehensive, independent and objective. This model requires an integrated system of policies, procedures and controls in order to guarantee the integrity of the Bank's business model and boost its stability and profitability. This concern is reflected in the adoption of a set of policies that contribute to the Bank's internal governance system, the effectiveness of which is monitored with the contribution of the control functions. In addition, the Bank aims to communicate a culture of transparency, based on simple and clear reporting lines, and the sharing of responsibility, with a view to the common interest, to its employees through continuous training as a result of internal control activities.

The fulfilment of these compliance control processes is guided by a formal structure of policies, which include:

▲ Code of Conduct and Internal Regulations – BiG has a Code of Conduct and internal mechanisms that ensure the values and behaviors that govern its organizational culture as an institution and that shape the conduct of its employees.

▲ Policy for the Prevention and Management of Money Laundering and Terrorist Financing Risks and Sanctions (ML/TF) – This regulation provides for the creation of mechanisms to control and detect suspicious ML/TF operations, as well as monitoring compliance with the duties set out in the legislation in force. In developing these mechanisms, the Bank particularly considers situations that indicate potentially higher risk inherent to products, services, transactions or distribution channels, with the aim of identifying and capturing, in an efficient and holistic manner, the ML/TF risks to which it is exposed, considering the nature, size and complexity of the Bank's activity and the business areas developed.

▲ Policy to Combat Market Abuse – These rules define the specifications, assumptions and duties underlying the prevention of insider dealing, the illicit transmission of inside information and market manipulation. In order to mitigate

the risk of the institution being involved in market abuse operations and non-compliance with market defence duties, the Bank seeks to promote (i) effective and continuous control, for the purposes of detecting and identifying orders and operations that may constitute insider dealing, market manipulation or an attempt to abuse insider information or market manipulation, of all orders received and transmitted and all operations executed; and (ii) the transmission of suspicious operation reports to the competent authorities in accordance with the requirements set out in the legislation in force.

▲ Conflicts of Interest Management Policy – This Policy aims to ensure that the Bank carries out its activity and business strategy in a manner consistent with its duty to act honestly, fairly and professionally, in the best interests of the Client.

▲ Anti-Corruption and Anti-Bribery Policy – BiG, as a covered entity, adopted and implemented, in 2022, a Corruption and Related Offences Risk Prevention Plan (PPR) that covers its entire organization and activity, including administrative, management, operational and support areas. The implementation of this PPR is subject to control, under the terms of Article 6(4)(a) of the RGPC. In this context, the Bank has defined a set of continuous improvement actions that are deemed important to ensure a more structured and targeted prevention of the risks of corruption and related offences through the implementation of additional controls, which make it possible to strengthen the internal control system in terms of preventing and combating corruption and related offences.

▲ Related Party Transactions Policy – The Bank has been determining the rules to be observed and procedures to be followed whenever transactions with related parties take place, in order to ensure that there are no particular benefits to the detriment of BiG and equal treatment in these transactions, under normal market conditions (arm's length), safeguarding the interests of the Bank and all its stakeholders, in line with best corporate governance practices, and

framed by the principles of transparency and oversight.

▲ Whistleblowing Policy – BiG has implemented specific, independent, autonomous and appropriate means of receiving, processing and archiving complaints or reports of irregularities (whistleblowing). To this end, it has defined an autonomous internal procedure for reporting irregularities in order to guarantee the confidentiality of the identity of whistleblowers.

▲ 8. RISK MANAGEMENT AND INTERNAL CONTROL

8.1. OVERVIEW

The assumption and the control of Risks are basic concepts inherent to our business. These include *direct financial risks*, such as capital, market, liquidity, interest rate, and credit risks; and *non-financial risks*, including strategic or business model risk, operational, technological, compliance, and reputational risks. Controls over risks include (i) a well-designed and a continuously evolving internal structure of governance, (ii) the understanding, identification, and acceptance of responsibility by individuals within the organization, and (iii) ownership of risk assessment, control, and management by the oversight functions within business units.

To identify and manage these risks, which are interrelated, the Bank maintains a global and integrated system of internal controls, policies, and procedures. These can be both quantitative and qualitative in nature. The Board reviews, approves, and oversees the respective risk management functions and ensures compliance with policies and procedures, either as a body group or by delegation.

Generally, our systems and policies are designed to ensure effective processing, reliable systems, appropriate risk taking, daily or intra-day measurement of positions, independent reporting, and responsible behavior. Policies and procedures on enforcement also seek to ensure respect for and adherence to internal, regulatory, legal, and prudential guidelines which are designed to protect the interests of clients and shareholders, while preserving and protecting the reputation of the Bank.

As part of the above-mentioned procedures to measure the main risks inherent to the banking activity, the Board of Directors relies on several risk measures, such as Value at Risk (VaR), in several stress test scenarios, exposure limits, together with other comprehensive methodologies. These methodologies are subject to continuous review and have been well tested against the paradigm-changing events associated with domestic and global political and economic events, which have defined

the recent years. These events had a significant impact on market practices, the regulatory environment, the nature of audits and ratings, as well as on competition, strategic planning, assumptions, market prices and expectations.

The *risk management framework*, in broad terms, includes (i) *the governance structure*, (ii) the Bank's policies and procedures, and (iii) the staff involved directly in the firm-wide or individual risk control units. This latter group forms the so-called "3 lines of defense model", starting with *business units*, which own the responsibility for identifying and controlling risks, going through control and *support functions*, which control and report the process from approval to execution, and, lastly, the *Internal Audit function*, which assesses and advises on proper implementation of the process. For additional information please refer to Note 45 of the Notes to the Consolidated Accounts.

8.2. GOVERNANCE STRUCTURE

Primary responsibility for monitoring risks throughout the Bank rests with the Board of Directors, the Executive Committee, the *All Risks Committee*, business units, and various sub-groups, which monitor specific risk areas. *All Risks Committee* combines the various individual control functions and functional groups overseeing Risk Management (discussed in detail below) and also the Compliance area of the Bank.

On top of the governance structure is the Board of Directors, which delegates day-to-day matters to the Executive Committee. This group may redirect matters to the Board of Directors, to any of the committees established within it, or even act in articulation with the Bank's Supervisory Board. It is the responsibility of the Board as a group, and its members, individually – with both supervisory and executive functions – to provide guidance on strategy and risk appetite, approve policies and maintain an integrated view of risk exposures.

Oversight by the Board, as a group and through its committees, who includes matters such as:

- ▲ Strategy Definition;
- ▲ Risk Appetite Definition;
- ▲ Implementation of a Risk Management and Internal Control system;
- ▲ Financial Performance and Reporting
- ▲ Remuneration of key executives / relation to Performance over a cycle;
- ▲ Preparation of the Nominations and Succession Planning;
- ▲ Strengthening the Bank's Culture and the Tone from the Top.

Figure 9 presents an overview of the Bank's structure of governance for managing risks.

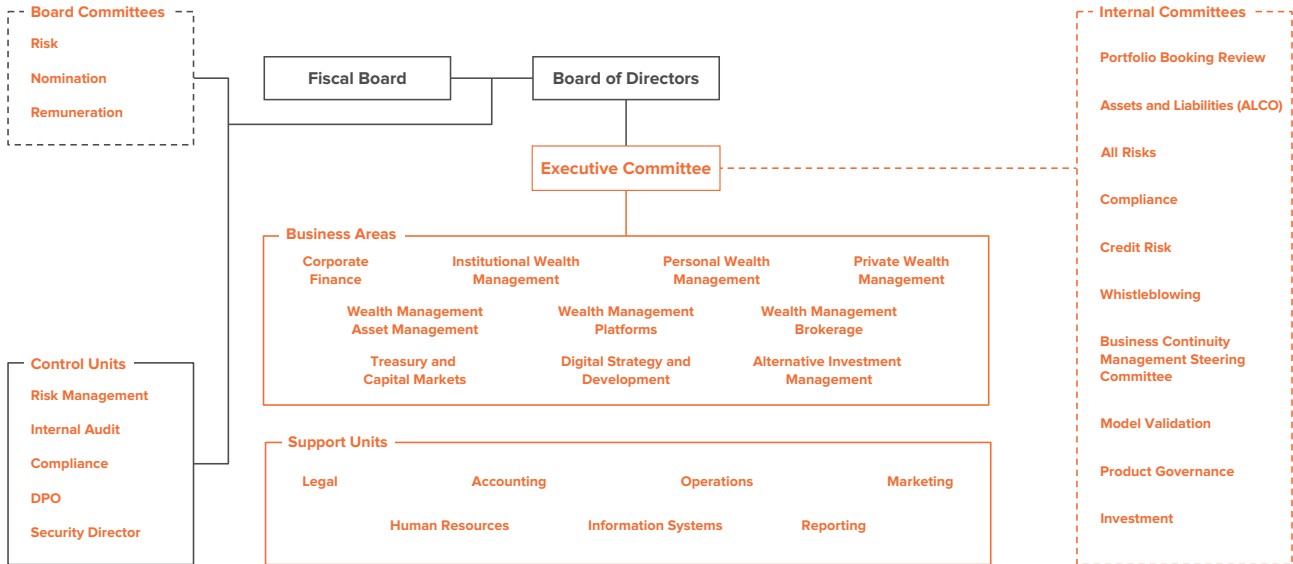
8.3. GENERAL POLICIES AND PROCEDURES

The Board of Directors reviews policies, procedures, and any underlying regulatory changes on a regularly basis, and seeks to ensure clear communication throughout the organization as a basis for building a sound operating environment. The nature of the governance structure for managing risk and the existence of clear policies aim to ensure that processes associated with four key steps in the risk management process – identifying, measuring, controlling, and reporting risk exposures to potential losses – are in accordance with sound banking practices and regulatory standards.

In managing its exposures to various risks, the Bank is guided by the following basic principles:

- ▲ Formal definition of responsibilities for risk management in the Bank;
- ▲ Policies and procedures to ensure independent oversight;
- ▲ Regular review of policies, procedures, and regulations by the Board of Directors;

F.9



F.10



- ▲ Appropriate diversification of risks and formal definition and review of concentrations;
- ▲ Use of adequate systems for independent measurement and reporting;
- ▲ Overlapping systems to measure and control risk;
- ▲ Continuous training to assist staff in identifying risk across business areas.

Key principles in managing exposures include: (i) the active review and management of our positions, (ii) marking to market substantially all our earning assets on a daily basis, (iii) daily or intra-day

review of our financial exposures and net revenues, (iv) continuous and independent review of credit exposures, controls over limits and accounting processes, (v) independent reporting and regular dialogue between business teams and independent risk control and support functions, (vi) stress testing procedures, including the application of extreme scenarios, and (vii) the direct involvement of Management in the process of controlling and assessing the Bank's appetite for risk. In addition, Management encourages and expects fast communication and escalation of important trends and potentially significant risks.

8.3.1. MEASURING RISK

In decision-taking and in managing risk, Management applies its professional experience and business judgment complemented by a variety of quantitative tools, supported by various systems used to monitor and measure exposures. These are discussed in the following sections and include:

- ▲ Scenario stress testing;
- ▲ Market Risk Limits based on VaR;
- ▲ Sensitivity analyses, particularly with interest rate risk;

- ▲ Measurement of exposures based on Basis Point Values (bpvs);
- ▲ Control of limits by counterparty, family, asset class and portfolio;
- ▲ Concentration Limits;
- ▲ Qualitative analysis and procedures.

The process involves regular self-assessment exercises, updates in techniques and periodic changes of assumptions, as well as adherence to constant demanding regulatory and accounting issues. Among others, these activities are a daily focus of the Board of Directors, the responsible teams, and the support areas, based on the assumption that no single methodology is enough to measure risks, by itself, to provide a complete picture of our exposures.

Accordingly, the Board of Directors and the risk management teams review these activities through a range of processes and approaches. The Bank seeks to quantify the potential for losses associated with every aspect of our business, to have a reasonable and prior estimate of potential damage in the event of unexpected risks materialize. These can range, not only from those that are possible, based on recent historical data, but also to those that we deem to be unlikely, but which nevertheless can be estimated based on the assumption of certain extreme scenarios.

Generally,

- ▲ **Market risk** involves at least a daily review of all the above key points;
- ▲ **Liquidity risk and Interest rate risk** focus on several methodologies, among which basis point values and scenario analyses;
- ▲ **Credit risk** focuses on nominal, market and fractional exposures, concentrations by borrower/issuer by group, sector or geography, and on stress testing;
- ▲ **Derivatives exposures** are measured with sensitivity analyses of exposures measured in basis points;

▲ **Operational risk** monitors potential risks and losses associated with people, systems, external events, legal matters and compliance risks;

▲ **Reputation risk and Correlation risk** involve some of the more subjective risks to which the Bank may be exposed and usually depend on scenario analyses in order arrive at quantitative estimates.

8.3.2. LIMITS AND CONTROLS

On all risk activities, controlling limits involves a series of frequently reviewed controls organized by class of product, by tenor, and by team or individual decision-maker. They may be measured via a combination of non-statistical measures, including BPV's, and statistical measures, such as VaR.

Management and the Risk Management functions work closely to ensure continuous update, daily reporting, dialogue and review of assumptions and models. A variety of criteria are used for determining appropriate limits associated with trading and investment risk-taking activities, including current and historical analyses of markets, statistics on volatility and liquidity, fundamental and technical analysis, the level of experience and performance of traders and managers, and importantly, the Bank's appetite for risk in accordance with market conditions.

Approved limits specifying authorized exposures by counterparty and concentrations by asset class are reviewed on a periodic basis and are communicated formally and periodically to managers, traders, and sales staff. All personnel are responsible for adhering to approved limits, which are monitored by separate and independent middle and back-office functions to ensure that positions are valued and recorded accurately.

8.3.3. REPORTING

On a daily basis, risk management and back-office functions compile and report positions to Management body based on established statistical and non-statistical measures. Exceeded limits, in the case

they exist, are reported to Senior Management immediately and action is taken to guarantee compliance with the limit. Formal controls are enhanced by informal systems of monitoring position taking and limits, including meetings by senior managers with markets areas to review positions and evaluate trends. For example, reports on daily stress tests serve as a basis for discussion on the appropriateness of exposures, or as a trigger to review concentrations of risk, via the sale or repositioning of our positions or hedging of risks.

8.3.4. RISK CONTROL UNITS

Some of the internal risk committees – Asset and Liability Committee, Credit Risk Committee, and All Risk Committee – include individuals responsible for the day-to-day controls. Each Committee also involves, normally, at least two members of the Executive Committee. Within limits established by the Board of Directors, these risk groups have decision-making authority in their respective areas.

In addition, the All-Risks Committee meets regularly to ensure proper communication, understanding of the interrelationship of risks across the various areas of the Bank.

Daily events of an exceptional nature require the approval of at least two Executive Directors. Major exposures or significant policy decisions falling outside of these limits require review and approval of the general Board of Directors or the Risk Committee.

8.4. CAPITAL RISK

Capital risk management ensures that the Bank has robust capital funds and operating ratios to support the institution's strategy, business activities, and underlying risks during both normal and stressed operating conditions.

As capital risk and strategy are closely linked in our business, Management's view on leverage, minimum capital targets, and sustained capital growth, mainly through retained earnings, within the context of competitive, market and regulatory conditions, determine the Bank's strategy and risk appetite. These issues are a focus of the Board's Risk Committee. They are discussed extensively in the sections on Funding and Capital Planning, are formally addressed as part of the Bank's ICAAP (Internal Capital Adequacy and Assessment Process) review sent to regulators annually and are the target of daily position reporting and stress testing. The management of capital risk is directly connected to Management's long-established views on what constitutes acceptable capital ratios and buffer, asset quality and statement of financial position management, dividend policy, ROE targets, the nature of shareholder funds versus regulatory capital, and general risk management.

The analysis and daily controls for each risk reported and discussed provides Management with a clear picture on capital risk management. The Bank's objective is to maintain levels of capital to:

- ▲ Invest and grow the business through cycles and moments of stress;
- ▲ Meet regulatory requirements by a comfortable margin;
- ▲ Distribute dividends, while ensuring a "well-capitalized" business;
- ▲ Retain flexibility when opportunities present themselves; and
- ▲ Protect the integrity of the Bank's business model and its reputation.

8.5. STRATEGIC RISK

Strategic Risk is the risk of disruption to the core assumptions of the Bank's strategy. It is a risk that is transversal to the Bank, as it includes risks relating to current or projected results, the integrity of capital and liquidity positions, the Bank's intrinsic value and/or reputation, arising from business decisions or execution failures, requiring external factors to be considered. As a result, this is one of the most important risks to be considered by the Board of Directors, given the current context characterized by a serious military conflict and geopolitical tensions on a global scale, with the uncertainties and opportunities that may arise from this.

Oversight of strategic risk ranges from daily review of results, balance sheet strategy and risk appetite, to Annual Plan, review of new business investments, and the periodic Strategic Plan approved by the Board of Directors.

The process involves:

- ▲ The planning process by business unit;
- ▲ Review of risk strategies;
- ▲ Trends in revenues, asset composition and quality, their mix, and concentrations;
- ▲ Scenario planning;
- ▲ Digital transformation and investment;
- ▲ Review of client needs and expectations;
- ▲ Competition, regulatory and market environment;
- ▲ Building a culture able to respond to unexpected changes in market conditions.

The Bank's global view of the risks mentioned above derives from the strategic decisions of Management, and how the results are executed and measured. They involve processes to assess the risks – as well as opportunities and advantages – to the business model from competitive factors, technology, regulation, and changes in the external

environment, and may involve decisions to invest in new business opportunities and/or to modify or divest from current businesses. The process considers regular and frequent interaction with clients, suppliers, analysts, counterparties, the Bank's advisory council, and shareholders.

8.6. REGULATORY RISK

Regulatory Risk, deemed by Management to be a *sub-risk* of Strategic Risk, is the risk of a change in regulations and laws that might affect an industry or a business, in a material manner. Changes in regulations can reduce the attractiveness of an industry and the capacity of that industry to attract investment, talent, and capital. In the banking sector, expected changes and increasing regulatory requirements can lead to increased costs and may affect the competitive landscape of a highly regulated sector, as compared to other sectors or geographies.

In Portugal, special taxes classified as "solidarity contributions" applied only to the banking industry, and the need to make contributions to two "resolution funds" – one domestic to deal with large shortfalls involving banks resolved recently, and one Europe-wide, featuring a still un-unified deposit guarantee system – add fixed costs that affect the ability to run business. They reduce profitability, affect the competitiveness of the domestic banking sector in relation to foreign peers, and require adjustments to strategy.

Regulatory risks can be difficult to predict, often requiring Management to be reactive, rather than pro-active. These factors may contribute to the challenges of planning, implementing strategy, controlling costs, and managing the expectations of stakeholders.

8.7. MARKET RISK

Market Risk represents the possible decline in the value of financial instruments because of changes in market conditions. Key risks that we manage in our market activities, which have a direct impact on the Bank's daily profit and loss account, and/or on the Fair Value Reserve of the capital account, include:

- ▲ Fixed Income Risks, resulting from movements in risk-free rates in assets held for trading or for longer periods;
- ▲ Equity Price Risk, resulting from exposures to changes in underlying prices and volatility;
- ▲ Currency Rate Risk, resulting from exposure to changes in spot prices, forward prices and volatility;
- ▲ Derivatives Risk, resulting from the management of our exposure to changes in the prices of underlying assets used to hedge client product and positions.

In managing the risks identified above, the Board of Directors exercises its supervision through the Risk Committee. Daily management is delegated to the Executive Committee, ALCO, and the Risk Department. The ALCO includes members of the Executive Committee, managers of revenue-generating activities and members of the Risk Department.

Underlying the committees are the primary risk control units – Market and Credit Risk – which are responsible for reviewing methodologies for measuring risk and limits for all investment and trading activities. They also control broad investment management issues discussed at the level of ALCO, review of models and analytics associated with calculating limits within both Bank and client portfolios and are responsible for conducting daily portfolio stress tests. They also oversee the independent control and enforcement of limits on risk taking by front office personnel. As a result, the Bank group seeks to ensure an efficient balance between risks and return, as well

an appropriate level of volatility in operating results of the Bank.

In its Treasury and Market activities, BiG seeks to generate or to protect revenues while managing its exposure to changes in the value of financial instruments across various markets, products, and portfolios. To manage and report risks, Management establishes and reviews, on a periodic basis, comprehensive procedures and systems that are designed to ensure levels of control adequate with the Bank's capital and business objectives.

The Market Risk function, along with Management, Compliance, and other operating areas, also reviews policies and procedures to ensure that levels of risk assumed by clients, and as marketed by BiG, are appropriate in all circumstances. The Bank's Investment Committee monitors trends, allocations, and policies with respect to the management of client assets, including responsibilities associated with discretionary management mandates.

These control groups meet regularly and, as they normally include two or more Board members, have the authority to decide on day-to-day issues.

Methodologies

To manage market risk, the Bank uses a variety of methodologies to measure and control market-related exposures, which are analyzed with information covering country and counterparty risks. Risks are typically managed through a process of diversifying exposures, controlling position sizes, and establishing hedges in related securities or derivatives. Key quantitative tools used to measure, and control exposures efficiently include statistical measures and non-statistical measures, among which:

- ▲ Value at Risk;
- ▲ Stress testing;
- ▲ Calculations of Basis Point Values;
- ▲ Sensitivity analysis.

The Bank employs these methodologies alongside other indicators, such as loss advisories and daily concentration controls, to ensure the integrity of the risk control process in the event of one or more methodologies fail due to an extraordinary market event.

Value at Risk

VaR, which measures risk assuming normal market conditions, is combined with non-statistical measures, including stress testing, back testing and stop loss advisories, to ensure proper controls of expected returns by risk type under all market conditions. The Bank computes VaR using a 99% confidence level. This means that the Bank would expect to incur losses greater than the predicted VaR estimates only once in every 100 trading days or approximately 2.5 times per year. Since VaR is a theoretical approach based on historical returns, the model has limitations and may not always produce accurate predictions of future market risk. Changes in VaR between reporting periods, for example, are generally due to changes in levels of exposure, volatility and correlation among securities.

Utilization level of trading limits, as indicated below and in line with prior years, on average, was lower than investment limits defined, with most value at risk concentrated in the Bank's *Held to Collect and Sell portfolio (HTCS)*.

Components and concentrations of the portfolio are typically dynamic as the Bank seeks to maximize stable flows of revenue, while maximizing flexibility to recognize gains and to maintain high levels of available liquidity. The highest levels of VaR were associated with the bonds portfolio, reflecting concentrations in that class of instrument.

Further detail on exposures may be found in the Concentration Risk section of this report (Section 8.10.5).

T.26

(Euro)

2024 Trading VaR (vs 2023)	2024				2023			
	December	Average	Maximum	Minimum	December	Average	Maximum	Minimum
Exchange Rate Risk	42,441	83,032	177,655	16,733	86,058	32,538	304,164	5,938
Bonds	181,392	346,484	780,762	67,624	127,018	249,969	782,176	91,201
Stocks	0	2,865	92,064	0	0	29,367	144,568	0
Diversification Effect	17%	23%			46%	30%		
	186,724	331,830	778,910	94,116	115,897	219,743	768,596	81,883

T.27

(Euro)

2024 Banking VaR (vs 2023)	2024				2023			
	December	Average	Maximum	Minimum	December	Average	Maximum	Minimum
Bonds	8,273,320	9,707,710	12,014,223	7,541,604	10,711,562	10,131,924	11,591,319	9,137,413
Stocks	39,202	48,772	60,764	38,706	59,993	43,810	60,386	29,016
	8,312,522	9,756,482	12,053,425	7,581,707	10,771,555	10,175,734	11,648,224	9,172,007

VaR: Expected Loss within the confidence level indicated; larger losses may be possible but have a lower probability of occurrence.

Back-testing: Process of validating a model by comparing its predictions with actual results.

Confidence level: Probability that actual losses will not exceed the estimated value at risk, the greater the confidence level, the higher the value at risk.

Diversification Effect: Represents the gain, in risk terms, of having a diversified portfolio.

Stress Testing Trading and Investment Portfolios

The Bank runs stress testing of its positions daily, and considers this approach, in combination with VaR measurements, to be an essential tool for managing market risks. With stress testing, the Bank tries to estimate the potential losses associated with an instrument or portfolio under different scenarios. Each day we apply 16 different scenarios to test various positions across the Bank's portfolios assuming certain worst-case historical market events. These scenarios are revised frequently as market conditions change. When historical data is not available, underlying assets from identical classes and with a higher level of correlation may be used.

Historical scenarios observed are used given the adverse periods in the market and used as a basis for running daily tests identified below as "C1, C2...C5." The historical scenarios described in T.32 are applied to current exposures to estimate potential gains or losses in the major portfolios at 31/12/2024. Results are then compiled and reported daily to Management by the Bank's Market Risk area.

T.28

(Euro 000)

Trading Book																
	Worst Scenarios - Equity					Worst Scenarios - Bonds					Worst Scenarios - FX					Commodity
	C1	C2	C3	C4	C5	C1	C2	C3	C4	C5	C1	C2	C3	C4	C5	C1
Equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FX	91	(188)	(163)	(89)	(101)	(14)	28	(4)	(253)	97	(125)	(47)	9	71	303	(93)
Bonds	18	6	(161)	(146)	118	(1,354)	(378)	(132)	(36)	(286)	84	(80)	(105)	(116)	53	(269)
Total	109	(182)	(324)	(235)	17	(1,369)	(349)	(136)	(288)	(188)	(41)	(126)	(96)	(45)	356	(361)

T.29

(Euro 000)

Banking Book																
	Worst Scenarios - Equity					Worst Scenarios - Bonds					Worst Scenarios - FX					Commodity
	C1	C2	C3	C4	C5	C1	C2	C3	C4	C5	C1	C2	C3	C4	C5	C1
Bonds	(12,887)	(6,128)	(5,680)	(16,724)	(2,359)	(10,256)	(16,369)	(23,780)	(14,663)	(9,313)	(5,775)	(11,859)	(10,439)	(7,047)	(12,449)	(5,566)
Equity	(53)	(58)	(156)	(236)	(117)	(19)	(61)	(16)	(32)	(46)	(73)	(60)	(13)	(56)	(137)	(113)
Total	(12,940)	(6,187)	(5,836)	(16,959)	(2,476)	(10,275)	(16,429)	(23,796)	(14,694)	(9,359)	(5,849)	(11,919)	(10,453)	(7,103)	(12,586)	(5,679)

T.30

(Euro 000)

Entities																
	Worst Scenarios - Equity					Worst Scenarios - Bonds					Worst Scenarios - FX					Commodity
	C1	C2	C3	C4	C5	C1	C2	C3	C4	C5	C1	C2	C3	C4	C5	C1
MZB	0	0	0	0	0	0	0	0	0	(19)	0	0	0	0	(109)	0
DIF	(1)	(1)	(0)	(1)	0	(16)	(5)	(2)	(1)	(1)	(1)	(1)	(1)	(2)	(1)	(1)
BDMF	(608)	(906)	(2,425)	(2,756)	(390)	217	(1,045)	835	(1,051)	(1,142)	(655)	(155)	(1,230)	(704)	(1,251)	(2,633)
Total	(609)	(906)	(2,425)	(2,757)	(389)	200	(1,049)	833	(1,052)	(1,162)	(656)	(156)	(1,231)	(706)	(1,361)	(2,634)

T.31

(Euro 000)

Consolidated																
	Worst Scenarios - Equity					Worst Scenarios - Bonds					Worst Scenarios - FX					Commodity
	C1	C2	C3	C4	C5	C1	C2	C3	C4	C5	C1	C2	C3	C4	C5	C1
	(13,440)	(7,275)	(8,585)	(19,951)	(2,848)	(11,443)	(17,828)	(23,098)	(16,035)	(10,709)	(6,545)	(12,201)	(11,780)	(7,855)	(13,591)	(8,674)

Historical scenarios:

T.32

Equity Worst Scenarios	
C1	Greek crisis and, consequently in the Eurozone 26/06/2015
C2	First fears from the spread of COVID-19 26/02/2020
C3	Black Monday of 2020 06/03/2020
C4	COVID-19 declared as global pandemic 11/03/2020
C5	Growing concerns steeming from the possibility of a second wave in rising Covid-19 cases 11/06/2020
Bonds Worst Scenarios	
C1	Portugal downgraded by Moody's 05-07-2011
C2	Greek political crisis 11-05-2012
C3	Germany rejects Eurobonds 22-06-2012
C4	New uncertainties in the Euro zone – Italy 28-05-2018
C5	The ECB confirms an increase in interest rates by 25 basis points 08-06-2022

FX Worst Scenarios	
C1	Renewed worries that Europe's debt crisis could spread 17-08-2011
C2	Libor Manipulation 02-04-2012
C3	Low expectation on US economy 05-06-2013
C4	Global events affect markets around the world 10-02-2016
C5	Brexit referendum 23-06-2016

Commodity Worst Scenario	
C1	The increase in Covid-19 outbreaks reduces demands for crude oil 13/03/2020

8.8. LIQUIDITY RISK

Liquidity risk results from the probability of the occurrence of negative impacts on results or capital, arising from the inability of the institution to have liquid funds to meet its financial obligations as they fall due.

BiG's policy on liquidity and funding is based on the following principles: (i) raise funding of assets prior to their acquisition; (ii) the ability to convert a significant part of our investments to liquidity within a very short timeframe; (iii) maintain a stable client deposit base, and (iv) maintain a reasonable level of independence from wholesale funding markets. These principles define the Bank's business model, which is non-credit-intensive, highly commission and service-based, and implies an asset base composed largely of highly liquid securities as opposed to illiquid loans.

In practice, the Bank's liquidity management process is both a daily and strategic issue for Management. This process encompasses detailed controls of inflows and outflows, pricing and reputational issues, controls over collateral, considerations on liquid versus less liquid assets, eligibility requirements, the Asset and Liability management process and the aspects of our business recovery plan that touch on the fundamental nature of our business model: liquid, flexible, quality assets funded conservatively by mainly stable deposits and capital.

8.9. INTEREST RATE RISK

Interest Rate Risk results from the exposure to changes in the level, slope and curvature of the yield curve, volatility of interest rates, duration, and credit spreads.

Interest Rate Risk measures the probability of impacts on the Bank's earnings or capital due to changes in the absolute level of interest rates, in spreads between two rates or in the shape of the yield curve, among other factors. BiG controls its exposure to adverse events through diversification and via hedging techniques.

The Bank measures interest rate risk in bpps (basis point values), meaning that for each change of 0.01% in the rates, we can calculate the economic impact of such movements on the value of assets, usually fixed rate securities that are interest rate sensitive.

The impacts associated with movements of interest rates are measured by assuming a variety of scenarios on a regular basis, namely a rise or decline of 100 basis points or a similar rise or decline of 50 basis points for maturities over 1 year.

Table 33 below measures the impact of the before-mentioned movements on revenues on 31 December 2024.

Table 34 below shows the impact of a movement of 100 basis points in the interest rate curve on the value of the own funds for the last 3 semesters.

8.10. CREDIT AND INVESTMENT RISK

Credit Risk is defined as the loss the Bank would incur if a borrower, counterparty or issuer of securities or other instruments we hold as investments failed to perform under its contractual obligations to the Bank.

The Bank is exposed to credit risks associated with most of its activities. These include, mainly, direct exposure to credit risks associated with securities issued by third parties and held as investment or trading assets of the Bank. Credit risks arising from dealings with professional counterparties as well as issuers of listed securities represent most of our exposures and, given their nature, are assessed in combination with procedures for managing market risks discussed above in Section 8.7 – Market Risk. To a lesser extent, credit risks also include direct exposure to clients who have contracted loans and credit lines, usually on a support basis as part of their normal trading activities, and also market or settlement risk associated with trading activities by clients.

Credit risk exposures at BiG include mostly sovereign, corporate and other institutions bonds acquired in the market, asset-backed securities (ABS), direct loans to customers, full value and replacement value inter-bank risks, securities-related settlement risk, receivables under derivative and foreign

T.33

(Euro)

December 2024			
Parallel increase of 100 bp	Parallel decrease of 100 bp	Increase of 50 bp after 1 year	Decrease of 50 bp after 1 year
-11,627,502	3,755,150	-6,020,973	2,137,032

T.34

Interest Rate Risk - Semi-annual Evolution		
Date	Parallel increase of 100 b.p. in the interest rate curve	% Impact on own funds
dec/23	1,124,914	0.3%
jun/24	-18,438,261	-5.1%
dec/24	-11,627,502	-3.1%

exchange contracts, and to a lesser extent, lending-related commitments under guarantees and similar facilities. Credit exposures may involuntarily also result from failures in operational controls and are implicit in our relationships with key third-party suppliers.

In its process of analysis and approval, Bank assesses these credit risk exposures at several levels: at the level of individual transaction, at the level of maximum exposure to the client and related “family” (connected clients), and, separately, at the level of respective portfolios to measure concentration of risks of a given class of assets, sector, industry, or geographic location.

As a matter of policy, all exposures are assessed and processed for approval, whether they have on or off- statement of financial position in nature.

8.10.1. PROCESSES

As inherent to banking activities, credit risk is a normal component of BiG business model, and its management is fundamental to generate revenue and value for our shareholders. Given the importance of developing profitable business while taking risk and using capital prudently, the credit risk management process aims to preserve the independence of the approval process, while allowing an effective integration with the management of business objectives. This process begins with the Board of Directors, which approves the risk appetite, general policies and guidelines for credit risk management and ends with oversight through its committees and members of the Executive Committee, by delegation. The Board also delegates appropriate authorities to credit officers and support areas. The Executive Committee performs day-to-day implementation of respective policies and responsibilities, which include:

- ▲ Quantitative and qualitative guidelines for credit reviews;
- ▲ Quantitative and qualitative guidelines and procedures for control of credit quality issues;

- ▲ Control of client, family and “connected clients” risks;

- ▲ Documentation, control and filing systems;

- ▲ Management and control of risk monitoring systems and procedures;

- ▲ Maintenance of a credit scoring and approval matrix;

- ▲ Attention to the integrity and independence of the approval process;

- ▲ Adherence to regulatory guidelines;

- ▲ Pricing policy.

8.10.2. NATURE OF CREDIT EXPOSURES

The nature of credit risks the bank manages has not varied substantially over the past years and reflects the Bank’s business objectives and its underlying model.

In broad terms, the Bank’s business strategy reduces credit risk to two broad categories:

- ▲ **Secured facilities:** Arising mainly from our relationships with retail clients. These credit operations are secured generally by cash and eligible marketable securities. This category of protection may also include investing in issues by banks of residential mortgage-backed securities (RMBS) and covered bonds.

- ▲ **Unsecured facilities:** Arising from managing our main credit risks, namely, portfolio investments in corporate or government issuers of debt, and market trading activities with professional counterparties. Exposures classified as unsecured may involve sovereign debt issues, or debt issues of any number of entities guaranteed by sovereign guarantors, as well as Corporate and other Financial Entities. Given the size of the Bank’s investment portfolio of corporate and sovereign senior bonds, this type of facility represents the largest portion of credit exposure for the Bank.

8.10.3. CREDIT PROCEDURES

In accordance with the Bank’s Credit Management Risk Policy, approving credit exposures, whether secured or unsecured, starts with the determination of a risk score for the credit exposure, calculated based on primarily objective criteria. The results of the process of financial analysis and risk scoring serve as the basis for deciding the returns associated with the risk assumed, including considerations on minimum pricing, acceptable structure, tenor, and appropriate documentation.

In the process, the Bank follows pre-established approval grids, which combines the results of credit scoring, tenors, maximum levels of overall exposure including any transaction under consideration, and the pre-approved levels of lending authorities granted to credit officers by the Board of Directors. Other criteria used for determining the levels of signature include the existence and/or type of collateral underlying the full-value exposure.

8.10.4. UNSECURED EXPOSURES

Extensions of credit or related exposures that are not fully collateralized, or where the collateral offered is not considered to be liquid, are subject to an objective and periodic review of historical financials and conservative projections as a basis for approving any type of facility. This process may be accompanied by information provided by an international rating service, particularly in the case of non-domestic issuers and financial institutions. Other criteria used as part of the approval process include qualitative considerations, such as the quality and reputation of management, the borrower’s positioning and performance within its peer group and other relevant information.

Principal, full-value unsecured exposures are those to financial institutions via the interbank market, where the Bank may act as a lender to other banks, to the financial, corporate and sovereign sector represented usually by quoted debt securities of varying maturities.

8.10.5. RISK CONCENTRATION

In managing the risk of credit concentration, the Bank analyses daily reports summarizing the greatest concentrations of risk. These reports are also broken down by exposures to financial and non-financial entities, exposures by sector and by rating.

Tables 35 and 36 show exposures by sector and rating as of 31 December 2024.

Credit exposure in 2024 remained primarily in investment-grade risk assets, reflecting an improvement in asset quality, as seen in the average rating and current and historical levels of overdue and at-risk credit, thus remaining at very robust levels. At the same time, we observed a widespread compression of credit spreads in financial markets and an improvement in the assessment made by

external rating agencies regarding the credit quality of long-term debt from major Portuguese issuers, including the Portuguese State and the largest banks. Internal and external rating grades are used by the Bank to measure expected loss levels and assess positions and their respective evolution. In the case of Portuguese sovereign debt, the S&P agency raised its rating to A- positive in March 2024, Moody's maintained the A3 stable rating in the current year, Fitch kept the A- rating but improved the outlook to positive in September, while DBRS also maintained the A rating but upgraded the outlook to positive in July. Losses related to the retail credit portfolio remained immaterial in 2024, in line with the previous years, concentrated in small customer overdraft situations.

8.10.6. STRESS TESTING

The Bank analyses its most relevant exposures in several manners, among which are the stress tests carried out. The Bank's investment portfolio, consisting of mainly fixed income securities of varying tenors, is subject to different stress tests to provide Management with an assessment of potential losses, assuming various hypothetical scenarios.

The simulations presented below in Table 37 and Table 38 are based on the impact that variations in the risk-free component and the credit spread component have on the value of debt instruments, depending on their maturity and duration. Another variable is the size of the hedge covering the fixed income portfolio. The objective of the tests is to determine the extent to which earnings may be affected and capital may be depleted in theoretical circumstances. The results of these tests are used to maintain discipline and control position-taking or excessive concentrations.

Table 39 shows the results of the stress test, where a shock in market yields of the securities is assumed. These shocks aim to capture variations associated with the risk-free interest rate depending on the currency of the security and variations in the credit spread risk associated with the issuer's sector.

In defining Scenario 1, the interest rate/risk-free component is given by the difference between the maximum value of the risk-free rate over the last 5 years and its current value, depending on the currency of the security. The credit risk component to be incorporated in the shock's range is given by the difference between the CDS value recorded on the day of the risk-free maximum and the CDS value on the analysis date.

In defining Scenario 2, the credit risk/credit spread component is given by the difference between the maximum observed value of the CDS benchmark spread of the security and its current value. The interest rate/risk-free component is given by the difference between the risk-free rate recorded on the day of the maximum CDS spread (for each segment) and the risk-free interest rate on the analysis date. The risk-free rate to be considered depends on the currency of the bond.

The results obtained indicate that the theoretical losses would be relevant but would not affect the Bank's overall solvency, which would remain comfortably above the levels needed to continue operations.

T.35 (Euro)

Exposure by Sector	Amount
Government	1,234,515,920
Asset backed securities	397,585,752
Financial	295,283,072
Utilities	117,561,901
Energy	85,777,042
Basic Materials	43,605,717
Communications	18,091,635
Industrial	7,360,007
Consumer, Non-Cyclical	12,125,771
Consumer, Cyclical	30,968,373
Technology	8,776,900
Real Estate	2,019,726
Healthcare	11,730,794
Total	2,265,402,609

T.36 (Euro)

Exposure by Rating	Amount
Aaa	563,194,831
AA	317,499,473
A	345,885,756
Baa	849,281,156
Ba	43,089,517
B	41,270,731
Caa	24,718,280
NA	80,462,864
Total	2,265,402,609

T.37 (Euro)

Country (Top 10)	Amount of Loss (scenario 1)
Spain	-12,766,155
Italy	-7,374,717
United States of America	-6,343,753
Supranational	-2,993,530
Portugal	-1,691,060
Germany	-765,802
France	-654,713
Indonesia	-634,020
Peru	-624,009
Colombia	-436,708
Total	-34,284,468

T.38 (Euro)

Country (Top 10)	Amount of Loss (scenario 2)
Italy	-35,516,651
Spain	-11,150,017
Supranational	-2,870,933
Chile	-1,981,107
Indonesia	-1,931,907
Peru	-1,854,526
United States	-1,608,968
Portugal	-1,430,831
Germany	-863,430
Mexico	-718,394
Total	-59,926,763

T.40

Country / Geography	Type of exposure	Expected Credit Loss in euros				
		dec/20	dec/21	dec/22	dec/23	dec/24
Spain	Sovereign	-	-	95,703	18,752	14,010
	Corporates	38,116	20,407	98,264	46,602	87,357
	Financials	-	4,647	28,917	48,361	43,522
Italy	Sovereign	-	20,353	796,882	708,583	195,630
	Corporates	31,457	40,272	401,956	197,473	174,281
	Financials	68,125	16,498	86,521	49,833	62,593
Portugal	Sovereign	-	-	1,558	185	187
	Corporates	443,533	184,458	867,223	277,689	401,070
	Financials	40,987	82,615	476,041	149,472	124,147
Emergent Markets	Sovereign	203,850	103,697	585,680	482,022	668,386
	Corporates	325,372	1,365,287	360,518	423,800	331,959
	Financials	-	-	6,857	8,074	-
Europe&USA	Sovereign	-	4,772	20,632	55,050	264,703
	Corporates	130,651	63,357	326,240	245,363	302,033
	Financials	76,676	30,014	158,715	258,630	209,336
Mozambique	Sovereign	20,050	74,501	136,081	283,153	385,553
	Corporates	-	-	3,849	-	-
	Financials	2	2,468	505	41,950	76,690
ABS	Corporates	15,935	1,296	36,567	9,763	5,898
	Financials	135,486	20,391	256,813	91,940	89,039
		1,530,240	2,035,033	4,745,520	3,396,696	3,436,393

T.39

December 2024 - Stress Test Debt	Scenario 1	Scenario 2
Estimated Loss	-35,950,426	-61,463,869
Total Own Funds Ratio	28.0%	26.3%

8.10.7. RESULTS OF THE EXPECTED CREDIT LOSSES (ECL) MODEL

The expected credit losses (ECL) of the securities portfolio, according to the internal models used, slightly decreased in 2024 compared to the previous year, despite the increase in the securities portfolio. Although an increase in impairments was observed since the second quarter, in the last months of the year, a reversal was recorded, due to the increased investment in sovereign bonds (of better quality) and a decline in credit spreads following the outcome of the U.S. elections. In this regard, the cost of risk decreased.

8.11. MODEL RISK

Model risk results from the use of mathematical models where there is a level of uncertainty regarding: (i) lack of data (both availability and quality), (ii) estimation uncertainty or methodological errors in the model design (volatility of estimators, simplifications, approximations, incorrect assumptions, incorrect design, etc.), and (iii) model misuse (application of the model outside its intended use, lack of updating and recalibration, etc.).

This risk may occur from the use, by the Bank, of estimations and financial analyses underlying some of our daily assessments and the potential that incorrect formulas or assumptions might lead to inappropriate decisions. The use of any methodologies for making estimates about the Bank's activity or for evaluating positions, measuring risks,

calculating regulatory requirements, stress testing and estimating potential credit losses may be subject to this type of risk.

The methods range from simple to varying levels of complexity and require frequent review by the users/owners to ensure their integrity.

The Model Validation Committee reviews and challenges the appropriateness of models used by the Bank on a regular basis and may recommend the changes deemed necessary. The conclusions of the work performed are reported to the Board.

8.12. OPERATIONAL RISK

Operational risk may arise from inadequate procedures or systems, human risk, or external events.

The Bank, given the nature of its business, is exposed to potential losses and/or emergent risks to our reputation from human or systems-related operational errors, unexpected interruptions in business processing or insufficient execution of certain activities on the part of hired third-party suppliers of significant components of our complete business model.

Considering the above, the Bank maintains a proactive operational risk management process in order to keep its exposure to this type of risk to a minimum, regularly reviewing its internal control systems to ensure the continued operation of the business under normal but also abnormal circumstances.

The systems and procedures the bank has in place are designed to reduce the risks of fraud from internal or external sources, or of errors or breakdowns, which can be the result of unexpected events associated with the technology and systems infrastructure, procedures, and telecommunications (see Note 45 of the Notes to Consolidated Accounts).

Limiting operational risks through the implementation of adequate and sufficiently robust internal procedures is an essential activity for the Bank to provide a comprehensive and competent service due to clients and reduce the risk of regulatory sanctions. Responsibility for To monitor the various risks to which the Bank is exposed, there is an autonomous governance structure made up of various internal supervision groups (3 lines of defense) that meet separately and form part of the Bank's All Risks Committee:

▲ **Operational Risk:** review of the appropriateness of internal procedures, adequacy of human and systems support to conduct business functions and day to day risks to which the Bank is exposed, based on self-assessment processes, monitoring of operational errors, and the production of internal and external reports and audits;

▲ **Technology Risk:** supervision of the adequacy and security of the technological infrastructure that supports the Bank's internal processing, its management information, and the connection with third-party information providers and service execution providers, among others. It is also tasked with monitoring that the technological

infrastructure is adequate to respond to disaster recovery events, in order to minimize downtime and ensure the continuity of the Bank's services.

The Bank periodically conducts self-assessment exercises to identify risks associated with operations, technology, and legal, regulatory, and compliance requirements. The control processes include, as examples, frequent review of relevant operating procedures, checking adherence to regulatory guidelines, internal and external audits of operating departments, systems, commercial and trading areas, back-up procedures and maintenance of outsourcing arrangements and an appropriate business recovery plan to reduce the effects of any unforeseen interruption of the Bank's business activities.

It is an objective of the governance structure identified above, and of all internal departments, to ensure compliance with prudential and regulatory guidelines so that the costs of any errors or failures are kept at levels in line with the Bank's capital and business strategy.

To assist in this control, the Bank has internal procedures for reporting data associated with operational errors to Senior Management on a regular basis. Such analyses and reporting allow for problems to be identified at their source and amended accordingly. The data compiled is extensive and allows a detailed analysis of actual operational losses incurred by type of event, by business line, by impact, and by specific or average amounts.

T.41

Operational Risk Events by Type of Event (Basel)	% Number of Events	% Total Amount
Internal Fraud	0.00%	-
External Fraud	0.26%	-
HR Policies and Workplace Safety	0.00%	-
Customers, Products and Business Practices	5.68%	0.74%
Damage to Tangible Assets	-	-
Activity Disorders	0.26%	-
Information and communication technologies	55.56%	88.37%
Execution, delivery, and process management	38.24%	10.89%

T.42

Operational Risk Events by Business Line (Basel)	% Number of Events	% Total Amount
Corporate Finance	-	-
Trading and Sales	1.03%	7.69%
Payment and Settlement	16.28%	77.94%
Commercial Banking	-	-
Agency Services	-	-
Retail Banking	30.23%	12.49%
Retail Brokerage	28.42%	2.46%
Asset Management	13.95%	-0.58%
Others	10.08%	-

T.43

Operational Risk Events by Geography	% Number of Events	% Total Amount
Portugal	84%	22%
Mozambique	3%	2%
Spain	13%	76%

The impact of the events on the Bank's operating revenues has been small, as can be seen in Table 44.

The key to the Bank's success in controlling operational risks and keeping operating losses to acceptable levels is based on a culture of timely identification of errors and rapid implementation of mitigation measures. Management encourages the rapid escalation of actual or potential operational issues to senior managers and their pro-active resolution.

The Bank uses Logic Manager to manage operational risk, technological risk and internal audit, policies and procedures.

8.12.1. BUSINESS CONTINUITY AND INFORMATION SECURITY

The continuity of the Bank's business in a disaster scenario, is subject of extensive planning, being one of the main concerns of Management and a topic of daily attention of that body.

To this end, we work to ensure that our business can operate under the most extenuating circumstances and that our procedures, risk management and internal controls, information and systems are secure and reliable. These issues imply continuous review and upgrades as the Bank grows and as market conditions and the regulatory environment change.

The repercussion of events related with cyber security continued to escalate in the market and, as expected, culminated in unprecedented events in Portugal, both in sophistication and service disruption. The Bank expects this tendency to persist, promoted by geopolitical tensions

and by a significant increase in the number of players in the digital market and advancements in Artificial Intelligence (AI). Although none of the incidents has affected domestic financial institutions seriously, to date, it is expected the sector to be an obvious target. Warnings by regulators of eventual attacks on the European banking community have grown, as have regulatory concerns via an increase in assessments, reports, and mandatory requirements on cybersecurity.

The Bank's partners with specialized providers and the CSIRT (Computer Security Incident Response Team) community to ensure a continuous feed of information on cybersecurity trends, which helps to focus our investment on the relevant systems and services. A major concern relates to human behavioral patterns, which tend to play a central role in cyber attacks. Key measures to minimize the Bank's exposure to behavioral risks include user awareness initiatives, centralized

T.44

	% Operating Income
2020	0.49%
2021	0.01%
2022	1.84%
2023	0.24%
2024	0.03%

management of corporate devices and security endpoints, clear policies on systems updates and investment in identity protection.

“Security by default” has become a cross-cutting concept and is a common best practice in major areas, including staff onboarding, information access, project management, software development, customer relationship and KYC. The Bank is subject to independent audits and evaluations carried out by specialized internal and external entities, and to the implementation of actions to resolve any shortcomings.

The growing market digitalization and a global demand for remote working present reasonable challenges on resource retention, security procedures on remote access to the Bank’s systems and *Cloud* resources. On the other hand, these challenges also have been increasing the Bank’s overall resilience and provided Management with reasonable confidence regarding business continuity. Consolidation of security projects, of operational resilience and business protection procedures, and continuous investment in research and monitoring are the main goals for 2025. As an example, the stringent control measures introduced by the DORA Regulation (Digital Operational Resilience Act) for financial institutions can be mentioned, in which the Bank is actively engaged.

BiG continues to operate with non-core information assets in the cloud. This provides unparalleled security for our corporate documents and emails, as well as a full compliance with General Data Protection Regulations (GPDR).

The Bank expects to continue to directly manage the core and most critical components of its infrastructure, while using technology and services from Kyndryl, to guarantee higher uptime and security to its systems. The agreement with Kyndryl includes Business Continuity support, that is integrated with the Bank’s global Business Continuity Plan, leveraging this supplier’s best practices and datacenters in Europe to assist in recovery of BiG’s infrastructure in case of disaster.

8.13. COMPLIANCE RISK

The Bank’s internal control system is based on a culture of compliance with the law and the different norms applicable to the banking activity, as well as compliance with the policies and procedures related with contractual obligations, personal conduct, and relationship with Clients. Together, these systems and procedures aim to mitigate the risk that the Bank may incur in losses associated with potential sanctions, litigation, limitations to its activity, and/or loss of reputation as a result of a contractual breach or a negative perception of the Bank’s public image.

Compliance is both a key function within the bank and a fundamental component of the internal culture. Each business line, therefore, is seen to be accountable for managing compliance risk. In this context, we select staff as much for their values as for their capacities and experience and seek to make transparency, respect for regulations and responsible behavior competitive selling points for the Bank in dealing with clients.

The Compliance function, as a unit, is independent and reports to the Board of Directors. Compliance has the necessary autonomy to act independently from all other areas of the Bank, to ensure an adequate monitoring and maintenance of the Bank’s internal control systems.

Compliance risk management is not exclusively the responsibility of the Compliance Function, but there are also responsibilities allocated to the departments that constitute the first and second lines of defense.

The Bank’s Compliance function is responsible for:

- ▲ Ensuring respect for applicable legal and regulatory requirements, including approved terms and standards of internal codes of conduct;
- ▲ Promoting an environment of control and transparency in the organizational structure that is commensurate with the complexity of services offered and the size of the institution;

- ▲ Monitoring the adequacy and efficiency of controls associated with banking risks;

- ▲ Protecting the Bank’s reputation;

- ▲ Ensuring and maintaining relationships and interactions with supervisory bodies.

With respect to anti-money laundering and risks associated with financing of terrorism, the Bank’s compliance function is responsible for controlling and detecting suspicious transactions and for monitoring the execution of duties in accordance with current legislation regarding the opening of bank accounts and “know your client” rules. Moreover, it is responsible for market abuse prevention and combat mechanisms, namely through transaction and event monitoring, assuring the existence of robust controls in terms of market safety. In both subjects, the Compliance function is responsible for centralizing the reporting of and interacting with law enforcement and supervisory entities, with respect to investigation and analysis of suspicious processes and transactions.

The Compliance function also coordinates the execution, control and review of BiG’s Plan for the Prevention of Risks of Corruption and Related Offences. This plan establishes the methodological approach for managing and mitigating risks of this nature, the appropriate and transversal understanding of the nature and magnitude of the risks of corruption and related offences underlying the activity carried out and, while at the same time ensuring alignment in the treatment of existing and emerging risks, based on the specific nature of BiG’s business model.

Moreover Compliance is responsible for analyzing and monitoring the regulatory framework of products and services, in light of the current regulations, promoting proactive management of them, controlling and validating compliance risks associated with these services, and actively identifying and preventing conflicts of interest based on information provided by relevant stakeholders.

8.14. CONDUCT RISK

The importance of Conduct Risks is increasing in the financial services industry, given the reputational risk and potential loss of confidence by clients and stakeholders. It is intrinsically related to compliance-related issues and is of paramount importance to Management and the Bank's stakeholders.

As mentioned before, the Bank encourages a culture of transparency and control, with clear lines of communication, training, and a policy of appropriate behavior toward clients. Management and respective internal control functions are responsible for transmitting guidelines and standards on relations with clients and stakeholders, on professional ethics and on socially responsible behavior. The Bank's Code of Conduct establishes principles, values and rules on proper behavior and is fundamental to orienting and disciplining staff. Management is particularly attentive to conflicts of interest, potential mis-selling of financial products and compliance with current legislation and regulation.

The Bank's internal governance and internal control procedures are clear on the responsibility of the Board and business units, as well as the capacity of internal control functions to act and to evaluate process and events in an independent manner. This includes (i) identifying and assessing conduct risk vulnerabilities throughout the organization, (ii) monitoring key conduct risk metrics and (iii) educating and training staff about their conduct risk avoidance responsibilities.

8.15. ESG RISK

The Bank recognizes that ESG factors have impacts that can be relevant, both financially and non-financially, and that there are transmission mechanisms for traditional risks.

From this perspective, ESG factors are treated as an integral part of "traditional" risks, which is the approach that has been adopted by most systemically important financial institutions, in line with the guidance of regulators.

In this context, BiG does not consider ESG risks as a standalone risk category, but rather as factors that can affect other risk categories (a "cross-cutting" perspective), in particular credit risk through financial performance and the solvency of the issuers that make up its securities portfolio, as well as other relevant counterparties.

In addition to the impacts on credit risk, the Bank also acknowledges potential impacts on other risk categories, namely market risk, operational risk, and liquidity risk, although, at this stage, from a less relevant perspective.

Considering that the supervisory expectations defined at this stage focus mainly on the management of CER – Climate and Environmental Risks, the Bank has developed a materiality analysis focused on these risk factors, which covers two fundamental aspects⁴:

Physical risk: direct financial impact of climate change resulting from extreme weather events and gradual climate change, as well as those resulting from environmental degradation, including water, air, and soil pollution, pressure on water resources, loss of biodiversity, or deforestation. The Bank subdivides this factor into two categories, classified as:

- ▲ **Acute risks:** specific extreme weather events, such as droughts, floods, storms (hurricanes, typhoons, cyclones), wildfires, or heatwaves;
- ▲ **Chronic risks:** events arising from progressive climate or environmental changes, such as the average increase in temperatures or sea levels, changes in precipitation patterns, greater frequency of abrupt weather changes, pressure on water resources, destruction of natural habitats, loss of biodiversity, land use changes, or resource scarcity.

Transition risk: financial impacts that, directly or indirectly, result from the adjustment process that economic agents must undergo in order to transition to a low-carbon ("low-carbon") and more environmentally sustainable economy. As commonly used examples to describe the

drivers of transition risk, the Bank refers to the following types:

- ▲ Changes in climate and environmental policies and regulations;
- ▲ Technological evolution that may render current technologies obsolete;
- ▲ Changes in market or investor sentiment, with the increasing incorporation of climate risk considerations into their decisions;
- ▲ Shifts in customer/consumer preferences towards more sustainable products.

In line with the conclusions in the ECB's Guide on climate-related and environmental risks (November 2020), although most of these risks materialize over a medium to long-term horizon, the Bank considers various time horizons in its analyses and additionally estimates when their effects may be most felt.

Despite the distinct and relatively random nature of the impacts of these risks on financial activity, and although they materialize over a long period, given their prolonged and irreversible nature, society has demanded a firm and determined response from economic agents. The earlier these concerns are addressed, the sooner the risk will be identified and managed, and consequently, the materialization of its impacts will likely be less aggressive. Additionally, considering that this is a new source of risk for financial institutions, with no historical data or many definitive studies allowing for uniform treatment of these risks, banks have faced greater difficulty in modeling the management of climate-related risks (CRR). In any case, financial institutions have been striving to progressively use, assimilate, and incorporate the knowledge that science has been advancing on these matters.

Given this realization, as well as public awareness and greater pressure from customers and Non-Governmental Organizations (NGOs), which have played a key role in shaping market opinions calling for effective action from various

market actors, organizations such as the Global Reporting Initiative (GRI), the Task Force on Climate-Related Financial Disclosures (TCFD), and the Sustainability Accounting Standards Board (SASB) have developed guidelines and frameworks that have helped companies report information to the market and improve their practices related to maintaining climate-related risks and, more broadly, other ESG risks. Additionally, European legislation has been defined with the aim of providing greater transparency to the market in public information disclosure.

From the analysis conducted, the Bank believes that the materiality of climate-related risks may be more relevant in credit risk, particularly in terms of transition risks, as shown in Figure 11.

From the analysis carried out on this subject, the following aspects stand out:

▲ The materiality of the exposure to physical risks in **credit risk** is mitigated by the considerable geographical dispersion of the Bank's securities portfolio, as well as by the fact that it is essentially made up of large companies and institutions that typically operate in various geographical markets. Regarding transition risks, the Bank considers that exposure is mitigated by the fact that the Bank's securities portfolio is essentially made up of listed and/or large companies, which should be the best prepared and have the best access to financing on

better terms to implement appropriate transition plans. The Bank also concluded that transition risks will have more significant implications, as new regulations and changes in government policies to combat climate change could potentially have a direct impact on the activities of the vast majority of financial institutions. Despite the relevance of other factors, the Bank considers that this is one of the main materiality variables for climate-related risks;

▲ For **market risk** purposes, the materiality of the climate-related risk factors is considered low, due to the residual size of the trading portfolio compared to the Bank's total assets, as well as the type of assets that make it up (mainly interest rate hedging positions, foreign exchange exposures, bonds, shares, etc);

▲ Given the size, nature and complexity of the Bank's business model, as well as the existing controls, no significant additional impacts are identified in the management of **operational risk** and **liquidity risk** due to exposure to this type of risks, as both physical and transition risk factors are already taken into account in the context of managing these two risk categories. Specifically, the Bank considers that the most relevant physical risks are already taken into account in the context of operational risk management, particularly through its Business Continuity Plan. With greater robustness,

and still within the context of the climate-related risk materiality exercise conducted in 2024, it was concluded that, in terms of operational risk analysis and with greater granularity than in the previous year, the Bank is not significantly exposed to climate-related risks, mainly considering the analysis of physical assets, which showed a minimal estimated impact. As far as liquidity risk is concerned, the Bank considers that the various scenarios that are analyzed (stress tests) already capture the impacts that can result from exposure to physical and transition risk factors.

In order to support the conclusions above, the Bank has a monitoring framework at the credit risk exposure level, which includes information on the average ESG score and E score of the portfolio, exposure to sectors primarily considered exposed to physical and transition risks, as well as analyses related to the carbon intensity of issuers in the Bank's portfolio, types of bonds classified as "sustainable", eligibility and alignment of portfolio issuers with the metrics outlined in the European Taxonomy (turnover, capex, and opex), and more recently the GAR (Green Asset Ratio), among others.

F.11

Risk Category	Climate Risks						Environmental Risks					
	Physical factors			Transition factors			Physical factors			Transition factors		
	Short-Term	Medium-Term	Long-Term	Short-Term	Medium-Term	Long-Term	Short-Term	Médio-Term	Medium-Term	Short-Term	Medium-Term	Long-Term
Credit risk	Low	Low	Moderate	Low	Moderate	Moderate	Low	Low	Low	Low	Low	Low
Market risk	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Liquidity risk	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Operational risk	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Other risks	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Materiality	Low	Low	Moderate	Low	Moderate	Moderate	Low	Low	Low	Low	Low	Low

Low Moderate Material High

▲ 9. APPLICATION OF RESULTS

In 2024, Banco de Investimento Global S.A. recorded a consolidated net income attributable to the parent company's shareholders of € 27,038,176.75 (twenty-seven million, thirty-eight thousand, one hundred and seventy-six euros and seventy-five cents), and an individual net income of € 26,557,803.21 (twenty-six million, five hundred and fifty-seven thousand, eight hundred and three euros and twenty-one cents). In the individual accounts, Banco de Investimento Global, S.A. shall, in accordance with article 97, paragraph 1, of the General Regime of Credit Institutions and Financial Companies, allocate 10% of net income to the reinforcement of legal reserve.

In December 2024, the Bank distributed € 9,347,239.50 (nine million, three hundred and forty-seven thousand, two hundred and thirty-nine euros and fifty cents), corresponding to € 0.05 (five cents) per share. The Board of Directors proposes that, also with respect to the 2024 financial year, an additional dividend of € 0.06 (six cents) per share be distributed to each of the 186,947,388 ordinary shares existing on 31 December 2024. The total dividend on ordinary shares corresponds to a distribution of 77.43 per cent of the individual net income for the year.

Thus, pursuant to Article 30, paragraph 1 of the By-Laws, the Board of Directors proposes the following application of the individual results of the year:

Legal Reserve € 2,655,780.32

Dividends € 20,563,926.90

Free Reserve € 3,338,095.99

It is also proposed to deliberate the allocation to employees of the Bank, the maximum amount of € 1,950,000 (one million nine hundred and fifty thousand euros), as participation in BIG's profits (balance sheet allowances already reflected in the individual net income, in accordance with the accounting rules), under terms to be defined by the Board of Directors.

Lisbon, 27th of March 2025

The Board of Directors

Carlos Adolfo Coelho Figueiredo Rodrigues
Chairman

José Galamba de Oliveira
Director

Maria Teresa Corrêa de Barros Cardoso
de Menezes
Director

Mário João Abreu Galhardo Bolota
Executive Director / CEO

Ana Rita Gil Simões
Executive Director

João Miguel Barrier Henrique
Executive Director

Vitor Manuel Carvalho Luis
Executive Director



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STATUTORY AUDITORS' REPORT

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Free Translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail)

Opinion

We have audited the accompanying consolidated financial statements of **Banco de Investimento Global, S.A.** (the Group), which comprise the consolidated statement of financial position as at 31 December 2024 (showing a total of Euro 2,803,349,165 and total equity of Euro 405,260,603, including a net profit attributable to shareholders of the parent company of Euro 27,038,177) and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of **Banco de Investimento Global, S.A.** as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the 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 (ISA) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section below. We are independent of the entities that comprise the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other matter(s)

The consolidated financial statements for the year ended 31 December 2023, presented for comparative purposes, were audited by another Statutory Auditor, who issued a clean Statutory Auditors' Report (unqualified and without emphasis) thereon, dated 28 March 2024. We were accepted as Statutory Auditors on 19 June 2024 to conduct the statutory audit of the accounts for the year ending 31 December 2024.

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.

Fair value of financial instruments not quoted in an active market

Measurement and disclosures related to the fair value of financial instruments not quoted in an active market presented in Notes 2.4, 2.5, 2.10, 3.2, 19, 20, 21, 22, 23, 27 and 44 to the Group's consolidated financial statements.

The Risk

As at 31 December 2024, the balance sheet balances of financial assets at levels 2 and 3 of the fair value hierarchy, or subject to value adjustments through accounting hedges, and the balance sheet balances of financial liabilities at levels 2 and 3 of the fair value hierarchy amount to Euro 543,411,739 and Euro 31,616,026, respectively.

As at 31 December 2024, financial instruments not quoted in an active market comprise (i) debt financial instruments, classified in the financial statements under financial assets at fair value through other comprehensive income, or financial assets held for trading, (ii) derivatives classified as trading or hedging; (iii) equity instruments and (iv) assets subject to value adjustments through accounting hedges, namely securities whose business model is hold to collect.

For financial instruments classified in levels 2 and 3 of the fair value hierarchy,

Our response to the identified risk

Our audit procedures included, amongst others, those that we describe below:

- We assessed the design and implementation of the relevant controls carried out by the Group to identify, quantify and monitor market risk, as well as key controls underlying fair value calculation methodologies;
- We assessed the Group's governance and internal control process, in particular the controls implemented over the review and approval of the main assumptions, judgements and future economic prospects used in the models for measuring impairment losses;
- We analysed the methodological documents for valuing these financial instruments, prepared by the Group, and assessed their adherence to the principles of IFRS 9 and IFRS 13;



the Group determines fair value using estimates, namely through (i) prices

The Risk

from independent counterparties, which depend on the assumptions used (ii) prices charged in similar and recent market transactions; (iii) discounted cash flow models; and (iv) other methodologies based on compliance with the main milestones defined at the time of the initial investment, as provided for in the International Private Equity and Venture Capital Valuation Guidelines, which usually involve a high degree of judgement by the Group in defining the assumptions and inputs to be used.

In this connection, given the uncertainty, complexity and judgement involved in defining the assumptions and measurement techniques used and the impacts they may have on determining the fair value of financial instruments not quoted in an active market, this was a relevant matter for the purposes of our audit.

Our response to the identified risk

- We analysed, on a sample basis, the combined application of the tests to the contractual flow features of the financial assets and the Group's business models, using the supporting documentation provided;
 - For financial instruments whose measurement has consisted substantially of unobservable market inputs, we have assessed whether (i) the models developed by the Group, (ii) the inputs and (iii) the assumptions used are reasonable, by comparing the observable inputs with market information collected from external and independent sources, whenever available;
 - For financial instruments whose measurement consisted substantially of unobservable market inputs, we recalculated the fair value of these financial instruments, considering the models and inputs previously analysed; and
 - We assessed the adequacy of the respective disclosures to the consolidated financial statements, in accordance with the applicable accounting framework.
-



Impairment losses on securitised loans

Measurement and disclosures related to the impairment losses recorded for the securitised loan portfolio presented in Notes 2.5, 3.1, 22, 23 and 45 to the Group's consolidated financial statements.

The Risk

As at 31 December 2024, the gross value of securitised loans amounts to Euro 2,394,641,425 (of which Euro 1,399,870,910 classified as financial assets at fair value through other comprehensive income and Euro 994,770,515 classified as financial assets at amortised cost, as described in Notes 22 and 23 to the consolidated financial statements.

The corresponding expected credit losses recognised on that date amount to Euro 3,436,595.

The measurement of expected credit losses on securitised loans, as well as the respective significant increase in credit risk, are calculated by the Group, mostly using information provided by external suppliers such as rating agencies, and/or market information from data providers.

For the purposes of determining impairment, financial assets are classified in different stages (1, 2 or 3), depending on the changes in their credit risk since the date they were granted. This classification is influenced by a number of subjective factors which, if incorrectly applied, can have significant impacts. For this reason, determining the stage is a relevant process as it influences the associated Expected Credit Loss (ECL) levels.

Our response to the identified risk

Our audit procedures included, amongst others, those that we describe below:

- We assessed the design and implementation of the main controls put in place by the Group regarding the approval, recording and monitoring of securitised credit risk, as well as the Group's main controls underlying the timely identification, recording and correct measurement of expected credit losses;
- We assessed the Group's governance and internal control process, in particular the controls implemented over the review and approval of the main assumptions, judgements and future economic prospects used in the models for measuring impairment losses;
- We analysed the methodological documents prepared by the Group and assessed their adherence to the requirements of the IFRS;

The Risk

For these exposures, the Group has developed analysis models for calculating expected credit losses, in accordance with the requirements of IFRS 9, which are based on (i) specific portfolio information, namely the acquisition date and price, (ii) historical information on defaults and recoveries provided by external suppliers and (iii) further information from the market, such as the issuer's underlying credit spreads, obtained through the credit default swaps transaction or the issuer's respective yield curves.

In this context, given the uncertainty, complexity and judgement involved in defining the assumptions, methodologies and information provided by external suppliers used by the Group in analysing and quantifying the expected credit losses on securitised loans, and the impact they may have on the estimation of recovery flows and the timing of their receipt, and consequently on the amount of expected credit losses, this is a key audit matter for the purposes of our audit.

Our response to the identified risk

- We assessed whether the assumptions considered by the Group in the impairment models meet the requirements of IFRS 9, namely: (i) we reviewed the methodological documentation underlying the model used; (ii) we analysed and tested the segmentation of the portfolio; (iii) we analysed the Group's definition of default and the criteria applied in the staging classification, on a sample basis; (iv) we assessed and tested the main risk parameters; (v) we critically analysed the main assumptions and sources of information used in the future recoveries incorporated in the calculation of the LGD (Loss Given Default); and (vi) we recalculated the Expected Credit Loss; and
- We assessed the adequacy of the respective disclosures to the consolidated financial statements, in accordance with the applicable accounting framework.

Responsibilities of management and the supervisory body for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Group's consolidated financial position, financial performance and the consolidated cash flows, in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union;



- the preparation of the consolidated management report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and,
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditors' 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 misstatements whether due to fraud or error, and to issue an auditors' 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 ISA 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 ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;



- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and the events in a manner that achieves fair presentation;
- plan and perform our audit to 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.
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit, and significant audit findings including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes their public disclosure; and,
- provide the supervisory body with a statement that we have complied with the relevant ethical requirements regarding independence and 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 the verification that the information contained in the consolidated management report is consistent with the consolidated financial statements, as well as the verification that the non-financial information was presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the consolidated management report

Pursuant to Article 451(3)(e) of the Portuguese Companies' Code, it is our opinion that the consolidated management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment of the Group, we have not identified any material misstatements.

On the additional matters provided in article 10 of the Regulation (EU) 537/2014

Pursuant to article 10 of the Regulation (EU) 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were first appointed as auditors of Banco de Investimento Global, S.A (parent Entity of the Group) in the shareholders general assembly held on 16 May 2024 for a first mandate from 2024 to 2027.



- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the consolidated financial statements. In planning and executing our audit in accordance with ISA we maintained professional scepticism, and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work, we have not identified any material misstatement of the consolidated financial statements due to fraud.
- We confirm that the audit opinion we issue is consistent with the additional report that we prepared and delivered to the supervisory body of the Group on 27 March 2025.
- We declare that we have not provided any prohibited services as described in article 5 of the Regulation (EU) 537/2014 of the European Parliament and of the Council, of 16 April 2014, and we have remained independent of the Group in conducting the audit.

2 April 2025

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A.
(no. 189 and registered at CMVM with the no. 20161489)
represented by
Miguel Pinto Douradinha Afonso
(ROC no. 1454 and registered at CMVM with the no. 20161064)

***Report and Opinion of the Supervisory Board of
Banco de Investimento Global, S.A. on the Group's consolidated financial
statements for the fiscal year ended December 31, 2024***

To the Shareholders,

Pursuant to articles no. 508-D and no. 420, 1 g), of the Portuguese Commercial Companies Code, as approved by Decree-Law no. 262/86 of September 2, and the Twenty-Fourth Article, 1 and 2, of the Articles of Association of Banco de Investimento Global, S.A. (hereinafter referred to as “BiG” or “Bank”), each in their respective current versions, it is the Supervisory Board’s competence to examine the consolidated financial statements of BiG’s corporate group, which includes its subsidiaries (“Group”), as presented to it by the BiG’s Board of Directors with respect to the fiscal year ended December 31, 2024.

Therefore, in the course of 2024, we actively accompanied the Group’s activity, management, and results, with the frequency and extent we deemed appropriate. The Supervisory Board received all the necessary information for the proper performance of its duties at BiG, pursuant to Article no. 6, 1 and 2, of Banco de Portugal Notice no. 3/2020, dated July 15, 2020, as amended by Banco de Portugal Notice no. 2/2025, dated March 20, 2025, in the versions in force at each time (“Notice no. 3/2020”). We verified the adequacy of the accounting records, the correctness of the corresponding consolidated accounts documentation, and the adequacy of the valuation criteria adopted by BiG for the correct appraisal of its assets and results.

We also assessed the effectiveness of the internal control, risk management and internal audit systems, both at the Group level and specifically with regard to the anti-money laundering and terrorist financing prevention system, namely the relevant internal controls for the Group’s activity. The Supervisory Board issued a report on the adequacy and effectiveness of the Group’s internal control system. Additionally, we reviewed and followed the Auditing Plan, also from a Group-wide perspective.

We monitored the work carried out by KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A. (“KPMG”), as the external statutory auditors of the Group. KPMG audited throughout the year and at the end of the 2024 year the consolidated accounts that the Board of Directors produced as per the Law and Articles of Association, and we reviewed their Statutory Audit Report, in attachment, with which we concur. In its review of the consolidated Financial Statements of the year of 2024, we also took into special consideration the report on the Supervisory Body produced by KPMG.

The Statutory Audit Report on the Group presents an unqualified opinion, and we concur with its content. Within the scope of our mandate, we have verified that:

- i) the Consolidated Balance Sheet, the Consolidated Income Statement by Nature, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the corresponding Notes of the Group to the accounts allow for an adequate understanding of the financial position, results, comprehensive income, changes in equity and the cash flows of the Group;
- ii) the accounting policies and valuation criteria adopted by the Group are adequate;
- iii) the Group’s consolidated management report is sufficiently clear as to the evolution of the businesses and the position of the Group and the subsidiaries included in the consolidation and highlights the most significant aspects.

On this basis, and considering the information obtained from the BiG’s Board of Directors and the conclusions in the statutory audit report, by unanimous decision, we issue a positive opinion on the following topics, concerning the fiscal year ended on December 31, 2024:

- i) Approval of the Group’s consolidated management report; and
- ii) Approval of the Group’s consolidated financial statements.

Finally, we would like to express our gratitude to the BiG’s Board of Directors and to all the Group’s employees who we contacted, for their valuable cooperation.

Lisbon, April 4, 2025

The President of the Supervisory Board

Maria Aline Bastos Moreira Veloso de Almeida

Member

Pedro Rogério Lopes Barata do Ouro Lameira

Member

Jorge Manuel Jacob Miguel Tainha

▲ CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31 December 2024

▲ CONSOLIDATED INCOME STATEMENT

For the year ended 31 december 2024
(Amounts in Euros)

	Notes	2024	2023
Interest income	4	113,098,289	81,238,986
Interest expenses	4	(66,435,319)	(44,303,226)
Net interest income		46,662,970	36,935,760
Dividend income	5	115,718	99,908
Fee and commission income	6	22,055,940	19,353,059
Fee and commission expenses	6	(4,231,577)	(4,158,398)
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss	7	8,481,412	4,464,860
Gains or losses with financial assets and liabilities held for trading and hedge accounting	8	8,099,072	24,373,420
Exchange differences	9	3,815,313	(1,907,224)
Gains or losses on derecognition of non-financial assets	10	-	343
Other operating results	11	325,631	1,037,830
Total Operating income		85,324,479	80,199,558
Administrative expenses			
Staff expenses	12	(26,073,661)	(24,382,649)
Other administrative expenses	14	(15,791,063)	(14,922,015)
Cash contributions for resolution funds and deposit guarantee schemes	15	(284,469)	(1,072,243)
Depreciation and amortization	28 e 29	(2,919,955)	(3,270,577)
Provisions or reversal of provisions	36	(11,215)	(61,171)
Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss			
Financial assets at fair value through other comprehensive income	22	(89,066)	1,310,135
Financial assets at amortised cost	23,24,25 e 26	89,182	14,668
Impairment or reversal of impairment of non-financial assets			
Other	31	86,736	(35,123)
Operating costs		(44,993,511)	(42,418,975)
Profit or loss before tax from continuing operations		40,330,968	37,780,583
Tax expense or income related to profit or loss from continuing operations			
Current	39	(8,809,685)	(8,714,130)
Deferred	39	(914,737)	(1,373,529)
Profit or loss after tax from continuing operations		30,606,546	27,692,924
Minority interests		(3,568,369)	(3,497,857)
Profit or loss of the year		27,038,177	24,195,067
Earnings per basic share	16	0.14	0.13
Earnings per diluted share	16	0.14	0.13

The explanatory Notes attached form part of these consolidated financial statements.

▲ CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 december 2024
(Amounts in Euros)

	Notes	2024			2023		
		Total	Attributable to shareholders of the bank	Minority interests	Total	Attributable to shareholders of the bank	Minority interests
Net Profit/Loss of the year		30,606,546	27,038,177	3,568,369	27,692,924	24,195,067	3,497,857
Items which could be reclassified for results							
Debt instruments at fair value through other comprehensive income							
Gains and losses of the year	41	28,091,341	28,012,287	79,054	85,810,254	85,747,121	63,133
Reclassification of Gains and Losses	41	(17,206,412)	(17,206,412)	-	(42,043,348)	(42,043,348)	-
Deferred tax	41	(4,460,786)	(4,394,149)	(66,637)	(13,558,946)	(13,575,847)	16,901
Exchange differences	41	2,236,315	1,829,561	406,754	(864,586)	(664,388)	(200,197)
Items which could not be reclassified for results							
Equity instruments at fair value through other comprehensive income							
Gains and losses of the year	41	43,784	43,370	414	(24,288)	(24,288)	-
Deferred tax	41	12,627	12,627	-	(7,651)	(7,651)	-
Variation of Other Comprehensive Income of the year		8,716,869	8,297,284	419,585	29,311,435	29,431,599	(120,163)
Total comprehensive income for the year		39,323,415	35,335,461	3,987,954	57,004,359	53,626,666	3,377,694

▲ CONSOLIDATED BALANCE SHEET

For the year ended 31 december 2024
(Amounts in Euros)

	Notes	2024	2023
Assets			
Cash, cash balances at central banks and other demand deposits			
Cash and cash reserves at Central Banks	17	164,103,353	284,570,445
Other demand deposits	18	114,361,177	102,271,531
Financial assets at fair value through profit and loss			
Financial assets held for trading	19	85,452,937	73,311,687
Non-trading financial assets mandatorily at fair value through profit or loss	20	8,167,353	8,689,340
Financial assets designated at fair value through profit or loss	21	7,603,775	8,550,863
Financial assets at fair value through other comprehensive income	22	1,216,201,195	1,069,926,247
Financial assets at amortised cost			
Debt securities	23	962,165,671	886,192,944
Loans and advances - Clients	24	20,126,750	19,952,928
Loans and advances - Central Banks	25	30,346,826	17,741,773
Loans and advances - Banks	26	63,583,466	70,318,652
Derivatives - Hedge accounting	27	9,152,470	9,086,629
Tangible assets	28	21,366,989	18,760,241
Intangible assets	29	10,673,948	11,456,621
Tax assets			
Current tax assets	30	-	-
Deferred tax assets	39	19,567,549	24,715,669
Other assets	31	70,475,706	57,803,644
Total Assets		2,803,349,165	2,663,349,214
Liabilities			
Financial liabilities held for trading	19	5,807,687	2,837
Financial liabilities designated at fair value through profit or loss	32	-	19,039,869
Financial liabilities measured at amortised cost			
Funding from clients	34	2,208,678,567	2,024,574,177
Funding from central banks		-	-
Funding from other banks	33	65,740,646	131,718,791
Other liabilities represented by securities	35	11,784,130	13,149,177
Derivatives - Hedge accounting	27	25,808,339	20,330,077
Provisions	36	523,521	487,829
Tax liabilities		-	-
Tax liabilities correntes	30	815,470	1,300,191
Deferred tax liabilities	39	822,588	642,143
Share capital repayable on demand	37	-	-
Other liabilities	40	78,107,614	61,437,229
Total liabilities		2,398,088,562	2,272,682,320
Capital			
Capital	41	186,947,388	186,947,388
Share premium	41	1,362,309	1,362,307
Accumulated other comprehensive income	41	(49,085,910)	(56,989,043)
Other reserves	41	242,070,599	236,067,905
Treasury shares	41	(2,326)	(2,326)
Profit or loss attributable to owners of the parent	41	27,038,177	24,195,067
Advanced dividends	41	(9,347,240)	(6,543,068)
Minority interests	41	6,277,606	5,628,664
Total equity		405,260,603	390,666,894
Total equity and Total liabilities		2,803,349,165	2,663,349,214

The explanatory Notes attached form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 december 2024
(Amounts in Euros)

	Notes	Capital	Share premium	Accumulated other comprehensive income	Legal reserve	Other reserves and Retained Earnings	Treasury shares	Profit or loss attributable to owners of the parent	Advanced dividends	Minority interests	Total Equity
Balances on 31 December 2022		186,947,388	1,362,308	(86,397,717)	54,261,492	178,085,072	(2,326)	10,241,487	-	5,545,416	350,043,120
Comprehensive income											
Other comprehensive income		-	-	30,095,987	-	-	-	-	-	80,034	30,176,021
Exchange differences		-	(1)	(687,313)	(85,060)	(62,773)	-	170,758	-	(200,197)	(864,586)
Net result of the year		-	-	-	-	-	-	24,195,067	-	3,497,857	27,692,924
Total comprehensive income recognised in the year		-	(1)	29,408,674	(85,060)	(62,773)	-	24,365,825	-	3,377,694	57,004,359
Distribution of the results of the year 2022											
Transfer to reserves		-	-	-	1,859,338	2,009,839	-	(3,869,177)	-	-	-
Distribution of dividends		-	-	-	-	-	-	(6,543,068)	-	(484,885)	(7,027,953)
Minority interests in Liabilities		-	-	-	-	-	-	-	-	(2,809,561)	(2,809,561)
Reserves		-	-	-	-	(3)	-	-	-	-	(3)
Advanced dividends		-	-	-	-	-	-	(6,543,068)	-	-	(6,543,068)
Balances on 31 December 2023	41	186,947,388	1,362,307	(56,989,043)	56,035,770	180,032,135	(2,326)	24,195,067	(6,543,068)	5,628,664	390,666,894
Comprehensive income											
Other comprehensive income		-	-	6,465,753	-	1,970	-	-	-	12,831	6,480,554
Exchange differences		-	2	1,437,380	249,213	142,966	-	-	-	406,754	2,236,315
Net result of the year		-	-	-	-	-	-	27,038,177	-	3,568,369	30,606,546
Total comprehensive income recognised in the year		-	2	7,903,133	249,213	144,936	-	27,038,177	-	3,987,954	39,323,415
Distribution of the result of the year 2023											
Transfer to reserves		-	-	-	3,427,595	2,072,993	-	(5,500,588)	-	-	-
Distribution of dividends		-	-	-	-	-	-	(18,694,479)	6,543,068	(481,807)	(12,633,218)
Minority interests in Liabilities		-	-	-	-	-	-	-	-	(2,857,205)	(2,857,205)
Other movements		-	-	-	-	107,957	-	-	-	-	107,957
Advanced dividends		-	-	-	-	-	-	(9,347,240)	-	-	(9,347,240)
Balances on 31 December 2024	41	186,947,388	1,362,309	(49,085,910)	59,712,578	182,358,021	(2,326)	27,038,177	(9,347,240)	6,277,606	405,260,603

The explanatory Notes attached form part of these consolidated financial statements.

▲ CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 december 2024
(Amounts in Euros)

	Notes	2024	2023
Cash flows from operating activities			
Interest and income received		110,818,388	76,690,092
Interest and costs paid		(66,851,287)	(36,799,741)
Services and commission		17,351,124	15,249,580
Contributions to the pension fund		(496,483)	(427,309)
Cash payments to employees and suppliers		(38,888,729)	(38,009,415)
Other costs and income paid/received		2,714,586	1,543,787
		24,647,599	18,246,994
Variation in operating assets and liabilities:			
Financial assets and liabilities held for trading		1,152,761	(2,923,722)
Non-trading financial assets mandatorily at fair value through profit or loss		(765,252)	(1,610,092)
Financial liabilities designated at fair value through profit or loss		(17,487,175)	(8,046,376)
Financial assets at amortised cost		(76,022,541)	(21,063,360)
Applications in banks		(12,202,974)	(73,352,431)
Funding from clients		202,837,442	445,112,805
Funding from central banks		-	(25,000,000)
Funding from banks		(66,194,122)	(192,423,717)
Derivatives for risk management		6,342,655	76,869,565
Other operating assets and liabilities		(12,433,545)	(37,501,914)
Cash flow net of the operating activities, before taxation		49,874,848	178,307,752
Taxation on profits paid/received		(9,337,406)	(2,209,564)
		40,537,442	176,098,188
Cash flow from investment activities			
Acquisition/reduction of investments in subsidiaries		(728,796)	(1,319,399)
Dividends received		116,685	99,908
Financial assets at fair value through other comprehensive income		(125,865,114)	(9,666,974)
Purchase of financial investments		(4,465,948)	(2,628,619)
		(130,943,173)	(13,515,084)
Cash flow from financing activities			
Subscription/redemption of participation units		13,493,116	11,031,222
Dividends paid from ordinary shares		(22,084,749)	(13,635,962)
Instruments representing capital		-	(11,649,500)
Increase/(Decrease) other liabilities in accounts		427,346	(600,313)
Issuance of Commercial Paper		(2,607,971)	12,511,196
Cash flow net of financing activities		(10,772,258)	(2,343,357)
Cash and cash equivalents at the start of the period		404,586,749	246,416,445
Net variation in cash and cash equivalents		(101,177,989)	160,239,747
Effect of the change in the exchange rate on cash and cash equivalents		5,402,596	(2,069,443)
Cash and cash equivalents at the end of the period		308,811,356	404,586,749
Cash and cash equivalents at the beginning of the period includes:			
Cash		284,570,445	126,582,804
Deposits in other Banks		102,271,531	119,833,641
Deposits in Central banks with maturities of less than 3 months		17,744,773	
Total		404,586,749	246,416,445
Cash and cash equivalents at the end of the period includes:			
Cash	17	164,103,353	284,570,445
Deposits in other Banks	18	114,361,177	102,271,531
Deposits in Central banks with maturities of less than 3 months	25	30,346,826	17,744,773
Total		308,811,356	404,586,749

The explanatory Notes attached form part of these consolidated financial statements.

▲ NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on 31 December 2024

INTRODUCTION

Banco de Investimento Global, S.A. (Bank or BiG) was created by public deed on 10 December 1998, and began its banking activity on 1 March 1999. The Bank is licensed to perform all transactions and provide all services allowed in the banking sector, with no legal restriction.

Onetier Partners, Sociedade de Capital de Risco, S.A., 100% owned by Banco de Investimento Global, S.A., was constituted on the 20th of April 2004 and the main goal is the realisation of investments temporary in companies with a high growth potential and valuation. Since 2016, the company's investment policy has favoured the acquisition of equity stakes or concession of debt convertible to early-stage start-up companies that operate preferably in the Fintech, Insurtech and Cybersecurity segments.

BiG Serviços Financeiros, S.A., fully owned by the Bank, was founded on the 11th of September 2008, is based in Lisbon and has the main object of providing financial consultancy services, and also owns or manages buildings.

BiG Moçambique was founded on 8 October 2014, based in Maputo, its main social purpose being the realization of any operations and provision of any services that banks are allowed in Mozambique, with no legal restriction. Banco de Investimento Global, SA owns 82.64% of BiG Mozambique.

On 7 September 2021 the Bank acquired 100% of the capital of DIF Broker – Empresa de Investimento, S.A., an investment firm established in 1999 whose corporate purpose is the provision of investment services and ancillary services for which it is authorized, as set out in its bylaws.

BiG Diversified Macro Fund, an open-ended collective investment undertaking, set up on 25 April 2018, based in Dublin, Ireland, and it is regulated under the Alternative Investment Fund Managers Directive (AIFMD), is held by the Bank in 50.8% of its investment units and it is consolidated using the full consolidation method.

The entity Onetier – Fundo Capital de Risco is a venture capital fund managed by Onetier Partners, Sociedade de Capital de Risco, S.A. constituted in December 2021.

▲ NOTE 1

BASIS OF PRESENTATION AND COMPARABILITY OF INFORMATION

Pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, of 19 July 2002, transposed into Portuguese legislation, the consolidated financial statements of Banco de Investimento Global, S.A. (BiG or Group) are prepared in accordance with the International Financial Reporting Standards (IAS/IFRS), as adopted by the European Union.

IFRS include the accounting standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), and by the respective preceding bodies.

The consolidated financial statements and accompanying notes were approved by the Board of Directors of Banco de Investimento Global, S.A. on February 29, 2024. The consolidated financial statements now presented refer to December 31, 2024, and will be submitted for the approval of the General Meeting, which has the power to make changes them. It is, however, the conviction of BiG's Board of Directors that they will be approved without significant alterations.

BiG's consolidated financial statements now presented, relate to the year ended on 31 December 2024 and were prepared in accordance with the IFRS, as adopted in the European Union by 31 December 2024. The accounting policies used by the Group in the preparation of the financial statements reported on 31 December 2024 are consistent with those used with reference to 31 December 2023.

The consolidated financial statements are stated in Euros. These were prepared in accordance with the going concern principle, the accrual basis, and the historical cost principle, with the exception of assets and liabilities recorded at fair value, namely derivative financial instruments, financial assets and liabilities held for trading, financial assets that are not held for trading and are mandatorily measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, and bonds for which the interest rate risk is hedged by derivatives in their component that is being hedged.

The preparation of consolidated financial statements in accordance with IFRS requires the Group to make judgements and estimates and uses assumptions which affect the application of accounting policies and amounts of revenues, expenses, assets and liabilities. Alterations in these assumptions or differences between these and the actual situation can have an impact on the actual estimates and judgements. The areas which involve a greater degree of judgement or complexity, or where significant assumptions and estimates are used in the preparation of the Consolidated Financial Statements are analysed in Note 3.

The accounting policies were applied consistently to all the entities of the Group and are consistent with those used in the preparation of the financial statements of the previous period.

▲ NOTE 2

MAIN MATERIAL ACCOUNTING POLICIES

The material accounting policies that were used in the preparation of the consolidated financial statements are described below.

2.1. Basis of consolidation

Consolidation principles and recording of subsidiaries

The Group applies IFRS 3 (revised) for the accounting recognition of concentration of businesses. The consolidated financial statements now presented reflect the assets, liabilities, revenues and expenses of the Bank and its subsidiaries (Group).

Investments in subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it has the power to direct the relevant activities of the entity, and when it is exposed, or has rights, to the variability in returns resulting from its involvement with that entity and it is able to appropriate the results through the power it holds over the relevant activities of that entity (de facto control).

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the Group acquires control until the date on which control ceases.

Goodwill

Business combinations are recorded using the purchase method of accounting. The acquisition cost corresponds to the fair value, determined on the date of purchase of the assets given and liabilities incurred or assumed. The Group, on a transaction-by-transaction basis (for each business combination) chooses to measure any minority interest in the acquired company either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The costs directly related to the acquisition of a subsidiary are charged directly to profit or loss.

The Group performs a set of procedures to assess whether it is facing an asset purchase or a business combination. Or rather, it determines that it has acquired a business when the acquired set of activities and assets includes a substantive input and process that, together, contribute significantly to the ability to create outputs. The acquired process is considered substantive if it is considered critical for the ability to continue to produce outputs, and the acquired inputs include an organized workforce, with the knowledge or experience necessary to carry out this process or if it contributes significantly to the ability to continue to produce outputs and is considered unique or scarce or cannot be replaced without significant cost, effort or delay in the ability to continue to produce outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for the due classification and designation according to the contractual terms, economic circumstances and relevant conditions at the date of acquisition. This includes the separation of embedded derivatives in host contracts by the acquiree.

The value of contingent future payments is recognised as a liability at the time of the business combination according to its fair value, and any change to the amount initially recognised is recorded against goodwill, but only if it occurs within the period of measurement (12 months after the acquisition date) and if it is related with facts and circumstances that existed at the date of acquisition, otherwise it should be recorded against the income statement, unless this contingent payment is classified as equity, and in this case it should not be remeasured and, only when it is settled, will the impact on equity be recognised.

Positive goodwill resulting from acquisitions is recognised as an asset and carried at acquisition cost and is not subject to amortization. Goodwill resulting from the acquisition of participations in subsidiary companies is defined as the difference between the value of the acquisition cost and the total or proportional fair value of the assets and liabilities and contingent liabilities of the acquiree, according to the option taken. If the goodwill arrived at is negative, this is recorded directly in profit and loss for the period when the business combination occurs.

Goodwill is not corrected according to the final determination of the value of the contingent price paid, this impact being recognised against the income statement or equity, if applicable.

In accordance with IFRS 3 – Business Combinations, if the initial accounting of a business combination is not completed by the end of the first financial reporting period in which the combination occurs, this is recorded at its provisional values. These provisional values may be adjusted during the period of measurement, which may not exceed one year from the acquisition date.

During this period, the Group should adjust retrospectively the amounts recognised provisionally at the date of acquisition, in order to reflect new information obtained on facts and circumstances that existed on the date of the acquisition and that, if known, would have affected the measurement of the amounts recognised on that date. During this period, the Group should also recognize additional assets and liabilities, if new information is obtained on facts and circumstances that existed at the date of acquisition and that, if known, would have resulted in the recognition of these assets and liabilities on that date.

At least once a year, the Group performs impairment tests on goodwill carried in the balance sheet, according to the requirements of IAS 36 – "Impairment of Assets". For this purpose, goodwill is allocated to units that give rise to cash flows, and the respective recoverable amount is determined based on estimates of the future cash flow, updated based on discount rates considered appropriate by the Group. Impairment losses associated with goodwill are recorded in the income statement of the year and cannot be reversed.

Acquisition and dilution of non-controlling interests

The acquisition of non-controlling interests which does not result in a change in control over a subsidiary is accounted as a transaction with shareholders and, as such, no additional goodwill is recognised as a result of this transaction. The difference between the acquisition cost and the fair value of the non-controlling interests acquired is recognised directly in reserves. Likewise, gains or losses arising from disposals of controlling interests that do not result in a loss of control over a subsidiary are always recognised against reserves.

Loss of control

Gains or losses arising from the dilution or sale of a portion of an interest in a subsidiary, with loss of control, are recognised by the Group in the income statement.

Investments in foreign subsidiaries

The financial statements of the Group's foreign subsidiaries and associates are prepared in their functional currency, defined as the currency of the economy in which they operate or the currency in which the subsidiaries obtain their revenues or finance their activity. On consolidation, the value of assets and liabilities, including goodwill, of foreign subsidiaries are recorded in Euros at the official exchange rate ruling at balance sheet date. Regarding the investments in foreign operations that are consolidated under the full consolidation or equity methods, the exchange differences between the conversion to Euros of the opening net assets at the beginning of the year and their value in Euros at the exchange rate ruling at the balance sheet date are accounted for against "Reserves – exchange differences".

Changes in the fair value of instruments that are designated and qualified as hedging instruments in respect of investments in foreign operations are recorded in equity under "Reserves and retained earnings". Whenever the hedge is not fully effective, the difference is recorded in the net profit of the period.

Exchange differences from the conversion to Euros of the net profit of the period, arising from the difference between the exchange rate used in the income statement and the exchange rate prevailing at the balance sheet date are recognised in the caption "Reserves and retained earnings – exchange difference arising on consolidation of Group companies". On disposal of investments in foreign subsidiaries for which there is loss of control, exchange differences related to the investment and the respective hedging operation previously recognised in reserves, are transferred to profit and loss as part of the gain or loss arising on the disposal.

Transactions eliminated on consolidation

Balances and transactions between Group companies, as well as unrealized gains and losses arising from transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains and losses arising on transactions with associates and jointly controlled entities are eliminated in the portion of the Group's share in those entities.

2.2. Transactions in foreign currency

The Group's accounts are presented in Euros.

Transactions in foreign currency are converted at the rate of exchange in force on the date of the transaction. Monetary assets and liabilities expressed in foreign currency are converted into Euros at the rate of exchange in force on the date of the balance sheet. The exchange differences resulting from this conversion are recognised in profit and loss. Non-monetary assets and liabilities recorded at historical cost expressed in foreign currency are converted at the rate of exchange on the date of the transaction. Non-monetary assets and liabilities expressed in foreign currency recorded at fair value are converted at the rate of exchange in force on the date on which the fair value was determined. The resulting exchange differences are recognised in profit and loss, except in respect of differences classified as financial assets at fair value through other comprehensive income, which are recorded as a counter-entry in equity.

2.3. Derivative financial instruments and hedge accounting**Classification and measurement**

The Group classifies the following as derivatives for risk management (i) hedging derivatives and (ii) derivatives taken out with the aim of hedging certain assets and liabilities designated at fair value through the income statement but which were not classified as hedges. All other derivatives are classified as trading derivatives.

Financial derivative instruments are recognised on their trade date at their fair value. Subsequently, the fair value of these instruments is revaluated on a daily basis, and the gains or losses resulting from this revaluation are entered directly in the income statement of the year under Gains and losses on financial assets and liabilities at fair value through profit or loss and Hedge accounting, except for gains or losses from the revaluation of foreign exchange derivatives, which are recorded under Foreign exchange differences.

There may be two types of hedging with accounting varying according to their nature:

- ▲ *Fair value hedging* consists in the hedging of exposure to changes in the fair value of a recognised asset and liability. Any gain or loss in the hedging instrument and with the opposite sign in the hedged instrument will be included in the results of the year.

- ▲ *Cash flow hedge* consists in the hedging of exposure to the variability in cash flows that is attributable i) to a particular risk of a recognised asset and liability ii) or to a transaction considered highly probable and that might affect profits and losses. The variation in gains and losses in the hedging instrument will be recorded in equity.

If a hedging instrument matures or is terminated beforehand, it is discontinued, and the gains or losses recognised in the valuation of the hedged risk as value adjustments of the hedged items are amortised over its remaining life.

If the hedged asset or liability is sold or paid, all amounts recognised in the valuation of the hedged risk are recognised in the income statement of the year and the derivative financial instrument becomes part of the trading portfolio.

If the hedge ceases to be effective, the gains or losses recognised as value adjustments of the hedged items are amortised through profit and loss over the remaining period of validity.

In the case of exchange rate risk hedges on monetary items, hedge accounting is not applied, and the gain or loss associated with the derivative is recognised in the income statement, and also the exchange variations of the monetary items.

Classification criteria

As of 1 January 2018, the Group applies the provisions of IFRS 9 in relation to hedge accounting on the understanding that this option is more aligned with its risk management, specifically as regards interest rate risk.

Financial derivative instruments used for hedging may be classified in the accounts as hedges, provided that they cumulatively meet the following conditions:

- ▲ There should be an economic relationship between the hedged item and the hedging instrument;
- ▲ The credit risk of the counterparty of the hedged item or of the hedging instrument should not have a dominant effect on changes in value resulting from this economic relationship; and
- ▲ The hedging ratio of the hedge accounting relationship, understood as the part of the item hedged by the hedging instrument, should be the same as the hedging ratio that is used for management purposes.

At the time when a hedge relationship is established, the Group prepares a dossier where all the information relating to the different hedge relationships is formalised and identifying the hedging instruments and the hedged item, the nature of the risk to be covered and how the Group assesses if the hedge relationship meets the requisites of efficacy of the hedge.

These assumptions are monitored in order to guarantee the effectiveness of the hedge.

Fair value hedge

In a fair value hedging operation of an asset or liability, the balance sheet value of this asset or liability, determined based on the respective accounting policy, is adjusted in order to reflect the variation in its fair value attributable to the hedged risk.

Variations in the fair value of hedge derivatives are recognised in the income statement, together with the variations in fair value of the hedged assets or liabilities, attributable to the hedged risk, under Gains or losses on financial assets and liabilities designated at fair value through profit or loss

If the hedge no longer meets the criteria of enforceability of the hedge accounting the derivative financial instrument is transferred to the trading portfolio and hedge accounting is discontinued prospectively. Regarding the hedging asset or liability, the adjustment to the book value of the hedged instrument is amortised in results for the remaining period of useful life of the hedged item.

2.4. Other financial assets

Classification and measurement

At the time of the initial recognition of a financial instrument its classification depends:

- ▲ on the type of financial instrument, debt or capital;
- ▲ on the Group's business model;
- ▲ on the characteristics of the contractual cash flows of the financial asset.

Depending on the aforementioned elements, the respective financial instrument shall be classified into one of the following categories, specifically:

- ▲ financial assets at amortised cost;
- ▲ financial assets at fair value through other comprehensive income; or
- ▲ financial assets at fair value through results.

Assessment of the business model

The Group analysed the business model in order to determine how its assets are managed and how information is made available and analysed by Management, in order to determine the classification and measurement of its financial instruments. Annually, the Group guarantees that its business model continues to be aligned with the way in which the financial instruments of the Group are managed.

The business model is analysed taking into account management's objective with regard to the portfolio, having considered the following elements, among others:

- ▲ The policies and objectives established for the portfolio and practical operability of these policies, including the way in which the management strategy focusses on the receipt of interest contracted, maintaining a determined interest rate profile, adapting the duration of the financial assets to the duration of the liabilities that finance these assets or on the realization of cash flows through the sale of the assets;
- ▲ The way in which the portfolio's performance is assessed and reported to the management bodies of the Group;
- ▲ The assessment of the risks that affect the performance of the business model (and of the financial assets held using this business model) and the way in which these risks are managed;
- ▲ Based on the business model and the analysis performed, for accounting purposes the Group will classify its debt instruments into one of the three categories below presented:
 - ▲ financial assets at amortised cost in the situations in which the Group wishes to receive its contractual cash flows;
 - ▲ financial assets at fair value through other comprehensive income in the situations in which the Group (i) aims to take the contractual cash flows and (ii) if a good opportunity comes up to realize the cash flows through their sale;
 - ▲ financial assets at fair value through profit or loss, when they do not meet the criteria to be recognised at amortised cost or at fair value through other comprehensive income, or when they are held for trading and short-term gains.

Financial assets measured at amortised cost

Classification

A debt security is classified in the category of Financial assets at amortised cost if the following conditions are cumulatively met:

- ▲ The financial asset is managed in a business model whose main objective involves collecting their contractual cash flows; and
- ▲ Their contractual cash flows occur on specific dates and only correspond to payments of capital and interest on the outstanding amount (SPPI – Solely Payments of Principal and Interest). For the purpose of this assessment, the Group uses the following definitions (i) Capital was defined as the fair value of the financial asset on their initial recognition, (ii) Interest was defined as the compensation for the time value of the money, for the credit risk associated to the outstanding amount and for other risks and costs associated to the business (e.g. liquidity risk and administrative costs), and also a profit margin. In the assessment of the financial instruments in which the contractual cash flows refer exclusively to capital and interest, the Group considered the contractual terms at the time of the acquisition/recognition of the respective financial instruments.

To ensure that the financial debt instruments meet the SPPI requisites, the Group thoroughly analysed them, taking the following aspects into consideration, among others:

- ▲ Contingent events that could modify the periodicity and amount of the cash flows;
- ▲ Characteristics that result in leverage;

- ▲ Early payment clauses and maturity extension clauses;
- ▲ Clauses that could limit the Group's right to claim the cash flows in relation to specific assets (e.g. contracts with clauses that prevent access to assets in the event of default – non-recourse asset); and
- ▲ Characteristics that could modify the compensation by the time value of the money.

Initial recognition and subsequent measurement

The financial assets measured in this caption, specifically applications in credit institutions and central banks, loans to clients and debt securities are recognised on their trade date, or rather, on the date on which the Group undertakes to pay the respective amounts or acquire the respective securities.

Financial assets at amortised cost are recognised initially at their fair value, plus transaction expenses, and subsequently are measured at amortised cost. After their initial recognition, impairment losses are also calculated, specifically expected credit losses (see note 23 and 24), which are recorded as a counter-entry to the caption Impairment or reversal of impairment of financial assets at amortised cost (income statement).

Interest from financial assets at amortised cost is recognised in the caption of Income interest, based on the effective interest rate method. The gains or losses generated at the time of their non-recognition are recorded in the caption Gains/(Losses) with the non-recognition of financial assets and liabilities at amortised cost.

Financial assets at fair value through other comprehensive income

Classification

A debt security is classified in the category of Financial assets at fair value through other comprehensive income if the following conditions are cumulatively met:

- ▲ The financial asset is held in a business model in which the objective is the collection of their contractual cash flows and possible realisation of the asset through the sale of this financial asset;
- ▲ Their contractual cash flows occur on specific dates and only correspond to payments of capital and interest of the outstanding amount (SPPI).

With regard to equity instruments classified in this caption (other than equity instruments which are only classified as an equity instrument from the point of view of the issuer pursuant to the exceptions contemplated in paragraphs 16A to 16D of IAS 32), on their initial recognition, the Group can irrevocably opt to classify them in this category.

This option is exercised on a case-by-case basis, investment by investment.

Initial recognition and subsequent measurement

Debt instruments at fair value through other comprehensive income are initially recognised at fair value, plus transaction expenses, and are subsequently measured at fair value. Variations in the fair value of these financial assets are recorded as a counter-entry against accumulated other comprehensive income and, at the time of their disposal, the respective accumulated gains or losses in other comprehensive income are reclassified to a specific caption of results designated as Gains or losses on derecognition of financial assets at fair value through other comprehensive income.

After their initial recognition, debt instruments at fair value through other comprehensive income are also subject to the calculation of impairment losses, more specifically expected credit losses. Estimated impairment losses are recognised in the income statement, in the caption Impairment or reversal of impairment of financial assets at fair value through other comprehensive income, as a counter-entry against accumulated other comprehensive income, without reducing the book value of the financial asset in the balance sheet.

Interest, premiums or discounts of the financial assets at fair value through other comprehensive income are recognised in the caption of Interest income based on the effective interest rate method.

Capital instruments at fair value through other comprehensive income are recognised initially at fair value, plus transaction costs and are subsequently measured at fair value. Variations in the fair value of these financial assets are recorded as a counter-entry against accumulated other comprehensive income. Only dividends, if they remunerate the invested capital are recognised in the income statement once the right to receive them is granted.

Losses and reversals of impairment losses of capital instruments at fair value through other comprehensive income are not recognised separately from other changes in fair value, with the respective accumulated gains or losses being recorded in variations of fair value transferred to retained earnings at the time of their non-recognition.

Financial assets at fair value through results

A financial asset is classified in the category of Financial assets at fair value through results (FVTPL) if the business model defined by the Group for its management or the characteristics of its contractual cash flows do not meet the conditions described above for being measured at amortised cost, nor at fair value through other comprehensive income (FVTOCI), or if they are held for trading purposes.

Furthermore, the Group can classify irrevocably a financial asset, which meets the criteria to be measured at amortised cost or at FVTOCI, at fair value through results, at the time of its initial recognition, if this eliminates or significantly reduces an accounting mismatch in its measurement or recognition (*accounting mismatch*), which otherwise would result from the measurement of assets or liabilities or from the recognition of gains and losses on them on different bases.

The Bank designates financial assets at fair value through profit or loss under the following categories:

Financial assets held for trading

Financial assets not held for trading and mandatorily measured at fair value through profit or loss, under which are classified the units in two investment funds held by the Bank.

Initial recognition and subsequent measurement

Considering that the transactions made by the Group in the normal course of its activity are at market conditions, financial assets at fair value through results are recognised initially at fair value, with the costs or revenue associated to the transactions initially recognised in the income statement. Subsequent variations of fair value of these financial assets are recognised in the income statement.

Accrued interest is recognised in the caption of Interest income and similar revenue based on the effective interest rate of each transaction. Dividends are recognised in the income statement when the right to receive them is attributed.

Trading derivatives with positive fair value are included in the caption Financial assets held for trading, with trading derivatives with negative fair value being included in the caption Financial liabilities held for trading.

Reclassification between categories of financial assets

Financial assets are reclassified to other categories only if the business model used in their management is altered. In this case, all the financial assets affected are reclassified.

Reclassification is applied prospectively from the date of the respective reclassification, with any gains, losses (including those related with impairment) or interest previously recognised not being restated. The reclassification of investments in capital instruments is not permitted, nor of financial instruments designated at fair value through results (fair value option).

Impairment

On each reporting date the Group assesses if there is (i) objective evidence of impairment; or (ii) a significant increase in the credit risk, for its financial debt instruments, in accordance with the rules of the IFRS9. Expected credit losses (ECL) calculated are recorded against the income statement in Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss – Financial assets at fair value through other comprehensive income, Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss – Financial assets at amortised cost and Impairment or reversal of impairment of non-financial assets, being subsequently reversed in results if, in a subsequent period, the amount of the estimated loss reduces.

To carry out the impairment calculation processes included in this procedure, the Group divides its credit portfolio by operations, specifically between loans represented by securities and loans not represented by securities.

The Group determines the expected credit losses of each operation depending on the deterioration of the credit risk verified since initial recognition. For this purpose, the operations are classified into one of the following three stages:

- ▲ **Stage 1:** financial assets are classified into stage 1 whenever no significant increase in the credit risk is noted since the date of their initial recognition. For these assets, an expected credit impairment loss resulting from events of non-compliance that occur during the 12 months after the reporting date should be recognised in the income statement of the year;

- ▲ *Stage 2*: incorporates financial assets for which there has been a significant increase in the credit risk since the date of their initial recognition, even though this situation may not have led to concrete losses and are only indications. For these financial assets, expected credit impairment losses are recognised throughout the lifetime of the assets. However, interest will continue to be calculated on the gross amount of the asset; or
- ▲ *Stage 3*: the assets classified in this stage, present objective evidence of impairment on the reporting date as a result of one or more events that have already occurred, and which result in a loss. In this case, the expected credit impairment loss during the expected remaining lifetime of the financial assets will be recognised in the income statement of the year. Interest is calculated on the net book value of the assets.

Main drivers in the calculation of expected losses

The measurement of expected losses is the result of the product between the probability of default (PD) of the financial instrument, a loss given as default (LGD) and the exposure on the date of the default (EAD).

With respect to loans not represented by securities, the Group uses the default rates published quarterly by the EBA as a basis for the calculation of the probability of default. As for the Loss Given Default, this is applied based on the risk and typology of associated credit. The respective PDs are adjusted based on a set of information and macroeconomic scenarios in order to incorporate forward looking information.

For loans represented by securities, the PDs and LGDs are inferred using market information deriving from external providers, specifically Bloomberg and Moody's.

The main difference between impairment losses measured for financial assets classified in stages 1 and 2 is the respective time horizon in the calculation of the PD. The expected losses for the financial assets in stage 1 will be calculated using a PD at 12 months while the expected losses in stage 2 use a PD-lifetime.

The calculation of the expected loss for financial assets in stage 1, 2 and 3 always considers point-in-time and forward-looking information.

Significant increase in the credit risk and definition of default

Financial assets go from stage 1 to stage 2 when the credit risk increases significantly when compared with the credit risk on the date of their initial recognition. The significant increase in the credit risk should be determined through the analysis of internal quantitative and/or qualitative indicators used by the Group.

The Group regularly assesses its portfolios in order to estimate the expected losses in twelve months and assess if there is a significant increase in the credit risk and if this is confirmed, it estimates the expected loss for the lifetime of the financial instrument.

To determine if there was a significant increase in the credit risk, with regard to loans represented by securities, the Group has implemented a number of variables that should be analysed, specifically:

- ▲ Negative evolution of the rating since the acquisition date;
- ▲ Negative evolution of the price taking account of the amortised cost;
- ▲ Debt of the issuer restructured due to financial difficulties;
- ▲ Delays in the payment of capital and/or interest of between 30 and 90 days;
- ▲ Inability to measure the credit risk at the time of their origination and/or acquisition.

The assessment of the default and subsequent classification of the financial assets of the portfolio of loans represented by securities in stage 3, is also regularly assessed by BiG, with the following indicators being considered:

- ▲ Additional negative rating change;
- ▲ Continuous decline in the fair value of the financial asset over 12 months or significant decline in the fair value of the financial asset (exceeding 30%), not justified by any disruptive event (e.g., war, pandemic) and inconsistent with the overall market trend. In this case, the interest rate risk effect should be removed, and the occurrence of downgrade should be analysed for the purposes of review by the Credit Risk Committee;
- ▲ Delays in the payment of capital and/or interest of over 90 days;
- ▲ Securities with rating equal to or less than CCC+ (non-POCI);
- ▲ Loss of the attribution of a rating;
- ▲ Disappearance of an active market for the financial asset under analysis due to financial difficulties;
- ▲ Bankruptcy/insolvency of the issuer;
- ▲ Debt of the issuer restructured due to financial difficulties.

With respect to loans not represented by securities, the Group's credit portfolio is made up mainly of loans granted to clients and employees. The Group regularly assesses its portfolio of loans not represented by securities in order to estimate the expected losses at twelve months and assess if there is a significant increase in the credit risk and if this is confirmed, it estimates the expected loss for the lifetime of the financial instrument.

To determine if there was a significant increase in the credit risk in the non-securitized portfolio, the Group implemented several variables to be analysed. These variables, in turn, will determine the classification in terms of the staging of the loan transactions.

The criteria used by the Group for the analysis and classification of non-securitized loan transactions in stage 2 are the following:

- ▲ Delays in payments of capital and/or interest between 31 and 90 days;
- ▲ Overdue or written-off credit in the CRC-Credit Liabilities Centre of the Banco de Portugal;
- ▲ Indications of risk registered in the Observations field of Customers' Accounts;
- ▲ Liens or account blocking registered in the Customers' Accounts;
- ▲ Inclusion of the customer in the LUR – Bank of Portugal's User Risk List (cheques);
- ▲ Inclusion of the customer in the internal watchlist;
- ▲ Significant restructuring of a loan transaction due to financial difficulties of the debtor.

The assessment of the default and subsequent classification of the financial assets of the portfolio of loans not represented by securities in stage 3 is also regularly assessed by the Group, with the following indicators being specifically considered:

- ▲ Delays in the payment of capital and/or interest between 31 and 90 days;
- ▲ Overdue or written-off credit in the CRC-Credit Liabilities Centre of the Banco de Portugal;
- ▲ Indications of risk registered in the Observations filed of Customers' Accounts;
- ▲ Liens or account blocking registered in the Customers' Accounts;
- ▲ Inclusion of the customer in the LUR – Bank of Portugal's User Risk List (cheques);
- ▲ Inclusion of the customer in the internal watchlist;
- ▲ Significant restructuring of a loan transaction due to financial difficulties of the debtor.

Credit Write-Off Policy

The write-off of financial instruments from assets occurs when a financial instrument is considered to be definitively uncollectable (e.g. by a court decision) or when the Group decides to forgive the debt or cede its rights on the loan to third parties, this is written off, as mentioned above. Loans are only proposed for write-off when all the steps of the procedure have been taken and there are no realistic expectations of recovering the full amount of the outstanding loan.

Financial instruments written off from assets are recorded in off-balance sheet captions when they are derecognised in the Balance Sheet. The entries in off-balance sheet captions remain until the liabilities of each credit operation are definitively eliminated, either by payment or by formal cessation of the right to receive within the legal and contractual terms applicable (for example: forgiving the debt, court sentence or definitive cession of past due loans), notwithstanding that all off-balance sheet records may be kept relating to clients with credit operations recorded in the Balance Sheet.

Financial instruments written off from assets and recorded in off-balance sheet captions are maintained at the amount to which the institution is entitled, within the legal and contractual terms applicable, regardless of expectations of collecting the payment.

The accounting records in off-balance sheet captions relating to financial instruments written off from assets are adequately supported to permit the systematic reconciliation of their components aggregated with outgoing movements due to the writing off of loans from assets.

Impairment reversal policy

On each reporting date BiG assesses if there is an indication that an expected impairment loss recognised in previous periods in relation to an asset, may have been altered, through the use of mechanisms (triggers and alerts) which confirm a possible reversal of the significant increase in the credit risk previously estimated.

The evolution of the Group's expectations is translated into the classification of the exposure into one of the 3 stages: Stage 1, Stage 2 or Stage 3.

Different calculation assumptions in relation to the estimate of the expected impairment loss calculated in each reporting period correspond to each stage.

An alteration of an expected impairment loss of an asset is recognised immediately in the results of the year.

2.5. Financial liabilities

An instrument is classified as a financial liability when there is a contractual obligation for it to be settled by the payment of money or other financial assets, irrespective of its legal type.

Financial liabilities at fair value through the income statement are measured at fair value. The fair value of listed liabilities is their listed value (ask price), and gains or losses resulting from their valuation are recorded in the caption "Gains or losses with financial assets and liabilities at fair value through profit or loss and hedge accounting" If there is no listing, BiG estimates the fair value using assessment methodologies considering assumptions based on market information.

In relation to financial liabilities designated at fair value through profit or loss "Fair Value Option", the Group can irrevocably designate a financial liability at fair value through profit or loss at the time of its initial recognition, if at least one of the following conditions is met: the financial liability is managed, assessed and reported internally at fair value; or, the designation eliminates or significantly reduces the accounting mismatch of the transactions.

As the transactions made by the Group in the normal course of its activity are in market conditions, financial liabilities at fair value through profit or loss are initially recognised at fair value, with the expenses or income associated with the transactions recognised in the income statement at the outset.

Other financial liabilities include funding from banks and clients, among other liabilities.

These liabilities are valued at amortised cost with interest being recognised in the income statement in the caption "Interest expense".

Financial liabilities will be derecognised when the underlying commitment expires or is cancelled.

2.6. Capital instruments

Equity instruments with the nature of liabilities

Equity instruments with the nature of liabilities include redeemable non-voting preferred shares whose characteristics lend this instrument a hybrid nature as they share clear characteristics of debt instruments.

Under IAS 32, these type of instruments are classified as financial liabilities, in the caption Instruments representing capital with the nature of liabilities. In the case of the Group, these instruments are presented under the caption of redeemable share capital on demand.

Income from this instrument consists of (i) any dividends payable that are recorded in the income statement in the caption of interest expense and (ii) a redemption premium, if the difference between the book value per ordinary share in the last annual balance sheet before the redemption date and the last annual balance sheet before the issue date is positive (> 0), which will be accounted as a cost, in the caption of interest expense, as a counter-entry against the Balance Sheet caption. During the lifetime of the shares, the estimated value of the redemption premium is recognised and accounted incrementally depending on the calculation formula mentioned in note 37.

Other equity instruments

An instrument is classified as a capital instrument when there is no contractual obligation for its settlement to be made by payment of money or any other financial asset, irrespective of its legal form, showing a residual interest in the assets of an entity after deduction of all liabilities.

Costs directly attributable to the issue of capital instruments are charged against equity capital as a deduction against the amount of the issue. Amounts paid and received for the purchase and sale of capital instruments are entered in equity capital, net of transaction costs.

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

Treasury stock

Treasury Stock is entered in capital accounts at acquisition value and is not subject to revaluation. Capital gains and capital losses made on the sale of Treasury Stock are entered directly in equity capital without affecting the result for the year.

2.7. Compensation of financial instruments

Financial assets and liabilities are entered in the balance sheet for their net value when there is an exercisable legal right to compensate the amounts recognised at the same time. The exercisable right legal cannot be contingent on future events and should be exercisable in the normal course of the Group's activity and also in the case of default, bankruptcy or insolvency of the Group or counterparty.

2.8. Sale (purchase) transactions with repurchase (resale) agreement

Securities sold with a repurchase agreement (repos) for a fixed price or for a price which is the same as the sale price plus interest inherent to the period of the operation are recognised in the balance sheet. The corresponding liability is recognised in Funding from other Credit Institutions or Deposits from clients, as appropriate. The difference between the sale value and the repurchase value is treated as interest and is deferred during the life of the agreement through the effective interest rate method and recorded under the interest expense caption.

Securities purchased with a resale agreement (reverse repos) for a fixed price or for a price which is the same as the sale price plus interest inherent to the period of the operation are not recognised in the balance sheet, with the purchase value being entered as loans or advances to other credit institutions or loans and advances to clients, as appropriate. The difference between the purchase value and the resale value is treated as interest and is deferred during the life of the agreement through the effective interest rate method and recorded under the interest income caption.

2.9. Fair value

In order to determine the fair value of its financial instruments, and based on accounting standard IFRS 13, the Group maximises the use of/prioritises information from markets considered liquid (level 1) or alternatively information from less liquid markets (level 2), and whenever this is not available, it will use information not observed in the market (level 3).

In situations where the price is not directly observable in the market, the Group determines its fair value through models/methodologies that are widely used by the participants in the market where the financial instrument is traded. As mentioned above, whenever available, the Group tries to maximise the use of information from liquid markets considered as level 1 to feed these models.

The fair value hierarchy attributed to the diverse financial instruments is not static and varies according to particular market situations, namely liquidity, volatility, and also any change in the sources used for their valuation, among others. Accordingly, the fair value hierarchy attributed to financial instruments is reviewed at each reporting date.

2.10. Tangible assets

The tangible assets of the Group are valued at acquisition cost, less the respective accumulated depreciation and impairment losses. The cost includes expenses which are directly attributable to the acquisition of the goods.

Subsequent costs with tangible assets are recognised only if it can be proven that future economic benefits will result from them for the Group. All normal/recurring maintenance and repair costs are recognised as a cost, in accordance with the accrual accounting principle.

Land is not depreciated. The depreciation of other tangible assets is calculated using the straight-line method, at the following rates of depreciation which reflect the expected useful life of the goods:

	Years
Works on rented buildings	5
Furniture and material	8 and 10
Machines and tools	5 and 7
Computer equipment	3 to 4
Interior installations	4 to 8
Transport material	4
Safety equipment	8
Buildings for own use	50

Assets with an acquisition cost of less than 1,000 euros are depreciated in full at the time of acquisition.

Whenever there is an indication that assets may be impaired, the Group estimates their recoverable value, and an impairment loss should be recognised whenever the book value net of an asset exceeds its recoverable value. Impairment losses are recognised in the income

statement of the year and are reversed in later reporting periods when the reasons that led to their initial recognition cease, for the purpose, and the new amortised amount will not be higher than that that would have been accounted, if impairment losses had not been imputed to the assets, considering the depreciation that this would have suffered.

The recoverable value is determined as being the higher of the fair value deducted of the sale costs and its value in use, this being calculated based on the current value of the estimated future cash flows that are expected to be obtained from the continued use of the asset and from its sale at the end of its useful life.

Gains and losses obtained on the sale of these assets are recognised in the caption profits or losses with non-current assets being determined by the difference between the sale value and the book value of the asset.

The useful life and residual values are revised at each reporting date.

2.11. Intangible assets

BiG records in intangible assets the costs associated with software acquired from third parties and amortizes them on a straight-line basis over the estimated useful life of three years. BiG does not capitalize internally generated costs relating to the development of software. As part of the DIF Broker acquisition process, the Group identified an intangible asset that will be amortised on a straight-line basis over an estimated useful life of 10 years.

2.12. IFRS 16 Leasing

IFRS 16 defines a leasing as a contract, or part of a contract, which transfers the right of use of an asset (the underlying asset), during a certain period, in exchange of a fee.

At the start of the contract the Group assesses if a contract is or contains a lease, i.e., if the contract grants the right to control the use of an identified asset for a period in exchange for a consideration. This assessment implies an exercise of judgement by the management on whether (i) each contract identifies a specific asset, (ii) the entity obtains substantially all the economic benefits of the use of that asset, and if (iii) the entity has the right to control the use of the asset.

In the case of contracts which constitute, or contain, a lease, the standard states that the entities should account for each lease component in the contract as a lease, separately from the other components of the contract that are not leasing, except if the entity applies the practical measure contemplated in the standard. The Group did not adopt this practical measure, separating these components for each class of leased asset.

Group as lessee

The Group applies a unique approach of recognition and measurement for all leasing, except for short-term leases and low-value asset leases.

On the start date of the lease, the Group recognises an asset which corresponds to the right to use the underlying asset during the period of the lease and the liability related with the lease payments (or the lease liability). The term of the lease contract is the non-cancellable period of the lease and is determined taking into account (i) the lessor's and lessee's purchase and renewal options, and (ii) underlying economic incentives, when applicable. In the contracts concluded, the Group assesses the minimum cancellable terms associated with each contract.

IFRS 16 states that on the start date of the contract, the lessee should measure the lease liability by the present value of the leasing payments that are not paid on this date and discount these payments at the interest rate implicit in the lease, or, if this cannot be easily determined, use the lessee's incremental borrowing rate.

Right-of-use assets

The Group recognises a right-of-use asset on the start date of the lease, the date on which the underlying asset is available for use.

The right-of-use asset is carried at acquisition cost, less accumulated depreciations and impairment losses and adjusted by the measurements of the lease liabilities, if any. The cost of the right-of-use asset includes the recognised value of the lease liability, any direct costs initially incurred and payments already made before the initial date of the lease, less any incentives received from the lessor.

The right-of-use assets recognised by the Group are depreciated on a straight-line basis during the shorter period between their estimated useful life of the underlying asset and the period of the lease. Periodically, the Group performs impairment tests to its right-of-use assets, reducing their value in in case of an impairment loss.

Right-of-use assets are presented in Note 28 – Tangible assets and are subject to impairment according to the Group's policy, as described in this note.

Lease liability

On the start date of the lease, the Group recognises the liabilities measured by the present value of the future payments to be made until the end of the leasing contract. The lease payments include fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable payments based on an index or rate and the amounts expected to be payable under residual value guarantees.

The lease payments also include the exercise price of a purchase option, if it is reasonably certain that the Group will exercise the option, and payments of penalties for terminating the lease, if it is reasonably certain that the Group will terminate the contract.

In the calculation of the present value of the lease payments, if the implicit interest rate is not easily determinable, the Group uses an incremental borrowing rate on the starting date of the lease.

The lease liability, after its initial recognition, is measured by the amortised cost by the effective interest rate method, being remeasured every time a change in the following variables occurs:

- (i) Change in the value of variable payments linked to an index or rate (solely for the period concerned);
- (ii) Change in the decision evaluation on whether to exercise, or not, the purchase, extension or termination option on the underlying asset;
- (iii) Change in the asset's residual value;
- (iv) Change in the term of the contract. In case a change in the term of the contract or a change of the decision evaluation of exercising the purchase, extension and termination option (points (iv) and (ii), respectively) are observed, a new discount rate shall be determined to measure the liability.

When the lease liability is revalued, the respective difference resulting from the revaluation is registered as a charge to the right-of-use asset, or it is registered in net income if the booking value of the right-of-use asset has been reduced to zero.

Variable payments that do not depend on an index or rate are recognised as an expense in the period in which the event that triggers the payment occurs.

The lease liability is presented in Note 40 – Other liabilities.

Practical measures

As contemplated in IFRS 16, the Group adopted the following practical measures:

- ▲ Non-recognition of the lease liability and respective right to use in operations in which the leasing contract has a maturity not exceeding 12 months – short-term leases;
- ▲ Non-recognition of the lease liability and respective right to use in operations in which the value of the asset underlying the leasing contract, when new, is less than 5,000 Euros – low-value leases.

Group as lessor

The Group classifies leasing operations as financial leasing if the contract transfers substantially all the risks and advantages inherent to the ownership of the underlying asset. All other leasing operations are classified as operating leases.

Operating lease payments are recognised as rental income on a straight-line basis throughout the period of the contract and are included in the income statement as revenue due to their operational nature.

From the lessor's point of view, financial leasing contracts are registered in the balance sheet as credits granted for the value equivalent to the net investment realised in the leased assets. Interest included in the instalments debited to customers is registered as income, while the amortisation of capital, also included in the instalments, is deducted from the value of the credit granted to clients. The recognition of the interest reflects a constant periodic rate of return on the remaining net investment of the lessor, together with any residual amount not guaranteed in favour of BiG.

2.13. Contingent assets and liabilities

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

2.14. Employee benefits

Employees under contract with Banco de Investimento Global are all registered with the Social Security. Thus, the Group's liabilities with pensions consist in the payment of a supplement which will complement any payment from the Social Security system.

The Group has been providing retirement benefits of its staff through two pension plans, a defined contribution plan and a defined benefit plan, the latter being implemented following the decisions taken in the General meetings of 8 April 2005 and 5 April 2006.

Since that date each member of the Board of Directors of the company or worker of the Bank could choose between the two existing plans, opting for the one that they would benefit from for the purpose of retirement.

The Group's Board of Directors made an analysis of the impact of there being two plans, which, despite being different in nature (defined benefit vs. defined contribution), were established equally for most employees. In this context, it saw that since the Defined Benefit Plan was set up in 2006, and after the staff initially joined it, no-one else signed up for this plan. The Board also noted that there was a trend in the market to convert defined benefit plans into defined contribution plans, namely due to the greater foreseeability, limitation and lower volatility of the inherent liabilities.

In this context, it was agreed in the General Meeting held on 21 May 2014 to stop the defined benefit plan, with the Bank providing only a defined contribution plan that would cover all the members of the Board of Directors of the company and the workers of the Bank.

The participants of the defined benefit pension plan were included in the defined contribution pension plan, with the Bank assuming the commitment to maintain a reserve account for any differences that might appear with respect to future liabilities.

As regards the defined benefit pension plan, there were no pensions being paid or rights acquired that would prevent it from being closed. These alterations were duly authorised by the Insurance and Pension Fund Authority.

Pension plan

Up to 2014 the Bank provided the retirement benefits of its employees through two pension plans, a defined contribution plan and a defined benefit plan.

In 2015 the defined benefit plan was terminated, leaving the Bank with only a defined contribution plan.

Liabilities with retirement pensions are calculated annually on the closing date of the accounts by independent actuaries based on the Projected Unit Credit Method. The discount rate used in this calculation is based on the market rates associated to obligations of highly rated companies, denominated in the currency in which the benefits will be paid and with a similar maturity on the date that the obligations of the plan end.

On each balance sheet date, the Bank evaluates the possibility of recovering any excess of the fund in relation to responsibilities with retirement pensions, based on an expectation of a reduction in future contributions necessary.

Variable remunerations to Employees and Corporate Offices

Variable remunerations attributed to employees and to the corporate offices are accounted in the income statement of the year to which they relate and are recorded whenever the Group has a contractual obligation to pay these benefits, or when there is a past practice that has generated a constructive obligation.

2.15. Provisions

Provisions are recognised when (i) the Group has a present, legal or constructive obligation, (ii) it can be proven that payment will be required and (iii) when a reliable estimate of the value of this obligation can be made. In the cases where the effect of the discount is material, the provision corresponds to the current value of the expected future payments, discounted at a rate that considers the risk associated to this obligation.

Provisions cease to be recognised through their use for the obligations for which they were initially set up or in cases in which the obligations are no longer observed.

2.16. Tax on profits

The Bank and its subsidiaries based in Portugal are subject to the regime established in the Corporation Tax Code (IRC). Furthermore, deferred tax resulting from the temporary differences between the accounting bases and the fiscal bases of the assets and liabilities is recorded, whenever the criteria established in IAS 12 – Income tax are met.

Taxation on profits includes current taxation and deferred taxation. Taxation on profits is recognised in the income statements, except when related with items which are moved in equity capital, a fact which implies their recognition in equity capital. Taxation on profits recognised in equity capital arising from the revaluation of financial assets at fair value through other comprehensive income is subsequently recognised in profit and loss at the time the gains and losses which gave rise to it were recognised in profit and loss.

Current taxation is that which is expected to be paid based on the taxable income calculated in accordance with the tax rules in force and using the tax rate approved or substantially approved, and using the tax rate approved or substantially approved in the Group's jurisdiction.

Deferred taxation is calculated in accordance with the fiscal rules in force or substantially approved and using the tax rates on the Balance Sheet date in each mandate, which are expected to be applied when the temporary differences are reversed.

Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available, capable of absorbing deductible temporary differences.

Deferred tax liabilities are recognised for all taxable temporary differences, with the exception of goodwill not deductible for tax purposes, differences resulting from the initial recognition of assets and liabilities that affect neither accounting nor taxable profit.

2.17. Recognition of income from services and commissions

Income from services and commissions is recognised in accordance with the following criteria:

- ▲ when obtained as the services are provided, income is recognised in the income statement in the period to which it relates;
- ▲ when income is part of the effective interest rate of a financial instrument it is stated in the income statement by the effective interest rate method.

2.18. Recognition of interest

Results relating to interest from non-derivative financial instruments are recognised in the captions of Interest income and Interest expense, using the effective rate method. Interest from other financial assets and liabilities is also included in these items, respectively, except for trading derivatives.

The effective interest rate is the rate which exactly discounts estimated future payments or receipts during the expected life of the financial instrument, or when appropriate, a shorter period, for the current net balance sheet value of the financial asset or liability. In the case of a fixed interest rate, the effective interest rate is established on the initial recognition of the financial assets and liabilities and is not subsequently revised.

For the calculation of the effective interest rate, the future cash flow is estimated considering all the contractual terms of the financial instrument (for example early payment options), but without considering, however, possible future credit losses. The calculation includes commissions which are an integral part of the effective interest rate, transaction costs and all the premiums and discounts directly related with the transaction.

In the case of financial assets or groups of similar financial assets for which impairment losses were recognised, the interest recorded in the income statement is determined based on the interest rate used in the measurement of the impairment loss.

With regard to derivative financial instruments, with the exception of those classified as derivatives for risk management (note 2.4), the component of interest inherent to the variation in fair value is not separated and is classified in the caption of Gains or losses with financial assets and liabilities at fair value through profit or loss and hedge accounting. The component of interest inherent to the variation in fair value of the derivative financial instruments for risk management is recognised in the captions of Interest income and Interest expense.

2.19. Earnings per share

Earnings per basic share attributable to the Bank's shareholders are calculated by dividing the net profit attributable to the Bank's shareholders by the weighted average number of ordinary shares outstanding.

For the calculation of results per diluted share, the average weighted number of ordinary shares in circulation is adjusted so as to reflect the effect of all potentially dilutive ordinary shares, like those resulting from convertible debt and from treasury stock options granted to the workers. The effect of the dilution produces a reduction in the earnings per share, resulting from the assumption that convertible instruments are converted or that the options granted are exercised.

2.20. Cash and cash equivalents

For the purpose of the cash flow statement, cash and its equivalents include the amounts recorded in the balance sheet with a maturity of less than three months as from the date of acquisition/contracting, with an immaterial risk of fluctuation of the fair value, where cash and deposits in central banks and in other banks are included.

2.21. Guarantees provided

Responsibilities for guarantees provided and irrevocable commitments are recorded in off-balance sheet captions for the amount at risk. Interest, commissions, and other related income are recognised in the income statement throughout the duration of these guarantees and commitments. The operations associated to guarantees provided are also subject to impairment in accordance with the expected loss model defined by the Group – as described in note 3 – and considering the respective CCFs – Credit Conversion Factors applicable.

Performance Guarantees

Performance guarantees are contracts that result in compensation to one party if the other party fails to fulfil its contractual, commercial, or legal obligations.

When the performance guarantee grants the Bank contractual rights to indemnification to recover any payments made to the beneficiary of the guarantee by the applicant, and these rights are secured by collateral, they are treated as a loan commitment grant to the applicant if the Group concludes that there is no commercial substance event that could cause the Bank to incur in a loss resulting from the guarantee arrangement.

The Group has reviewed the issued guarantee contracts, and as of December 31, 2024, there are no performance guarantee contracts classified as insurance contracts under IFRS 17.

2.22. Subsequent events

The Group analyses events that occur after the balance sheet date, or rather, favourable and/or unfavourable events that occur between the balance sheet date and the date on which the consolidated financial statements were authorised for issue. In this regard, two types of events can be identified:

(i) those that provide evidence of conditions that existed in the balance sheet date (adjusting events after the balance sheet date); and

(ii) those that are indicative of conditions that appeared after the balance sheet date (non-adjusting events after the balance sheet date).

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

2.23. Reporting by segments

Considering that the Group does not have equity or debt securities that are traded publicly, in the light of paragraph 2 of IFRS 8, the Group does not present information relating to segments.

2.24. Issue premium

The issue premium is the difference between the subscription price of the share and its nominal value. The accounting record is measured in the equity caption.

2.25. Statement of cash flows

For the purpose of the cash flow statement, cash and cash equivalents include the amounts recorded in the balance sheet with less than three months' maturity from the inception date, and with insignificant risk of variations in fair value, including cash and deposits with Central Banks and other credit institutions.

The concepts used in the presentation of the cash flow statements are the following:

- ▲ Cash flows: Cash and cash equivalents include cash and deposits in other banks;
- ▲ Operating activities: the direct method is used for the presentation of the cash flows from operating activities, reflecting the flow from typical activities of credit institutions, as well as other activities that do not qualify as investment or financing. Cash flows from financial assets at fair value through profit or loss and those at amortised cost are allocated to operating activities;
- ▲ Investing activities: the acquisition, sale or other disposals of long-term assets, such as holdings in subsidiaries and associated companies, the acquisition of tangible and intangible assets and other strategic investments not included in operating activities. Cash flows from financial assets at fair value through other comprehensive income are allocated to investing activities;
- ▲ Financing activities: activities that produce alterations in the Group's medium and long term financing operations that are not part of the operating activities, such as capital increases, distribution of dividends or payments associated with lease contracts under IFRS 16.

▲ NOTE 3

MAIN ESTIMATES AND JUDGEMENTS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Estimates and judgements that have an impact on the Group's individual financial statements are continually assessed, representing the Board of Directors' best estimate on the date of each report, taking into account historic performance, accumulated experience and expectations concerning future events which, in the circumstances in question, are believed to be reasonable.

The intrinsic nature of estimates means that the real reflection of the situations that were subject to an estimate may, for the purposes of financial reporting, differ from the estimated amounts.

The main accounting estimates and judgements used by the Group in the application of the accounting principles are presented in this note with the objective of improving the understanding of how its application affects the results reported by the Group and their notification.

3.1. Impairment of financial assets

IFRS 9 states that the concept of impairment based on expected losses is applied to all financial assets except financial assets measured at fair value through results and equity instruments measured at fair value through equity.

To record the expected impairment losses for financial instruments various judgements are used, specifically:

Significant increase in the credit risk and definition of default

The transition of financial assets from stage 1 to stage 2 occurs when their credit risk increases significantly when compared with the credit risk on the date of their initial recognition. A significant increase in the credit risk should be determined through the analysis of quantitative and/or qualitative internal indicators used by the Group in the management of credit risk, thus requiring greater articulation of the accounting requisites with the credit risk management policies established by the Group.

The existence of a significant increase in the credit risk is assessed for each financial asset, considering a set of quantitative and qualitative indicators. Regarding the transitions of financial assets from stage 2 to stage 3, these occur when such assets are in default, meaning there is objective evidence that the asset is in a situation of impairment.

Nature of the main judgements, estimates and hypotheses used in the determination of the ECL

Loans represented by securities

The Group uses a broad set of market data in estimating the ECL for this typology of assets.

I – Staging

To determine the staging, besides the regulatory indicators related with arrears (delays in payments < 30 days, 30-90 days, > 90 days), and other more qualitative alerts and triggers, the Group assesses if there is a significant increase in the credit risk based on two criteria/alerts:

- ▲ variation in rating;
- ▲ variation in price.

a) Variation in price

In the case of a variation in price, external data are used, specifically, the generic curves available on the market by rating. In this case, the Group constructed Price Matrices where the thresholds are defined from which the Group considers that a significant increase in credit risk may have occurred. The construction of these matrices is based on yield curves per rating, provided by Bloomberg.

b) Variation in rating

The attribution of a rating is based on the following rules, whether on the date of origination, or on the reference date:

- (i) if there are ratings of 3 agencies, the Group selects the best of the 2 worst;
- (ii) if there are ratings of 2 agencies, the Group selects the lower;
- (iii) if there is just one, the Group uses that rating.

Given that the assets in portfolio are acquired at different times, the acquisition date considered to determine the rating on origination is calculated by the weighting of the amount acquired and the respective acquisition date.

The Ratings Matrix, built based on observable data from Moody's, allows us to see how many notches a security can vary without implying presumably a significant increase in the credit risk. This matrix depends on the rating and the number of years the Group has held the position.

Thus, to determine if a significant increase in credit risk has occurred, the Group uses, among other criteria, factors related to changes in bond prices and rating changes since origination. Depending on certain thresholds being reached, the staging calculation model adopted suggests that the possibility of a significant increase in credit risk, which is discussed and eventually confirmed during the monthly Credit Risk Committee meeting.

Triggers and alerts for significant increases in the credit risk

Staging Criterion – Transfer to stage 2	
<i>TRIGGERS (automatic)</i>	<ul style="list-style-type: none"> i. Delay in the payment of capital and/or interest of between 31 and 90 days; ii. Debt of the issuer restructured due to financial difficulties; iii. Inability to measure the credit risk at the time of its origination and/or acquisition.
<i>OTHER ALERTS (subject to revision and analysis in the Credit Risk Committee)</i>	<ul style="list-style-type: none"> i. Negative evolution of the rating compared to the acquisition date (as per ratings matrix, which defines the maximum number of notches expected to occur for each rating/term in the portfolio to trigger this alert); ii. Negative evolution of price compared to amortised cost and comparison with the threshold permitted in the price matrix (as defined in the price matrix, which sets the maximum expected price variation for each rating/residual maturity).

Staging Criterion – Transfer to stage 3
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TRIGGERS (automatic)

- i. Delay in the payment of capital and/or interest equal to or longer than 91 days;
- ii. Securities with a rating equal or lower than CCC+ (non-POCI – Purchased or Originated Credit Impairment);
- iii. Loss of rating assignment, with BiG unable to infer the associated risk of the asset;
- iv. Disappearance of an active market for the instrument under review due to financial difficulties of the issuer;
- v. Bankruptcy/insolvency of the issuer;
- vi. Debt of the issuer restructured due to financial difficulties.

OTHER ALERTS (subject to revision and analysis in the Credit Risk Committee)

- i. Negative evolution of the rating (2 additional notches beyond those already recorded during the migration to Stage 2);
- ii. Decline in the fair value of the financial asset on a continuous basis during 12 months or decline of the fair value of the financial asset significantly (over 30%, not justified by any disruptive event (e.g., war, pandemic) and not aligned with the overall market trend. In this case, the interest rate risk effect should be removed, and the occurrence of a downgrade should be analysed for Credit Risk Committee review;
- iii. Securities with rating equal to or less than CCC+ (not POCI);
- iv. Loss of attribution of rating, with the Group being unable to infer the risk associated to the asset;
- v. Disappearance of active market for the bond under analysis due to financial difficulties;
- vi. Bankruptcy/insolvency of the issuer.

II – Calculation of the ECL

To estimate the ECL, the parameters PD, LGD and EAD are used.

- ▲ The PD-Probability of Default is determined differently, according to the market information available:
 - ▲ Sovereign securities: the PD may be inferred based on the CDS/Yield curve of the issuer, also considering the characteristics of the security. (e.g. tenor, currency, subordination, among others);
 - ▲ Non-sovereign securities: the PD is estimated based on the generic curves available on the market, deriving from comparable issuers by rating.
- ▲ The LGD-Loss Given Default used for the calculation of the expected credit losses is based on studies carried out by Moody's, based on historical defaults by typology of financial asset and collateral (sovereign, collateralized bonds, non-collateralized, senior/subordinated bonds).
- ▲ EAD – Exposure at Default is arrived at daily based on the amortised cost of the financial instrument on the reporting date, this amortised cost being periodified until the maturity of the instrument based on future contractual cash flows discounted by the effective interest rate method.

Seeing that the parameters used are based on market information, the Group considers that the assumptions of IFRS 9 *point-in-time* and *forward-looking* are ensured. The *through-the-cycle* assumption is ensured by the use of historical information spanning at least one economic cycle.

In estimating these parameters, economic cycles of 7 years are assumed to converge to historical information, when applicable.

Loans not represented by securities

Considering the simplicity and dimension of the portfolio, and also the absence of a history of statistically relevant non-compliance, in addition to the internal data available, the Group uses some data of the EBA – CREDIT RISK PARAMETERS, relating to Portugal, in the calculation of its risk parameters.

I – Staging

Besides the mandatory criteria defined in IFRS 9, relating to the length of the arrears (delays in payments < 30 days, 30-90 days, > 90 days), the Group also uses a number of alerts and qualitative triggers to determine if a significant increase has occurred in the credit risk, specifically:

- ▲ Overdue or written-off credit in the CRC-Credit Liabilities Centre of the Banco de Portugal;
- ▲ Indications of risk registered in the Observations field of Customers' Accounts;
- ▲ Liens or account blocking registered in the Customers' Accounts;
- ▲ Inclusion of the customer in the LUR – Banco de Portugal's User Risk List (cheques);

- ▲ Inclusion of the customer in the internal watchlist;
- ▲ Significant restructuring of a loan transaction due to financial difficulties of the debtor;
- ▲ Bankruptcy/insolvency of the client;
- ▲ Delivery of assets in lieu of payment;
- ▲ Loan classified as non-performing (no interest due);
- ▲ Early termination of the contract due to default and subsequent filing of a lawsuit;
- ▲ Sale of a loan transaction with significant financial loss (higher than 5% of the nominal value in debt on the date of the sale for reasons exclusively connected to the quality of the credit risk of the debtor).

II – Calculation of the ECL

The parameters PD, LGD and EAD are used to estimate the ECL.

- ▲ Considering that the credit portfolio of this typology is constituted by Retail operations, for the estimate of the PD-Probability of Default, the Group uses the Default Rates published by the EBA, for the segments Retail – Secured on real estate property (Mortgage) and Retail – Other Retail (Other Non-mortgage loans). These PDs are internally adjusted to incorporate prospective information.
- ▲ To estimate the LGD-Loss Given Default, the Group uses internal data for the Motor, Mortgage and Margin account credit portfolio. For the other products, and for the segment Retail – Other Retail (Other Non-mortgage loans), the LGD published in the above-mentioned study of the EBA is used.

EAD – Exposure at Default is determined by the Bank using the instalment plan associated to each credit operation and it represents the expected exposition, in case of default by the client and / or the exposition. The Group gets the EAD values through the current exposition of the counterparty and the foreseen changes to the respective current value, depending on the contractual conditions, including amortizations and advance payments. For guarantees and sureties, the EAD value considers the total value guaranteed by the Group, under the assumption that the amount may be fully used (i.e. it is applied a 100% CCF – Credit Conversion Factor).

Triggers and alerts for significant increases in the credit risk

Staging Criterion – Transfer to stage 2	
<i>TRIGGERS (automatic)</i>	i. Delay in the payment of capital and/or interest of between 31 and 90 days.
<i>OTHER ALERTS (subject to revision and analysis in the Credit Risk Committee)</i>	<ul style="list-style-type: none"> i. Indications of risk in the CRC-Credit Liabilities Centre of the Bank of Portugal; ii. Indications of risk in the Clients' Accounts Notes; iii. Liens or bank blocks recorded in the Clients' accounts; iv. Inclusion of the customer in the List of Cheque Defaulters; v. Inclusion of the customer in the internal watchlist; vi. Significant restructuring of a credit operation due to financial difficulties of the debtor.
Staging Criterion – Transfer to stage 3	
<i>TRIGGERS (automatic)</i>	i. Delay in the payment of capital and/or interest equal to or longer than 91 days.
<i>OTHER ALERTS (subject to revision and analysis in the Credit Risk Committee)</i>	<ul style="list-style-type: none"> i. Client in insolvency proceedings, PER - Special Recovery Plan, or any other equivalent situation of protection; ii. Classification of the operation as "unproductive" (without interest); iii. Early termination of the contract due to non-compliance and consequent filing of legal case for recovery; iv. Sale, by the Group, of credit operation with significant financial loss (>5% of the outstanding nominal value on the date of the sale) due to reasons exclusively connected to the quality of the credit risk of the debtor; v. Contagion from other operations to the debtor (if the same are significant against the total value in debt). For "Non-Retail" exposures, this contagion is mandatory. For "Retail" exposures, the contagion is not mandatory, being employed an indicative threshold of 20%.

Curing Period

The “curing period” is defined as the period in which the Group, after finding some sign or evidence of risk, collects proofs of good behaviour of the debtor regarding its payment efforts.

After the term of the “curing period”, the Group recognizes that the client/counterparty no longer shows or demonstrates the risk levels that made the Group increase that risk level.

The “curing period” has impact in the staging classification and in its “migration”.

All staging changes are automatic, with no need of going through a minimum curing period, except in the change of Stage 3 to Stage 2, which should follow specific criteria:

Staging change	Curing period
1 -> 2	Automatic
1 -> 3	Automatic
2 -> 3	Automatic
2 -> 1	Automatic
3 -> 2	Non restructured credit: 3 months
3 -> 2	Restructured credit: 12 months

As for the securitised loan portfolio, in its calculations the Group assumes a 7-year economic cycle, which covers 4 past years and 3 future years, these being extrapolated based on macroeconomic estimates that may influence them in the future.

3.2. Fair value of financial instruments

Fair value is based on market quotations, when available, and, in the absence of a quotation, is based on recent, similar transaction prices made in market conditions, or based on evaluation methodologies, based on discounted future cash flow techniques considering market conditions, the temporal value, the profitability curve and volatility factors. These methodologies can require the use of assumptions or judgments in the estimate of fair value.

Consequently, the use of different methodologies or of different assumptions or judgments in the application of a certain model may lead to financial results different from the reported.

3.3. Tax on profits

The determination of the global amount of taxation on profits requires certain interpretations and estimates. There are diverse transactions and calculations for which the determination of the final amount of tax payable is uncertain during the normal business cycle.

Other interpretations and estimates may result in a different level of current and deferred taxation on profits recognised in the period.

For the Bank and its subsidiaries located in Portugal, the Tax Authority can review the Group’s fiscal situation for a period of 4 years, except in cases where reportable tax losses are used, in which case the period of expiry is the year of this right. In this way it is possible that there may be corrections to the annual taxable earnings resulting mainly from differences in the interpretation of tax law. However, the Board of Directors of the Bank is confident that there will be no material corrections to the taxation on profits recorded in the consolidated financial statements.

3.4. Leases

In accordance with IFRS 16, the lease liability is measured as the present value of the sum of the future due payments that result from the leasing contract. To discount the payments, the Group shall use the contract’s implicit interest rate, considering that all information required to determine it is known. In case the implicit rate cannot be determined, it shall be used an incremental interest rate, requiring the entity to develop a methodology dully supported in internal and external information to determine it.

I. Implicit interest rate: it is the discount rate that matches the fair value of the expected instalments laid down in the contract (including the residual value) to the fair value of the asset with the addition of all the initial direct costs. The main difficulty regarding the estimation of this rate is, in most cases, in the lack of information made available to the lessee related to the residual value of the underlying asset and / or the amount of direct costs incurred by the lessor.

II. Incremental interest rate: it is the rate that a third-party would charge the Group in financing the acquisition of an asset comparable to the underlying asset of the lease, with similar conditions, namely the term and guarantees. To determine the incremental interest rate, the Group developed a risk-free yield curve, to which it was added its credit risk dully adjusted by the existence of collateral.

It should be nevertheless highlighted that at the transition date, incremental interest rates were applied to determine the lease liability for all the operations under the norm. Except for that period, the instalment payments are updated using the contract implicit discount rate, if it is possible to determine.

III. Maturity of the leasing contracts: As to establish the maturity of the lease contract to be considered in the calculus of the lease liability, it shall be considered the non-cancellable period of the lease contract, as well the period foreseen by potential term extension and/or anticipated termination options, if there is a reasonable certainty that these options will be exercised. In situations in which there are term extension and/or termination options, it is up to the Management to evaluate the possibility of their exercise – concept of “reasonably certain” – relative to the future decision.

To support its analysis, the Group made use of internal and market data which may lack professional judgment, such as:

- ▲ The importance of the asset to the Group’s activity and the non-existence of suitable alternatives;
- ▲ Significant economic benefits to the Group in case an extension / termination option of the contract is exercised, or acquisition of the underlying asset;
- ▲ Potential associated costs to the anticipated termination of the contract, switching costs and/or return of the asset;
- ▲ Comparison of the terms and conditions of the contract with the current market conditions; among other data considered relevant.

3.5. Redemption premium

As described in the accounting policy 2.7, throughout the life of the redeemable preferred shares, it is estimated the value of the redemption premium to be paid on the redemption date, being recognised, and accounted in an incremental way following the calculation formula mentioned in note 37. For the calculation it is namely considered the change in the equity net value adjusted to the dividends value that the Group expects to come to distribute. Additionally, it is recognised the redemption premium component in the result for the year, which results from the difference between the initial shareholders’ equity of reference (31 December 2018) and the value of shareholders’ equity at the allocation date (31 December 2019).

3.6. Impairment of Goodwill

The recoverable value of the goodwill recorded in the Group’s assets is analysed on an annual basis in the preparation of accounts with reference to the year-end or whenever there are indications of possible loss of value. For the purpose, the balance sheet value of the entity of the Group for which the respective goodwill is recognised in assets, is compared with its recoverable value. A goodwill impairment loss is recognised when the recoverable value of the entity being tested is lower than its balance sheet value. In the absence of an available market value, it is calculated based on discounted value techniques using a discount rate that considers the risk associated with the unit being tested. The determination of the future cash flows to be discounted and the discount rate to be used involves judgement.

3.7. Provisions

Provisions are recognised when:

- ▲ The Group has a present obligation (legal or arising from past practices or published policies that imply the recognition of certain liabilities);
- ▲ it is likely that its payment will be required;
- ▲ a reliable estimate can be made of the value of this obligation.

The measured value relating to 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 considering the risks and uncertainties inherent to the process. Provisions cease to be recognised through their use when the facts for which they were constituted occur or reversed in cases where they are no longer observed.

NOTE 4 NET INTEREST INCOME

The amount of this caption is made up as follows:

	2024	2023
Interest income		
Interest on cash and deposits	9,694,936	5,081,299
Interest on financial assets at amortised cost		
Interest on applications in other banks	5,135,679	5,445,868
Interest on loans and advances to customers	1,042,558	960,110
Interest on debt securities	26,798,373	21,977,156
Interest on financial assets held for trading		
Derivatives	97,156	-
Debt securities	4,117,636	2,114,766
Interest on securities at fair value through other comprehensive income	54,520,409	33,617,223
Interest on hedging derivatives	9,657,353	10,872,556
Other interest income	2,034,189	1,170,008
	113,098,289	81,238,986
Interest expenses		
Interest from financial assets held for trading		
Debt securities	148,242	-
Interest on financial liabilities measured at amortised cost		
Interest on funding from central banks	1,491	899,479
Interest on funding from other banks	2,490,364	11,598,325
Interest on funding from customers	52,202,032	24,970,703
Interest on other liabilities represented by securities	1,920,129	677,275
Interest on debt securities	9,072,317	5,270,807
Interest on hedging derivatives	506,165	641,423
Other interest expenses	94,579	245,214
	66,435,319	44,303,226
	46,662,970	36,935,760

The captions Interest on debt securities include the depreciation of the premium/discount resulting from the difference between the nominal value of the bonds acquired and their purchase price. The value of the depreciation of the discount and of the premium is calculated using the effective interest rate method and is recorded in the net margin throughout the life of the bond.

The change in interest income line items reflects the increase in interest rates throughout 2024 compared to the average interest rates in 2023.

The change in interest expense line items reflects the increase in total customer funds during 2024, as well as a reduction in the use of repos with other credit institutions, in a context of rising rates compared to 2023.

NOTE 5 INCOME FROM DIVIDENDS

On 31 December 2024, this caption, amounting to 115,718 Euros comprises dividends from financial assets at fair value through other comprehensive income (31 December 2023: 99,908 Euros).

▲ NOTE 6 RESULTS OF FEES AND COMMISSIONS

The amount of this caption is made up as follows:

	2024	2023
Fee and commission income		
For transactions on behalf of third parties	9,252,009	8,928,260
For services rendered	7,658,452	5,402,108
For commission sharing	3,437,780	3,062,587
For financial advisory services	1,033,248	1,200,548
For commitments before third parties	33,088	38,918
For guarantees provided	3,659	2,960
Other fee and commission income	637,704	717,678
	22,055,940	19,353,059
Fee and commission expenses		
For transactions performed by third parties	1,494,172	1,370,958
For banking services from third parties	1,822,709	2,075,296
Other fee and commission expenses	339,563	274,152
For transactions on financial instruments	575,132	437,992
	4,231,577	4,158,398
	17,824,363	15,194,661

The line Fee and commission income is composed, among others, of commissions charged and received relating to the different services provided by the Group, namely brokerage and custody, among others.

▲ NOTE 7 GAINS OR LOSSES WITH THE NON-RECOGNITION OF FINANCIAL ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE THROUGH RESULTS

The amount of this caption is made up as follows:

	2024			2023		
	Gains	Losses	Total	Gains	Losses	Total
Bonds and other fixed return securities						
From national public issuers	-	7,260	(7,260)	-	-	-
From foreign public issuers	11,051,791	4,670,164	6,381,627	11,748,879	8,481,909	3,266,970
From other national issuers	835,079	259,097	575,982	862,096	-	862,096
From other foreign issuers	7,823,778	6,292,715	1,531,063	3,701,459	3,365,665	335,794
	19,710,648	11,229,236	8,481,412	16,312,434	11,847,574	4,464,860

▲ NOTE 8

GAINS OR LOSSES WITH FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING AND HEDGE ACCOUNTING

The amount of this caption is made up as follows:

	2024			2023		
	Gains	Losses	Total	Gains	Losses	Total
Assets and liabilities held for trading						
Bonds and other fixed return securities						
From national public issuers	475,277	(150,744)	324,533	708,281	(207,327)	500,954
From foreign public issuers	1,096,543	(252,085)	844,458	1,759,824	(976,811)	783,013
From other national issuers	365,920	(55,951)	309,969	841,268	(477,801)	363,467
From other foreign issuers	745,953	(182,874)	563,079	2,807,125	(504,076)	2,303,049
Shares of foreign issuers	2,342	(10,094)	(7,752)	2,791	(2,791)	-
Other elements	-	-	-	14,918,268	(1,649,348)	13,268,920
Derivative financial instruments						
Contracts on exchange rates	2,604,077	(7,393,597)	(4,789,520)	5,137,109	(2,914,218)	2,222,891
Contracts on interest rates	12,500,729	(8,555,066)	3,945,663	14,212,726	(9,802,931)	4,409,795
Contracts on shares / indices	76,500	(3,100)	73,400	780,443	(573,005)	207,438
Other	6,747,604	(454,233)	6,293,371	5,681,900	(5,378)	5,676,522
Results of hedging accounting						
Hedge derivatives	26,809,889	(3,422,520)	23,387,369	25,363,648	(68,700,294)	(43,336,646)
Hedge elements	13,859,634	(36,035,329)	(22,175,695)	52,847,430	(14,667,159)	38,180,271
Other hedging instruments*	163,997	-	163,997	297,746	-	297,746
Non-trading financial assets mandatorily at fair value through profit or loss						
Shares of national issuers	425,199	(785,979)	(360,780)	165,000	(1,071,453)	(906,453)
Shares of foreign issuers	133,418	(1,087,837)	(954,419)	34,532	(114,507)	(79,975)
Credits and other receivables	-	-	-	-	(11,624)	(11,624)
Financial assets accounted at fair value through other comprehensive income						
From foreign public issuers	815,373	(348,323)	467,050	515,780	(38,607)	477,173
From other foreign issuers	30,445	(16,096)	14,349	24,958	(8,079)	16,879
Shares of foreign issuers	333	(333)	-	45	(45)	-
	66,853,233	(58,754,161)	8,099,072	126,098,874	(101,725,454)	24,373,420

* The caption Other hedging instruments relates to the hedging of interest rate risk that is based on German sovereign bonds.

NOTE 9 EXCHANGE DIFFERENCES

This caption includes the results arising from the currency revaluation of monetary assets and liabilities expressed in foreign currency in accordance with the accounting policy described in Note 2.3.

On 31 December 2024, this caption comprises gains amounting to 3,815,313 Euros (31 December 2023: losses of 1,907,224 Euros) of which 7,083,313 Euros related to losses from term currency revaluation and 10,898,627 Euros to gains and losses from currency revaluation at sight (as of December 31, 2023: 120,710 Euros related to gains from term currency revaluation and 2,027,934 Euros related to losses from currency revaluation at sight).

Foreign exchange exposures, gains and losses by currency for the years ended in 2024 and 2023, respectively, can be consulted in the table below.

	2024			2023		
Currency	Position	Exchange	Revaluation	Position	Exchange	Revaluation
AUD	262,274	1.6772	6,768	456,455	1.6263	(1,590)
BRL	-	6.4253	(14,555)	-	5.3618	1,727
CAD	1,295,306	1.4948	(10,671)	(175,329)	1.4642	10,615
CHF	5,843,109	0.9412	(29,758)	2,143,504	0.9260	174,699
CNH	244,204	1.0000	-	948,792	7.8664	-
DKK	900,533	7.4578	9,441	1,738,709	7.4529	716
EUR*	(1,305,187)	66.7900	(4,494)	(3,209)	70.6500	71,947
GBP	5,944,751	0.8292	336,656	5,051,332	0.8691	18,375
HKD	1,097	8.0686	(19)	337	8.6314	75
INR	-	88.9335	(23,536)	-	91.9045	(44,541)
JPY	82,808,899	163.0600	205	72,937,567	156.3300	(266)
KRW	180	0.0007	-	400	1,433.6600	-
MXN	23,691	21.5500	(139)	23,691	18.7231	(512)
MZN	754,829,312	65.9508	(54,171)	(83,777,393)	70.6217	(20,394)
NOK	1,761,159	11.7950	(4,511)	1,907,715	11.2405	1,879
NZD	-	1.8532	-	-	1.7504	(50)
PLN	17,699	4.2750	1,701	1,996	4.3395	(1,778)
SEK	1,393,795	11.4590	(9,491)	2,075,649	11.0960	15,817
SGD	344,051	0.7069	-	(229,443)	1.4569	-
TRY	437	36.7372	(733)	261	32.6531	191
USD	57,749,760	1.0389	10,696,009	64,499,360	1.1050	(2,254,846)
ZAR	(2,736)	19.6188	(74)	(28,019)	20.3477	2
			10,898,628			(2,027,934)

* the position in euros refers to business in Mozambique.

The values presented refer to results of currency operations at sight, incorporating gains and losses from matured forward operations during the current year.

The Group adopts a strategy of full economic hedging of the foreign exchange exposure of its portfolio in dollars, which is solely composed of securities in US Dollars. For this purpose, it uses derivative instruments (currency futures and forwards) and repo operations in foreign currency. The variation in fair value of the foreign exchange forwards is recognised in the item gains or losses with financial assets and liabilities at fair value through profit or loss and hedge accounting (see note 8).

▲ NOTE 10 PROFIT/LOSS ON THE SALE OF OTHER ASSETS

The amount of this caption is made up as follows:

	2024	2023
Non-financial operations	-	343
	-	343

▲ NOTE 11 OTHER OPERATING RESULTS

The amount of this caption is made up as follows:

	2024	2023
Other operating income		
Provision of diverse services	125,546	163,224
Other	1,289,875	1,772,688
	1,415,421	1,935,912
Other operating expenses		
Dues and donations	250,066	195,744
Other	839,724	702,338
	1,089,790	898,082
Other operating results	325,631	1,037,830

The item Other operating income – Other as of December 31, 2024, includes an amount of 186,154 Euros (December 31, 2023: 1,270,551 Euros) associated with the derecognition of a liability corresponding to the variable component of the purchase price of DIF Broker.

▲ NOTE 12 ADMINISTRATIVE EXPENSES – STAFF COSTS

The amount of this caption is made up as follows:

	2024	2023
Remunerations	19,186,814	17,948,093
Costs with retirements pensions of defined Contributions	525,902	427,309
Obligatory social charges	3,911,406	3,671,877
Other staff expenses	2,449,539	2,335,370
	26,073,661	24,382,649

As of December 31, 2024, the Remunerations line includes expenses related to remuneration and other benefits granted to the Management and Supervisory Bodies, in the amount of 4,186,985 Euros (December 31, 2023: 4,659,697 Euros).

The caption Other staff expenses includes health insurance and life assurance, among others. This caption also includes the recognition of the differential of the interest rate of the loans granted to employees and the market interest rate.

Expenses with remunerations and other benefits attributed to key management staff with senior management functions may be analysed as follows:

	2024	2023
Short-term employee benefits	6,086,349	5,738,110
Post-employment benefits	174,971	157,099
Other long-term benefits	17,602	16,111
	6,278,922	5,911,320

By professional category, the number of employees on 31 December 2024 and 2023 is broken down as follows:

	2024	2023
Specific functions	276	284
Middle management functions	44	47
Senior management functions	71	70
Administrative functions	8	10
Auxiliary functions	5	5
	404	416

▲ NOTE 13 **EMPLOYEE BENEFITS**

The Bank takes care of the retirement benefits of its employees through a defined contribution pension plan.

In 2019 the base contribution defined for the Pension Fund changed from 5% to 2% and an additional contribution (incentive) of an amount equal to that of the voluntary contribution of the employees, changed from 4.5% to 3% of the monthly base salary. In 2022, the BiG Branch in Spain joined a Joint Promotion Pension Plan, with retroactive effect for employees with at least 2 years of seniority at the date of joining. The Base contribution defined for the Pension Fund in Spain is 1% of gross annual salary (with a minimum value as defined in the Collective Agreement) during the first 3 years from the date of admission of the employee to the fund, or 2% of gross annual salary (with a minimum value as defined in the Collective Agreement) after this period. Additionally, the pension plan regulations of the Spanish branch provide for an additional contribution (incentive) equal to the voluntary contribution of the employees, up to a maximum of 3% of monthly base salary.

On 31 December 2024, the Bank recognised as an expense the total amount of 513,575 Euros relating to the Defined Contribution Plan (31 December 2023: 405,009 Euros), of which 205,914 Euros relates to the additional contribution (incentive) (31 December 2023: 177,480 Euros).

Since 2006 the Bank has been providing the retirement benefits of its staff through two pension plans, a defined contribution plan and a defined benefit plan, the latter being implemented following the decisions taken in the general meetings of 8 April 2005 and 5 April 2006.

Since that date each member of the Board of Directors of the company or worker of the Bank could choose between the two existing plans, opting for the one that they would benefit from for the purpose of retirement.

The Bank's Board of Directors made an analysis of the impact of there being two plans, which despite being different in nature (defined benefit vs defined contribution) they were established equally for most employees. In this context, it saw that since the Defined Benefit Plan was set up in 2006, and after the staff initially joined it, no-one else signed up for this plan. The Board also noticed that there was a trend in the market to convert defined benefit plans into defined contribution plans, namely due to the greater foreseeability, limitation and lower volatility of the inherent liabilities.

In this context, it was agreed in the General Meeting held on 8 May 2014 to stop the defined benefit plan, with the Bank providing only a defined contribution plan that would cover all the members of the Board of Directors of the company and the workers of the Bank.

With respect to the defined benefit pension plan, there were no pensions being paid or rights acquired that would prevent it from being closed. These alterations were duly authorised by the Insurance and Pension Fund Authority.

The participants of the defined benefit pension plan were included in the defined contribution pension plan, with the Bank assuming the commitment to maintain a reserve account for any differences that might appear compared with the defined benefits established for the participants of the previous defined benefit plan.

Only 6 employees in service are participants in the Defined Benefits Plan. Under the terms of the Plan, the benefits defined are acquired by right after 60 years of age with a minimum of 10 years' service.

On 31 December 2015, the Bank made its best estimate of its liability with pensions inherent to the defined benefit plan, taking into consideration the number of employees it expected to opt for this benefit. The value of the responsibilities corresponding to past services, up to 2012, was being deferred over a period of 11.5 years, when the plan was introduced, corresponding to the estimated period of service of these employees. The discount rate used to estimate the liability with retirement pensions corresponds to the market rates in force on the balance sheet date, stated in the currency in which the benefits will be paid.

The provision corresponding to the actuarial estimate of the commitment assumed by the Bank as a result of the defined benefit plan, recorded on 31 December 2024 and 2023, was 55,227 Euros.

BiG Stock Option Plan

On 31 December 2024 and 2023, BiG's stock option programs had the following main characteristics:

Plan	Expected end date of the plan ⁽¹⁾	Number of options on the start date of the plan	2024		
			Exercise price	Number of options	Number of shares per option
2013	jan/2027	5,000,000	1.00	3,753,146	1.58

⁽¹⁾ The expiry date refers to the lapse date of the last year for each Plan.

Plan	Expected end date of the plan ⁽¹⁾	Number of options on the start date of the plan	2023		
			Exercise price	Number of options	Number of shares per option
2013	jan/2027	5,000,000	1.00	3,753,146	1.58

⁽¹⁾ The expiry date refers to the lapse date of the last year for each Plan.

The options mature, individually, after ten years has passed from the respective due dates.

The regulations relating to the stock options plan have remained substantially the same since 2005, except with respect to the due dates and to the financing. Normally the due dates are distributed over 3 years, except in the case of the corporate officers, which fall due 3 years after their attribution. The maturity period, 10 years after the first due date, remained unchanged. Taking into consideration that the Bank is not listed, the exercise of the options occurs only when the Group makes a capital increase, which may not coincide with the communication of intention to exercise by the holders of the options.

Valuation methodology of the options

The valuation of BiG's stock options is based on the adoption of internationally accepted market methodologies and takes the specific characteristics of the BiG's stock option programs and market data into consideration.

For purposes of application of the option valuation model, the value of BiG's shares is estimated based on a combination of the Discounted Cash Flows to Equity, Market Multiples and Adjusted Book Value methodologies based on the Gordon model.

▲ NOTE 14 ADMINISTRATIVE EXPENSES – OTHER ADMINISTRATIVE EXPENSES

The amount of this caption is made up as follows:

	2024	2023
Supplies	744,833	734,731
Leasing excluded from IFRS 16	777,640	563,106
Communications	734,043	857,130
Travel, hotel and representation costs	645,799	664,328
Advertising and publications	1,385,400	1,679,156
Specialised services		
Fees	467,487	461,634
Information Technology	4,466,115	4,206,850
Security and surveillance	168,286	180,342
Information	1,259,732	876,116
Databases	132,191	46,834
Manual labour	281,561	233,100
Other specialised services	2,449,272	1,591,242
Other	773,789	777,089
Direct and indirect taxes	1,504,915	2,050,357
	15,791,063	14,922,015

The amounts presented in the caption of other specialised services mostly refer to expenses with supervisory bodies within the scope of the legal review of the Group's accounts, and with other services providers, including those covered by its network, as follows:

- (i) The fees contracted with the external auditors for the years 2024 and 2023, excluding VAT and expenses:

	2024	2023
Statutory audit services	323,051	225,011
	323,051	225,011

- (ii) Fees billed by external auditors, or by entities within their scope, in the fiscal years 2024 and 2023, for services other than audit, excluding VAT and expenses:

	2024	2023
Distinct audit services required from the Statutory Auditor*	91,500	112,717
Distinct audit services not required from the Statutory Auditor	33,850	41,940
	125,350	154,657

* This amount includes the fees billed by the auditor of the Spanish branch, part of the KPMG and PwC networks in 2024 and 2023, respectively.

Fees for services other than audit include services provided for the issuance of the impairment report, safeguarding of client assets, and the report for the ex-ante contribution for resolution fund.

▲ NOTE 15 CASH CONTRIBUTIONS FOR RESOLUTION FUNDS AND DEPOSIT GUARANTEE SCHEMES

The value of this caption is comprised of:

	2024	2023
Cash contributions for resolution funds	277,335	1,060,008
Cash contributions for deposit guarantee schemes	7,134	12,235
	284,469	1,072,243

NOTE 16 EARNINGS PER SHARE

Earnings per basic share attributable to the Bank's shareholders are calculated by dividing the net income attributable to the Bank's shareholders by the weighted average number of ordinary shares outstanding.

	2024	2023
Net profit attributable to the bank's shareholders	27,038,177	24,195,067
Weighted average number of ordinary shares issued	186,947,388	186,947,388
Weighted average number of Treasury shares in portfolio	(2,598)	(2,598)
Average number of ordinary shares in circulation	186,944,790	186,944,790
Earnings per share attributable to the bank's shareholders	0.14	0.13

Earnings per diluted share are no different from Earnings per ordinary share as there were no dilutive shares on 31 December 2024 and 2023.

NOTE 17 CASH, CASH BALANCES IN CENTRAL BANKS AND OTHER DEMAND DEPOSITS – OTHER DEMAND DEPOSITS

On 31 December 2024 and 2023, this caption was broken down as follows:

	2024	2023
Cash	3,323,707	4,468,231
Demand deposits in central banks	160,779,646	280,102,214
	164,103,353	284,570,445

The caption Demand Deposits in Central Banks includes the deposits made to satisfy the requirements of the Minimum Reserve System of the European System of Central Banks. Pursuant to Regulation (EC) no. 1745/2003 of the European Central Bank of 12 September 2003, changed by the Regulation (EU) no. 2016/1705 of the European Central Bank of 9 September 2016, the minimum obligatory amount held in demand deposits in the Bank of Portugal is not remunerated and corresponds to 1% of the deposits and debt securities with a maturity period of less than 2 years, excluding deposits of institutions subject to the European System of Central Banks' regime of minimum reserves. This item also includes overnight deposits through the Eurosystem's standing deposit facility. The remuneration of the component of reserves to meet the minimum reserves requirement was 0% as of 31 December 2024. The applications under the liquidity absorption mechanism with an overnight maturity were remunerated at 3% as of 31 December 2024.

Fulfilment of the minimum obligatory amounts, for a given period of observation, is achieved taking into consideration the value of the balances of the deposits in the Bank of Portugal during this period. The balance of the account next to the Bank of Portugal on 31 December of 2024 includes an average reserve requirement of 15,435,800 Euros which corresponds to the maintenance period from 18 December 2024 to 4 February 2025.

This caption also includes the demand deposits of BiG Moçambique in the Bank of Mozambique to meet the requirements of the regime for the constitution of obligatory minimum reserves, as established by Notice 01/GMB/2023. Pursuant to this Notice, obligatory reserves correspond, as a percentage of the balance of clients' deposits, to 39% and 39.5% in national currency and foreign currency, respectively, from which the banks subject to the regime of obligatory reserves are excluded. The reserves are kept in Meticaís for deposits in national currency and in U.S. Dollars for deposits in foreign currency, these deposits not being remunerated.

The fulfilment of the minimum obligatory amounts, for a given period, takes into consideration the value of the balances of deposits in the Bank of Mozambique during this period. The balance of accounts at the Bank of Mozambique on 31 December 2024 includes 400,418,392 meticaís and 4,708 US dollars corresponding to the minimum reserve requirements to be observed during the constitution period from 25 December 2024 to 28 January 2025.

On 31 December 2024 and 2023 there is no impairment allocated to Cash, cash balances in central banks and other demand deposits – Cash on hand and cash balances in central banks, seeing that these financial instruments are redeemable at any time, and the Group, in accordance with its credit risk management policies, controls and assesses the credit quality of the respective counterparties daily).

▲ NOTE 18

CASH, CASH BALANCES IN CENTRAL BANKS AND OTHER DEMAND DEPOSITS – OTHER DEMAND DEPOSITS

On 31 December 2024 and 2023, this caption was broken down as follows:

	2024	2023
Deposits in other banks in Portugal		
Demand deposits	4,496,974	4,904,814
Deposits in other banks abroad		
Demand deposits	109,864,203	97,366,717
	114,361,177	102,271,531

The banks where the Group has deposits have a high rating, with, 99% of these funds held at institutions rated investment grade at the end of 2024 and 2023. The remaining deposits, approximately 1%, are held at banks without external rating grade.

On 31 December of 2024 and 2023 there is no impairment allocated to Cash, cash balances in central banks and other demand deposits – Other demand deposits, as these financial instruments are redeemable at any time, and the Group, in accordance with its credit risk management policies, controls and assesses the credit quality of the respective counterparties (banks) on a daily basis.

▲ NOTE 19

FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING

On 31 December 2024 and 2023, this caption was broken down as follows:

	2024	2023
Financial assets held for trading		
Securities		
Bonds and other fixed return securities		
From national public issuers	5,120,994	2,978,449
From foreign public issuers	56,099,785	32,811,653
From other national issuers	6,042,371	7,933,476
From other foreign issuers	18,187,162	27,915,688
	85,450,312	71,639,266
Derivatives		
Derivative financial instruments with positive fair value	2,625	1,672,421
	85,452,937	73,311,687
Derivatives		
Derivative financial instruments with negative fair value	5,807,687	2,837
	5,807,687	2,837

As per the accounting policy described in Note 2.5. Financial assets held for trading are those acquired with the objective of being traded in the short term, regardless of their maturity, or managed considering fair value.

The impact generated by the variation in Financial assets and liabilities held for trading in the income statement may be consulted in Note 8.

The average interest rate of the assets held for trading during the year ended on 31 December 2024 was 3% (31 December 2023: 1.4%).

The caption Derivative financial instruments on 31 December 2024 and 2023 is broken down as follows:

	2024			2023		
	Notional	Fair Value		Notional	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Derivatives held for trading						
Swaps	20,000,000		391,332			
Term transactions *	104,918,335	2,625	5,416,355	66,959,001	1,672,421	2,837
	124,918,335	2,625	5,807,687	66,959,001	1,672,421	2,837

* The notional amount of forward transactions represents the countervalue of the receivable leg of the forwards in the portfolio

The Term transactions item relates to foreign exchange forwards.

The value recorded in the Balance Sheet, in the caption Derivative financial instruments is determined based on the policy defined in Note 2.4., representing the respective fair value, while the notional amount is recorded off-Balance Sheet.

On 31 December 2024 and 2023, the distribution of the Financial assets held for trading – Securities by residual maturity, is as follows:

	2024	2023
Securities		
Up to 3 months	56,495,746	35,173,040
From 3 months to 1 year	8,949,426	7,070,755
From 1 to 5 years	14,287,752	26,297,918
Over 5 years	5,717,388	3,097,553
	85,450,312	71,639,266

On 31 December 2024 and 2023, the distribution of the Financial assets and liabilities held for trading (Derivative financial instruments), by residual maturity is presented as follows:

	2024		2023	
	Notional	Fair value	Notional	Fair value
Derivative financial instruments				
Up to 3 months	63,497,767	(3,764,717)	48,376,441	1,089,649
From 3 months to 1 year	41,420,568	(1,651,524)	18,582,560	579,935
From 1 to 5 years	20,000,000	(388,821)	-	-
	124,918,335	(5,805,062)	66,959,001	1,669,584

The movements in the caption of Financial assets and liabilities held for trading, in the years 2024 and 2023, are presented below:

	2024	2023
Opening balance	71,639,266	53,169,528
Debt instruments		
Additions	1,107,673,139	1,147,412,974
Disposals	(1,107,170,627)	(1,131,994,802)
Variations in fair value	13,308,534	3,051,566
Closing balance	85,450,312	71,639,266

▲ NOTE 20

FINANCIAL ASSETS THAT ARE NOT MANDATORILY TRADED AT FAIR VALUE THROUGH PROFIT OR LOSS

As of 31 December 2024 and 2023, this item has the following composition:

	2024	2023
Non-trading financial assets mandatorily at fair value through profit or loss		
Securities		
Shares of national issuers	3,017,906	3,128,686
Shares of foreign issuers	3,668,993	3,820,195
Funds of national issuers	166,386	174,138
	6,853,285	7,123,019
Credits and other receivables	1,314,068	1,566,321
	8,167,353	8,689,340

As of 31 December 31, 2024 and 2023, the Non-trading financial assets mandatorily at fair value through profit or loss – Securities have an indefinite duration and relate to temporary investments in companies with a high potential for growth and appreciation, as well as the management of venture capital funds.

These companies can be national or international, and should operate preferably in the fintech, Insurtech and cybersecurity segments, not excluding investments in other areas, if the opportunity so justifies.

In the captions Shares of national and foreign issuers are included equity investments in early-stage start-ups located namely in Portugal and the United Kingdom in the global amount of 5,120,078 Euros (31 December 2023: 6,479,764 Euros).

The amounts recorded under the heading Credits and other receivables refer to other debt instruments on the above-mentioned start-ups.

▲ NOTE 21

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As of 31 December 2024 and 2023, this item has the following composition:

	2024	2023
Financial assets accounted at fair value through profit and loss		
Securities		
Bonds and other fixed return securities		
From foreign public issuers	6,701,550	8,216,780
From other foreign issuers	902,225	334,083
	7,603,775	8,550,863

The average interest rate on financial assets at fair value through profit or loss during the year ended 31 December 2024 amounted to 17.7% (31 December 2023: 9.3%).

As of 31 December 2024 and 2023, the distribution of Financial assets accounted at fair value through profit and loss – Securities by residual maturity dates, is as follows:

	2024	2023
Securities		
Up to 3 months	576,632	248,130
From 3 months to 1 year	3,362,905	3,557,542
From 1 to 5 years	3,664,238	4,745,191
	7,603,775	8,550,863

The movements under the heading of Financial assets accounted at fair value through profit and loss in 2024 and 2023 are shown below:

	2024	2023
Opening balance	8,550,863	2,375,091
Debt instruments		
Additions	291,586,275	121,640,844
Disposals	(294,329,487)	(116,038,088)
Gains and losses in the exercise	539,215	478,018
Interest	651,303	174,237
Currency Exchange	605,606	(79,239)
Closing balance	7,603,775	8,550,863

NOTE 22

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

On 31 December 2024 and 2023, this caption was broken down as follows:

	Cost (1)	Fair value reserve			Balance Sheet Value
		Positive	Negative	Fair value hedge	
Financial assets at fair value through other comprehensive income					
Bonds and other fixed return securities					
From national public issuers	9,630,623	185	(2,890,438)	1,559,809	8,300,179
From foreign public issuers	590,167,200	1,441,747	(176,022,576)	114,993,096	530,579,467
From other national issuers	145,887,940	1,078,567	(3,632,620)	(64,462)	143,269,425
From other foreign issuers	408,387,773	1,808,234	(36,598,306)	11,849,089	385,446,790
Capital instruments					
Shares of national issuers	13,978	-	-	-	13,978
Shares of foreign issuers	800,349	-	(57,140)	-	743,209
Other	1,877,449	-	(304,250)	-	1,573,199
Balance on 31 December 2023	1,156,765,312	4,328,733	(219,505,330)	128,337,532	1,069,926,247
Financial assets at fair value through other comprehensive income					
Bonds and other fixed return securities					
From national public issuers	9,856,220	187	(2,767,457)	1,327,142	8,416,092
From foreign public issuers	882,471,191	2,567,758	(163,111,558)	100,800,080	822,727,471
From other national issuers	102,273,571	829,513	(1,107,843)	369,293	102,364,534
From other foreign issuers	294,812,699	1,090,409	(24,245,342)	8,634,704	280,292,470
Capital instruments					
Shares of national issuers	13,978	-	-	-	13,978
Shares of foreign issuers	868,494	-	(96,444)	-	772,050
Other	1,877,451	-	(262,851)	-	1,614,600
Balance on 31 December 2024	1,292,173,604	4,487,867	(191,591,495)	111,131,219	1,216,201,195

(1) Amortized cost including accrued interest, impairments for debt securities, and acquisition cost for shares and other equity instruments.

On 31 December 2024, the caption Bonds and other fixed return securities – From other national and foreign issuers includes 80,714,783 Euros (31 December 2023: 118,441,034 Euros) relating to ABS (asset backed securities).

On 31 December 2024, around 73% (84% as of 31 December 2023) of portfolio of Financial assets at fair value through other comprehensive income, comprising bonds and other fixed income securities, was hedged by derivative financial instruments, specifically interest rate futures and interest rate swaps.

The average interest rate, before interest rate hedging, during the year ended on 31 December of 2024, was 2.7% (31 December 2023: 2.9%).

In 2024 and 2023, and, in accordance with the accounting policy described in Note 2.5. Other financial assets, the Group regularly assesses the significant increase of the credit risk of the Financial assets at fair value through other comprehensive income.

The securities in the Group's portfolio which are given by it as a guarantee are analysed in Note 42 – Off-balance sheet accounts.

On 31 December 2024 and 2023, the distribution of this caption by residual maturity periods is as follows:

	2024	2023
Up to 3 months	12,518,327	7,446,108
From 3 months to 1 year	13,999,873	21,758,442
From 1 to 5 years	314,134,776	329,143,219
Over 5 years	873,147,591	709,248,092
Unspecified duration	2,400,628	2,330,386
	1,216,201,195	1,069,926,247

The staging of the securities which make up the caption of Financial assets at fair value through other comprehensive income, for 31 December of 2024 and 2023, may be consulted in Note 45 – Business risk management.

The movements in expected credit loss in Financial assets at fair value through other comprehensive income are presented as follows:

	2024	2023
Opening balance	2,241,755	3,478,090
Additions	7,102,020	3,339,049
Reversals	(7,012,954)	(4,649,184)
Currency Exchange	46,933	73,800
Closing balance	2,377,754	2,241,755

The movements in the caption of Financial assets at fair value through other comprehensive income – Capital instruments, in the years 2024 and 2023, are presented below:

	2024	2023
Opening balance	1,067,595,861	1,011,055,785
Debt instruments		
Additions	904,339,050	659,934,426
Disposals / Maturities	(765,803,934)	(632,397,349)
Amortisation of premium	1,698,315	(507,680)
Advance payment	(44,854,548)	(42,049,956)
Gain	3,692,013	(5,323,527)
FX Revaluation	14,798,034	(8,674,592)
Interest	3,074,607	548,811
Revaluation reserve	29,261,169	85,009,943
Closing balance	1,213,800,567	1,067,595,861

NOTE 23

FINANCIAL ASSETS AT AMORTISED COST – DEBT SECURITIES

On 31 December 2024 and 2023, this item has the following composition:

	Cost	Fair value hedge*	Expected credit loss	Balance Sheet Value
Financial assets at amortised cost				
Bonds and other fixed return securities				
From foreign public issuers	344,003,331	(32,024,932)	471,777	311,506,622
From other national issuers	77,249,882	185,900	61,427	77,374,355
From other foreign issuers	504,921,910	(6,987,278)	622,665	497,311,967
Balance on 31 December 2023	926,175,123	(38,826,310)	1,155,869	886,192,944
Financial assets at amortised cost				
Bonds and other fixed return securities				
From foreign public issuers	362,661,153	(24,677,830)	224,426	337,824,423
From other national issuers	86,705,343	116,051	74,120	86,747,274
From other foreign issuers	545,404,019	(7,049,754)	760,295	537,593,974
Balance on 31 December 2024	994,770,515	(31,611,533)	1,058,841	962,165,671

* Financial assets at amortized cost that have their interest rate risk hedge, where a negative value in this term corresponds to a positive value in the hedging instruments

On 31 December 2024 and 2023, the distribution of this item by residual maturities is as follows:

	2024	2023
Up to 3 months	7,281,589	-
From 3 months to 1 year	9,968,961	14,190,866
From 1 to 5 years	245,204,896	140,654,580
Over 5 years	699,710,225	731,347,498
	962,165,671	886,192,944

The movements under the heading of Financial assets at amortized cost – Debt securities, in fiscal years 2024 and 2023, are shown below:

	2024	2023
Opening balance	886,192,944	847,122,893
Debt instruments		
Additions	110,889,015	60,456,448
Repayments	(43,361,066)	(46,368,937)
Amortisation of premium	1,313,847	1,006,170
Impairment	136,261	110,153
Interest	30,993	1,657,837
Fair value hedge	6,963,677	22,208,380
Opening balance	962,165,671	886,192,944

The movements in expected credit loss on Financial assets at amortized cost – Debt securities are presented as follows:

	2024	2023
Opening balance	1,155,869	1,266,023
Additions	684,795	1,120,843
Reversals	(781,823)	(1,136,805)
Currency Exchange	-	(94,192)
Closing balance	1,058,841	1,155,869

The Group regularly assesses the significant increase in credit risk of these debt financial instruments, according to note 2.5 Other financial assets. On 31 December 2024 the credit impairment, recognised for performing securities, (stage 1) amounted to 1,058,841 Euros (31 December 2023: 1,155,869 Euros). There are no securities in stage 2 as of 31 December 2024 and 2023.

The average interest rate, before interest rate hedging during the year ended on 31 December of 2024 was 2.6% (2.4% as of 31 December 2023).

The adjustment relating to hedging relationships on 31 December 2024, was -31,611,533 Euros (-38,826,310 Euros as of 31 December 2023). This adjustment results from the hedging of fixed rate debt instruments that with the respective expected credit loss had a balance sheet value of 962,165,671 Euros (886,192,944 Euros as of 31 December 2023).

▲ NOTE 24 FINANCIAL ASSETS AT AMORTISED COST – LOANS AND ADVANCES – CLIENTS

On 31 December 2024 and 2023, this caption was broken down as follows:

	2024	2023
Domestic loans		
To companies		
Loans at sight	3,495,824	4,455,663
Overdrafts	12,525	27,854
To private individuals		
Loans at sight	10,774,527	9,800,070
Mortgages	4,602,397	3,841,080
Leasing	90,146	116,322
Overdrafts	27,071	25,300
Other specialised loans	253,780	132,505
Other credit	151,044	161,038
	19,407,314	18,559,832
Foreign loans		
To companies		
Overdrafts	2,491	11,437
To private individuals		
Loans at sight	593,307	1,248,852
Mortgages	125,089	131,738
Overdrafts	8,108	4,823
	728,995	1,396,850
Past due loans and interest		
Over 90 days	16,659	19,614
	16,659	19,614
	20,152,968	19,976,296
Impairment of credit to clients	(26,218)	(23,368)
Loans to clients	20,126,750	19,952,928

On 31 December 2024 and 2023 the caption Loans at sight reflects loans granted under the margin account, which are collateralised with deposits and/or securities held in the Group.

On 31 December 2024, the Bank's loan portfolio includes loans granted to members of the Board of Directors in the amount of 55,986 Euros arising from the personnel policy, under the terms of no. 4 of art. 85 of the General Regime of Credit Institutions and Financial Companies (31 December 2023: 63,419 Euros). On 31 December 2024 the credit to the key personnel of the institution with management functions, amounted to 1,829,732 Euros (31 December 2023: 1,362,311 Euros).

The average interest rate during the year ended on 31 December of 2024 was 5.3% (31 December 2023: 3%).

The residual periods of Loans and advances – Clients, including past due loans and interest, were structured as follows:

	2024	2023
Up to 3 months	14,929,216	15,587,686
From 3 months to 1 year	200,496	42,357
From 1 to 5 years	441,782	395,658
Over 5 years	4,564,815	3,930,981
Unspecified duration	16,659	19,614
	20,152,968	19,976,296

The movements in impairment of Loans and advances – Clients are presented as follows:

	2024	2023
Opening balance	23,368	100,090
Additions	10,802	1,653
Reversals	(2,956)	(359)
Used	(4,996)	(78,016)
Closing balance	26,218	23,368

The distribution of Loans and advances – Clients by type of rate may be presented as follows:

	2024	2023
Variable rate	20,050,021	19,750,699
Fixed rate	102,947	225,597
	20,152,968	19,976,296

The residual periods of leased capital were structured as follows:

	2024	2023
Instalments and residual values due		
Up to 3 months	205	484
From 3 months to 1 year	10,805	43,870
From 1 to 5 years	53,043	82,655
Over 5 years	26,093	-
	90,146	127,009
Interest due		
Up to 3 months	-	1
From 3 months to 1 year	271	1,513
From 1 to 5 years	6,369	9,173
Over 5 years	5,366	-
	12,006	10,687
Capital due		
Up to 3 months	205	483
From 3 months to 1 year	10,534	42,357
From 1 to 5 years	46,674	73,482
Over 5 years	20,727	-
	78,140	116,322

The detail of the portfolio of loans not represented by securities by year of production is as follows:

31-12-2024									
Year of production	Current Account Credit			Mortgages			Other		
	Number of transactions	Gross exposure	Impairment set up	Number of transactions	Gross exposure	Impairment up	Number of transactions	Gross exposure	Impairment set up
2010 and previous	43	2,350,741	-	24	847,004	179	-	-	-
2011	9	837,323	-	8	277,200	60	2	104	104
2012	5	110,990	-	-	-	-	4	5,412	5,412
2013	3	62,040	-	-	-	-	7	5,900	5,900
2014	6	261,026	-	1	9,577	1	69	2,807	965
2015	5	2,174,566	-	2	223,786	48	21	775	311
2016	3	508,930	-	2	149,145	33	18	869	655
2017	11	1,262,167	-	5	661,751	120	37	153,059	491
2018	9	439,450	-	3	189,774	42	36	15,235	724
2019	3	339,890	-	3	261,460	57	19	666	365
2020	19	1,165,180	-	2	377,910	83	22	8,749	228
2021	16	1,117,369	-	1	126,325	28	10	6,824	416
2022	11	708,515	-	-	-	-	8	41,563	6
2023	10	1,073,666	-	3	474,512	103	43	25,703	2,368
2024	24	2,452,155	-	12	1,136,143	254	355	286,707	7,265
	177	14,864,008	-	66	4,734,587	1,008	651	554,373	25,210

31-12-2023									
Year of production	Current Account Credit			Mortgages			Other		
	Number of transactions	Gross exposure	Impairment set up	Number of transactions	Gross exposure	Impairment up	Number of transactions	Gross exposure	Impairment set up
2010 and previous	50	2,684,359	-	24	921,226	198	-	-	-
2011	10	1,581,852	-	8	291,192	18	2	103	103
2012	4	85,490	-	-	-	-	8	5,625	5,625
2013	3	503,585	-	-	-	-	10	6,061	6,061
2014	7	199,413	66	1	15,674	1	79	2,718	991
2015	5	2,454,666	-	2	229,885	14	25	1,071	581
2016	4	502,831	-	4	169,403	10	25	2,305	2,061
2017	11	1,346,561	-	6	799,404	49	49	182,627	578
2018	9	460,116	-	4	316,830	19	45	51,969	786
2019	3	262,700	-	3	269,038	17	23	3,128	402
2020	23	2,080,202	-	2	386,128	24	29	35,460	452
2021	22	1,110,930	-	1	130,237	8	16	11,672	429
2022	16	734,065	-	-	-	-	26	49,610	11
2023	16	1,496,419	-	3	496,367	30	254	95,374	4,834
	183	15,503,189	66	58	4,025,384	388	591	447,723	22,914

On 31 December 2024 and 2023, impairment was broken down as follows:

2024												
	Stage 1			Stage 2			Stage 3			TOTAL		
	Gross Exposure	Impairment	Net Exposure	Gross Exposure	Impairment	Net Exposure	Gross Exposure	Impairment	Net Exposure	Gross Exposure	Impairment	Net Exposure
Loans granted												
Companies	3,479,769	(142)	3,479,627	1,022	(59)	963	1,451	(1,451)	-	3,482,242	(1,652)	3,480,590
Private individuals	15,807,975	(7,434)	15,800,541	845,816	(197)	845,619	16,935	(16,935)	-	16,670,726	(24,566)	16,646,160
Guarantees and sureties provided												
Companies	4,350	-	4,350	-	-	-	-	-	-	4,350	-	4,350
Private individuals	121,900	-	121,900	-	-	-	-	-	-	121,900	-	121,900
Total	19,413,994	(7,576)	19,406,418	846,838	(256)	846,582	18,386	(18,386)	-	20,279,218	(26,218)	20,253,000

2023												
	Stage 1			Stage 2			Stage 3			TOTAL		
	Gross Exposure	Impairment	Net Exposure	Gross Exposure	Impairment	Net Exposure	Gross Exposure	Impairment	Net Exposure	Gross Exposure	Impairment	Net Exposure
Loans granted												
Companies	4,492,263	(452)	4,491,811	-	-	-	1,396	(1,396)	-	4,493,659	(1,848)	4,491,811
Private individuals	15,239,935	(1,303)	15,238,632	222,648	(163)	222,485	20,054	(20,054)	-	15,482,637	(21,520)	15,461,117
Guarantees and sureties provided												
Companies	4,350	-	4,350	-	-	-	-	-	-	4,350	-	4,350
Private individuals	137,100	-	137,100	-	-	-	-	-	-	137,100	-	137,100
Total	19,873,648	(1,755)	19,871,893	222,648	(163)	222,485	21,450	(21,450)	-	20,117,746	(23,368)	20,094,378

The guarantees and sureties provided are fully collateralized by deposits and other liquid financial products and controlled on a daily basis. No impairments are calculated for them on 31 December 2024 and 2023.

Additional information on exposure by type of staging and restructured credit may be consulted in Note 45 – Business risk management.

NOTE 25

FINANCIAL ASSETS TO THE AMORTISED COST – LOANS AND ADVANCES – CENTRAL BANKS

On 31 December 2024 and 2023, this caption was broken down as follows:

	2024	2023
Loans and advances - Central Banks		
Very short-term applications	30,346,826	17,741,773
	30,346,826	17,741,773

The residual periods of Loans and advances – Central Banks were structured as follows:

	2024	2023
Up to 3 months	30,346,826	17,741,773
	30,346,826	17,741,773

This caption refers exclusively to deposits held by Banco BiG Moçambique with the Central Bank of Mozambique, which are remunerated at local interest rates. The average interest rate during the year ended on 31 December of 2024 was 18% (31 December 2023: 5.9%).

NOTE 26

FINANCIAL ASSETS AT AMORTISED COST – LOANS AND ADVANCES – BANKS

On 31 December 2024 and 2023, this caption was broken down as follows:

	2024	2023
Loans and advances - Banks		
Deposits	8,217,790	8,377,283
Loans	55,365,676	61,941,369
	63,583,466	70,318,652
Impairment	-	-
	63,583,466	70,318,652

The variation of the caption of Loans results from a decrease in the execution of a set of reverse repo operations, in which the Group grants funding by receiving debt securities as collateral.

The average interest rate during the year ended on 31 December 2024 was 5.4% (31 December 2023: 5.0%).

The residual periods of Loans and advances – Banks was structured as follows:

	2024	2023
Up to 3 months	26,133,466	62,856,358
From 3 months to 1 year	37,450,000	7,462,294
	63,583,466	70,318,652

NOTE 27

DERIVATIVES – HEDGE ACCOUNTING

On 31 December 2024 and 2023 this caption was broken down as follows:

2024									
Derivative product	Associated financial asset / liability	Hedge instrument				Hedge instrument (*)			
		Notional	Fair value (1)	Sheet value of the year	Variation in P&L of the year	Hedge component (interest rate risk in the Balance Sheet)	Variation in Balance Sheet value of the year	Variation in P&L of the year	Balance Sheet value of hedged instruments
Interest Rate Swap	Debt instruments	533,219,174	(16,655,869)	(5,412,423)	(7,732,350)	14,594,095	4,970,643	7,515,263	509,418,948
Futures (*)	Debt instruments	511,225,890	-	-	5,681,517	10,023,805	(872,747)	(4,252,756)	576,113,570
		1,044,445,064	(16,655,869)	(5,412,423)	(2,050,833)	24,617,900	4,097,896	3,262,507	1,085,532,518

2023									
Derivative product	Associated financial asset / liability	Hedge instrument				Hedge instrument (*)			
		Notional	Fair value (1)	Sheet value of the year	Variation in P&L of the year	Hedge component (interest rate risk in the Balance Sheet)	Variation in Balance Sheet value of the year	Variation in P&L of the year	Balance Sheet value of hedged instruments
Interest Rate Swap	Debt instruments	424,787,330	(11,243,448)	(66,814,680)	(24,761,181)	9,623,452	67,659,978	24,911,290	395,832,373
Futures (*)	Debt instruments	613,971,099	-	-	(18,575,465)	10,896,552	78,449,125	14,631,804	743,317,067
		1,038,758,429	(11,243,448)	(66,814,680)	(43,336,646)	20,520,004	146,109,103	39,543,094	1,139,149,440

(1) Includes accrued interest

(*) The maturity considered was the cheapest-to-delivery (CtD)

Within the scope of interest risk hedge accounting for the banking book, as of December 31, 2024, the Bank held exclusively fixed-rate bond futures and Interest Rate Swaps as hedging instruments.

The value associated with the hedged item is carried in the balance sheet in a separate item (see note 23), and changes in profit or loss are recorded in the gains or losses on financial assets and liabilities at fair value through profit or loss and hedge accounting (see note 8).

With regard to the fair value of futures, this is reflected in the caption of Deposits in other banks (Note 18).

The residual periods of the notional values of hedging instruments can be analysed in the table below:

2024						
Derivative product	Associated financial asset / liability	Notional			Fair Value	
		Less than 1 year	From 1 to 5 years	Over 5 years	Assets	Liabilities
Interest Rate Swap	Debt instruments	-	-	533,219,174	9,152,470	(25,808,339)
Futures (*)	Debt instruments	-	301,135,310	210,090,580	-	-
		-	301,135,310	743,309,754	9,152,470	(25,808,339)

2023						
Derivative product	Associated financial asset / liability	Notional			Fair Value	
		Less than 1 year	From 1 to 5 years	Over 5 years	Assets	Liabilities
Interest Rate Swap	Debt instruments	-	-	424,787,330	9,086,629	(20,330,077)
Futures (*)	Debt instruments	-	113,309,985	500,661,114	-	-
		-	113,309,985	925,448,444	9,086,629	(20,330,077)

(*) The maturity considered was the cheapest-to-delivery (CtD)

The movements in 2024 and 2023 can be consulted in the table below:

	2024	2023
Opening balance	(11,243,448)	55,571,232
Variations in fair value	(9,869,879)	(71,158,419)
Coupon payment	7,032,608	4,174,697
Payoff	(2,599,987)	169,042
Currency revaluation	24,837	-
Closing balance	(16,655,869)	(11,243,448)

NOTE 28 TANGIBLE ASSETS

On 31 December 2024 and 2023, this caption was broken down as follows:

	2024	2023
Buildings		
Improvements to buildings	4,461,608	4,128,821
For own use	19,771,151	19,295,027
	24,232,759	23,423,848
Equipment		
Computer equipment	6,775,136	6,796,383
Furniture and material	1,848,315	1,759,783
Installations and interiors	2,607,957	2,540,459
Security equipment	262,300	261,243
Machines and tools	388,323	385,371
Other equipment	481,163	477,880
Transportation material	252,611	183,444
	12,615,805	12,404,563
Rights of use		
Buildings	3,183,527	2,913,531
Vehicles	1,260,079	1,220,992
	4,443,606	4,134,523
Tangible assets in progress	10,001	-
Impairment	(177,549)	(177,549)
Accumulated depreciation	(19,757,633)	(21,025,144)
	21,366,989	18,760,241

The movement in this caption was the following:

	Buildings	Equipment	Tangible fixed assets in progress	Right of use		Total
				Buildings	Vehicles	
Acquisition cost						
Balance on 31 December 2022	23,633,404	11,852,304	223,227	2,623,229	1,164,960	39,497,124
Additions	22,418	461,295	-	479,500	161,485	1,124,698
Write-downs	(107,775)	(91,799)	-	(189,198)	(105,453)	(494,224)
Disposals	-	218,394	(218,394)	-	-	-
Currency exchange differences	(124,199)	(35,631)	(4,833)	-	-	(164,664)
Balance on 31 December 2023	23,423,848	12,404,563	-	2,913,531	1,220,992	39,962,934
Additions	22,511	172,714	357,982	2,237,299	1,067,277	3,857,783
Write-downs	-	(137,061)	-	(1,967,303)	(1,028,190)	(3,132,554)
Transfers	531,535	87,608	(347,981)	-	-	271,162
Currency exchange differences	254,865	87,981	-	-	-	342,846
Balance on 31 December 2024	24,232,759	12,615,805	10,001	3,183,527	1,260,079	41,302,171
Depreciation						
Balance on 31 December 2022	7,287,508	9,774,853	-	1,781,575	915,067	19,759,003
Amortisation of the year	433,664	613,114	-	407,919	181,370	1,636,067
Write-downs of the year	(98,046)	(85,742)	-	(57,984)	(98,167)	(339,939)
Currency exchange differences	(10,488)	(19,499)	-	-	-	(29,987)
Balance on 31 December 2023	7,612,638	10,282,726	-	2,131,510	998,270	21,025,144
Amortisation of the year	414,004	618,598	-	359,842	165,858	1,558,302
Write-downs of the year	-	(126,883)	-	(1,967,302)	(803,849)	(2,898,034)
Currency exchange differences	26,809	45,412	-	-	-	72,221
Balance on 31 December 2024	8,053,451	10,819,853	-	524,050	360,279	19,757,633
Impairments						
Balance on 31 December 2022	177,549	-	-	-	-	177,549
Balance on 31 December 2023	177,549	-	-	-	-	177,549
Balance on 31 December 2024	177,549	-	-	-	-	177,549
Net balance on 31 December 2023	15,633,661	2,121,837	-	782,021	222,722	18,760,241
Net balance on 31 December 2024	16,001,759	1,795,952	10,001	2,659,477	899,800	21,366,989

NOTE 29 INTANGIBLE ASSETS

On 31 December 2024 and 2023, this caption was broken down as follows:

	2024	2023
Acquired from third parties		
Automatic data treatment system	20,383,687	17,140,261
Other	2,935,588	2,935,588
	23,319,275	20,075,849
Intangible assets in progress		
Automatic data treatment system	754,629	3,407,436
	754,629	3,407,436
Goodwill		
	5,505,674	5,505,674
	5,505,674	5,505,674
	29,579,578	28,988,959
Accumulated amortization	(18,905,630)	(17,532,338)
	10,673,948	11,456,621

The movement in this caption was the following:

	Automatic data treatment system	Other	Tangible fixed assets in progress	Goodwill	Total
Acquisition cost					
Balance on 31 December 2022	16,774,571	2,935,588	2,057,796	5,505,674	27,273,629
Additions	227,776	-	1,495,776	-	1,723,552
Transfers	144,451	-	(144,451)	-	-
Currency exchange differences	(6,537)	-	(1,685)	-	(8,222)
Balance on 31 December 2023	17,140,261	2,935,588	3,407,436	5,505,674	28,988,959
Additions	244,180	-	639,477	-	883,657
Transfers	3,033,670	-	(3,304,833)	-	(271,163)
Write-downs	(51,150)	-	-	-	(51,150)
Currency exchange differences	16,726	-	12,549	-	29,275
Balance on 31 December 2024	20,383,687	2,935,588	754,629	5,505,674	29,579,578
Amortizations					
Balance on 31 December 2022	15,020,194	880,352	-	-	15,900,546
Amortization of the year	1,399,625	234,884	-	-	1,634,509
Currency exchange differences	(2,717)	-	-	-	(2,717)
Balance on 31 December 2023	16,417,102	1,115,236	-	-	17,532,338
Amortization of the year	1,126,769	234,884	-	-	1,361,653
Currency exchange differences	11,639	-	-	-	11,639
Balance on 31 December 2024	17,555,510	1,350,120	-	-	18,905,630
Net balance on 31 December 2023	723,159	1,820,352	3,407,436	5,505,674	11,456,621
Net balance on 31 December 2024	2,828,177	1,585,468	754,629	5,505,674	10,673,948

On September 7, 2021, the Bank acquired 100% of the capital of DIF Broker – Empresa de Investimento, S.A., an investment company incorporated in 1999 whose corporate purpose is the provision of investment services and ancillary services for which it is authorized, as set out in its bylaws.

Under this transaction, the Bank attributes a separable value to intangible assets, amounting to 2,348,840 Euros, for which a useful life of 10 years is estimated. Taking into consideration the activity of DIF Broker, the value of the client portfolio was estimated based on estimated average commissions and the average number of customers, considering a rate of loss of customers over time.

According to the accounting policy described in Note 2.1, the recoverable value of goodwill is assessed annually. The evaluations will be based on duly supported assumptions that represent the best estimate of the Board of Directors on the economic conditions that will affect each subsidiary, the budgets and most recent projections approved for those subsidiaries and their extrapolation for future periods. The assumptions made for these evaluations may change with the modification of economic and market conditions.

The annual assessment of the recoverable value of goodwill with reference to 31 December 2023 and 31 December 2024 was conducted based on an update of the acquired business's financial performance indicators, as well as a review of future outlook considering recent history and the current market and business environment. The estimate of the discount rate reported as of 31 December 2023 and 31 December 2024 was also updated. Based on this analysis, it was concluded that there is no need for any impairment recognition.

The Group's consolidated income statement prepared as if the acquisition date had been the beginning of the reporting period, i.e., January 1, 2021, would show a net profit of 23,251,944 Euros. This information is for reference purposes only, as the Group's consolidated income statement includes the result of DIF Broker only from the date of incorporation (September 7, 2021).

NOTE 30 CURRENT TAX ASSETS AND LIABILITIES

On 31 December 2024 and 2023, this caption was broken down as follows:

	2024	2023
Estimated tax for the year	(9,706,450)	(8,907,424)
Payments on account	6,350,895	1,776,425
Withholding tax	1,154,775	1,126,148
Other	1,385,310	4,704,660
Current tax assets / (liabilities)	(815,470)	(1,300,191)

On 31 December 2024 the caption of Estimate tax for the year includes 1,160,939 Euros relating to the contribution of the banking sector (31 December 2023: 1,433,631 Euros).

The amount recorded under the Other line item mainly corresponds to the amount associated with the tax proceedings brought against the Bank by the Tax Authority, in connection with tax adjustments made by the Tax Authority following a tax inspection for the 2012 and 2013 financial years. The recognition of this amount is based on the favourable outlook resulting from the successive positive outcomes obtained by the Bank in various court rulings in similar cases, particularly in the proceedings related to the 2010 and 2011 financial years. The latter culminated in a decision issued by the Supreme Administrative Court on January 11, 2024, which denied the appeal filed by the Tax Authority.

NOTE 31 OTHER ASSETS

On 31 December 2024 and 2023, this caption was broken down as follows:

	2024	2023
Debtors and other applications		
Futures and options debtors	21,241,954	25,913,833
Diverse applications		
Margin applications	26,386,457	18,666,833
Other applications	13,937,684	7,590,367
Public sector	67,782	145,740
Other debtors	1,096,495	473,093
Credit and Interest Due - Debtors and other applications	44,665	260,923
Other assets	133,899	133,899
	62,908,936	53,184,688
Impairment losses on other assets	(132,447)	(253,226)
	62,776,489	52,931,462
Expenses with deferred costs	1,258,367	1,752,780
Income receivable	2,650,303	1,925,479
Other accruals and deferrals		
Other operations to be regularized	3,790,547	1,193,923
	3,790,547	1,193,923
	70,475,706	57,803,644

The item Futures and options debtors relates essentially to initial margins on market futures.

The caption Margin applications refers to collateral maintained with counterparties for trading in derivative instruments.

The caption Other operations to be regularized essentially relates to transactions that were still to be settled on 31 December 2024 and 31 December 2023.

The item Expenses with deferred costs includes amounts relating to general administrative expenses which, according to their nature, are to be deferred.

The caption of Income receivable relates to amounts receivable from fund management entities.

The movements in Impairment losses on other assets are presented as follows:

	2024	2023
Opening balance	253,226	220,578
Additions	44,769	128,383
Reversals	(131,505)	(93,260)
Used	(34,043)	-
Currency exchange	-	(2,475)
Closing balance	132,447	253,226

▲ NOTE 32

FINANCIAL LIABILITIES ENTERED IN THE ACCOUNTS AT FAIR VALUE THROUGH PROFIT OR LOSS

On 31 December of 2024 and 2023, this caption is composed as follows:

	2024	2023
Financial liabilities designated at fair value through profit or loss	-	19,039,869
	-	19,039,869

On 31 December of 2023 the balance of this caption results from short sales of German sovereign debt, made in order to hedge the interest rate risk of the Group's portfolio.

The evolution of the caption of Financial liabilities designated at fair value through profit or loss may be consulted in the table below:

	2024			2023		
	Book Price	Fair Value	MtM	Book Price	Fair Value	MtM
Financial liabilities designated at fair value through profit or loss	-	-	-	(19,319,951)	(19,039,869)	280,082
	-	-	-	(19,319,951)	(19,039,869)	280,082

▲ NOTE 33

FINANCIAL LIABILITIES MEASURED AT AMORTISED COST – FUNDING FROM OTHER BANKS

On 31 December 2024 and 2023, this caption was broken down as follows:

	2024	2023
Domestic		
Deposits	8,964,886	10,752,801
REPO's	8,663,275	-
	17,628,161	10,752,801
Abroad		
Deposits	24,010,614	29,247,917
REPO's	24,101,871	91,718,073
	48,112,485	120,965,990
	65,740,646	131,718,791

The captions of Deposits essentially comprise deposits made by banks in the Group. The amounts relating to Repurchase agreements relate to loans obtained, with collateral of securities, contracted with international institutions (repurchase agreements).

The average interest rate during the year ended on 31 December of 2024 was 3.4% (31 December 2023: 3.7%).

The residual maturity of Deposits from other banks can be analysed as follows:

	2024	2023
Up to 3 months	65,740,646	131,718,791
	65,740,646	131,718,791

▲ NOTE 34

FINANCIAL LIABILITIES MEASURED AT AMORTISED COST – FUNDING FROM CLIENTS

On 31 December 2024 and 2023, this caption was broken down as follows:

	2024	2023
Demand deposits	671,414,834	589,736,903
Term deposits	1,448,596,188	1,346,581,857
Other	88,667,545	88,255,417
	2,208,678,567	2,024,574,177

The caption Other essentially relates to the clients balances available and used in margin accounts, as part of the trading of securities and derivative instruments.

The average interest rate of term deposits during the year ended on 31 December 2024 was 2.4% (31 December 2023: 1.5%).

The residual periods of Funding from clients were structured as follows:

	2024	2023
Up to 3 months	1,714,905,541	1,326,868,669
From 3 months to 1 year	486,150,795	675,232,109
From 1 to 5 years	7,622,231	22,473,399
	2,208,678,567	2,024,574,177

▲ NOTE 35

FINANCIAL LIABILITIES MEASURED AT AMORTISED COST – OTHER LIABILITIES REPRESENTED BY SECURITIES

On 31 December 2024 and 2023, this caption was broken down as follows:

	2024	2023
Other responsibilities represented by securities		
Commercial Paper	11,784,130	13,149,177
	11,784,130	13,149,177

The remaining terms had the following structure:

	2024	2023
Up to 3 months	6,407,848	-
From 3 months to 1 year	5,376,282	13,149,177
	11,784,130	13,149,177

As of 31 December 2024, the liabilities represented by securities correspond to two commercial paper issuances.

NOTE 36 PROVISIONS OR REVERSAL OF PROVISIONS

On 31 December 2024 and 2023, this caption was broken down as follows:

	Other provisions
Balance on 31 December 2022	466,657
Additions	61,171
Used	(39,999)
Currency exchange	-
Regularizations	-
Balance on 31 December 2023	487,829
Additions	11,215
Used	-
Currency exchange	2,825
Regularizations	21,652
Balance on 31 December 2024	523,521

The caption Other provisions includes provisions set up to cover other specific risks, legal proceedings and other losses arising from the Bank's activity.

The uses in 2023 mainly relate to Other losses arising from the Bank's activities.

NOTE 37 SHARE CAPITAL REIMBURSABLE AT SIGHT

The General Meetings of BiG, held on 08 May 2014 and on 21 April 2016, authorised the Board of Directors to make a capital increase through the issue of redeemable preferred shares intended for workers and members of the Corporate Offices of the Bank. Following these deliberations, in July 2016, the Board of Directors of the Bank made a capital increase by the issue of 12,000,000 (twelve million) non-voting redeemable preferred shares, which was the first underwriting program of this type of shares.

The underlying shares to this first underwriting program were redeemed on September 2019, having been implemented a new underwriting program of this type of shares on May 2020.

The non-voting redeemable preferred shares have characteristics that grant this instrument a hybrid nature as they share clear characteristics of debt instruments. It is for this reason that, under the International Accounting Standards, they are classified as a financial liability, in the caption Instruments representing capital with the nature of liabilities, and the respective income paid is entered as interest.

The redeemable preferred shares issued by BiG are, in accordance with the deliberation for their issue and the current wording of BiG's by-laws, subject to redemption in the period of 38 months from the date of their issue, or rather, the shares are issued for a fixed period and both the issuer and their holders have an unconditional right to redemption, with reimbursement of the capital holding and to the redemption premium, in accordance with the following formula:

$$\text{Redemption premium per share: Max [0; 1.5 x (VCPAn - VCPAi) / VCPAi] x VN}$$

VN – Nominal value

VCPAi – Book value per share at the time i (last statement of financial position annual prior to the issue date)

VCPAn – Book value per share at the time n (last statement of financial position annual prior to the redemption date)

1.5 – Multiple of book value

For the purposes of the calculation of the book value per share the total number of ordinary shares is considered.

Redemption Period / Date: 38 months

In the event of the occurrence of an exceptional corporate situation that affects the book value of the shares, the redemption premium may be adjusted so that the holder is not affected positively or negatively by this event, in the terms set out in the Regulations of the second underwriting program of redeemable preferred shares in force in the Bank.

In December 2021, a capital increase was carried out, decided by the Board of Directors of the Bank on 12 November 2021, with the issue of 15,000,000 new ordinary shares which, in itself, led to a direct reduction of the book value per share. Before this capital increase the book value per share was 2.2319 Euros and became 2.1331 Euros, and so an adjustment should be made to the formula for calculating the redemption premium of redeemable preference shares in order to ensure the neutrality of these events.

The need to adjust the calculation of the redemption premium was established in the justificatory report on the proposal to suppress redemption rights in the capital increase with the issue of redeemable preference shares, approved by BiG's Shareholders in the General Meeting of 21 April 2016, in the following terms: In the event of the occurrence of an exceptional corporate situation that has an impact on the book value of the shares, the redemption premium may be adjusted so that the holder is not affected positively or negatively by the said event, under the terms in the Regulation on the Allocation of Redeemable Preference Shares in force in the Bank.

In this regard, the technical sheet of the capital increase approved by the Bank's Board of Directors on 15 May 2016 also provides for the application of this adjustment mechanism to guarantee the full redemption premium contemplated in the event of exceptional corporate events, practised by BiG, that could artificially impair the expected redemption premium.

In the same way, the Regulations of the second subscription program of redeemable preference shares for employees and executive directors of Banco de Investimento Global, S.A., of December 2019, approved by BiG and accepted by the subscribers of the redeemable preference shares establishes that, if Banco de Investimento Global, S.A. performs any act that can affect the rights of the holders of the redeemable preference shares, namely with regard to the calculation of the redemption premium, the Bank will make the necessary adjustments so that these rights of the holders of the redeemable preference shares are identical to those that would exist if the act were not performed.

Consequently, to offset the impact of the capital increase carried out in December 2021, the book value per share calculated based on the last annual statement of financial position before the Redemption Date should be multiplied by the correction factor 1.0463393 (corresponding to the result of [2.2319 Euros/2.1331 Euros]), as per the formula below:

Redemption premium per share: $\text{Max} [0; 1.5 \times (\text{VCPAn} \times F - \text{VCPAi}) / \text{VCPAi}] \times \text{VN}$

VN – Nominal value

VCPAi – Book value per share at the time i (last annual statement of financial position before the date of issue)

VCPAn – Book value per share at the time n (last annual statement of financial position before the redemption date)

1.5 – Multiple of book value

F – Correction factor of corporate events, corresponding to 1.0463393

For the purpose of calculating the book value per share, the total number of ordinary shares will be considered.

Period / Redemption Date: 38 months

The accounting policy inherent to the accounting of this type of instrument is described in Note 2.7. Capital Instruments.

The preferred shares matured in 2024. On 31 December of 2023, according to the formula for calculating the redemption premium, there was record in the financial statements relating to the accrual of this premium. The value recorded at the end of the year also includes the recognition of the cost with the estimated dividend for 2023 amounting to 582,475 Euros. The estimated dividend recorded in the year 2023 was paid in 2024.

▲ NOTE 38

CONTINGENT LIABILITIES – RESOLUTION FUND

The Resolution Fund is a legal entity under public law with administrative and financial autonomy, created by Decree Law no. 31-A/2012, of 10 February, which is governed by the General Regime of Credit Institutions and Financial Companies ("RGICSF") and by its regulations and whose mission is to provide financial support to the resolution measures applied by the Banco de Portugal, in the capacity of the national resolution authority, and to perform all the other functions granted by the law related with the execution of these measures.

Like most of the financial institutions operating in Portugal, the Bank is one of the participants in the Resolution Fund, making contributions that result from the application of a rate defined annually by the Bank of Portugal, which is based on the amount of its liabilities. In 2024, the Bank's periodical contribution amounted to 311,988 Euros (31 December 2023: 317,937 Euros), based on a contribution rate of 0.057% calculated pursuant to Instruction 22/2021 of the Bank of Portugal.

NOTE 39 TAXATION

The Bank and its subsidiaries based in Portugal determined the amount of its current tax for the years 2024 and 2023 based on a nominal tax rate of 21%, plus a municipal surtax rate of 1.5%. An additional rate of 3% relating to the State Tax is also applied, for the years 2024 and 2023 on the taxable income of over 1.5 million Euros to 7.5 million Euros, a rate of 5% relating to State Tax is also applied to taxable income between 7.5 million Euros and 35 million Euros, and a rate of 9% for State Tax being applied to taxable income over 35 million Euros.

The Bank and its subsidiaries headquartered in Portugal calculated their deferred tax amounts for the 2023 financial year based on a nominal tax rate of 21%, and for the 2024 financial year based on a nominal tax rate of 20%, reflecting the one percentage point reduction in the corporate income tax rate as set out in the 2025 State Budget. For both 2024 and 2023, the deferred tax rate includes a 1.5% Municipal Surcharge. Additionally, for 2024 and 2023, a State Surcharge is applied, ranging from 3% to 9%, depending on the amount of taxable income.

The Portuguese Tax Authorities are empowered to review the Bank's calculation of its annual taxable earnings and that of its subsidiaries based in Portugal for a period of 4 years, except if there are reportable tax losses, where the period of expiry is the year of this right. In this way, possible corrections may be made to the tax base, resulting mainly from differences in interpretation of fiscal legislation. However, the Board of Directors considers that there are no material differences in respect of taxation of profits recorded in the financial statements.

The deferred tax assets and liabilities recognised in the Balance Sheet in 2024 and 2023 may be analysed as follows:

	2024	2023
Financial assets at fair value through other comprehensive income	23,115,190	27,555,108
Financial assets at fair value through profit and loss	(4,431,081)	(3,453,765)
Intangible assets	(392,403)	(450,537)
Other	453,255	422,720
Net deferred tax asset / (liability)	18,744,961	24,073,526
Movement of tax in the year	(5,328,565)	(14,948,939)

In 2023, as part of the creation of a new business model focused on generating medium-term net interest income, assets were transferred from Financial assets at fair value through other comprehensive income to Financial assets at amortized cost. This transfer was reflected in the deferred tax item, resulting in an annulment of the deferred tax associated with the fair value of the assets in the Financial assets at fair value through other comprehensive income item. This annulment resulted in a reduction of deferred tax assets recorded in the balance sheet as of 31 December 2023 by an amount of 13,826,128 Euros.

The movement of the income tax reported in results and reserves in the year is explained as follows:

	2024	2023
Deferred tax recognized in fair value reserves		
Of the year	(4,439,919)	(13,566,960)
	(4,439,919)	(13,566,960)
Recognised in results		
Current tax		
Of the year	(9,930,643)	(8,790,805)
From previous years	1,120,958	76,675
	(8,809,685)	(8,714,130)
Deferred tax	(914,737)	(1,373,529)
	(9,724,422)	(10,087,659)
	(14,164,341)	(23,654,619)

The reconciliation of the tax rate for 2024 and 2023 may be analysed as follows:

	2024		2023	
	Tax rate	Amount	Tax rate	Amount
Pre-tax profit		40,330,968		37,780,583
Estimated tax charge	29.73%	11,989,022	35.44%	13,389,678
Non-deductible costs for tax purposes	1.09%	440,242	1.29%	486,719
Tax benefits	-0.02%	(8,450)	-0.21%	(81,001)
Contribution on the banking sector	0.63%	254,533	1.27%	480,769
Other	-7.32%	(2,950,925)	-11.09%	(4,188,506)
	24.11%	9,724,422	26.70%	10,087,659

The item Other essentially comprises: (i) tax adjustments related to the elimination of double economic taxation; and (ii) tax adjustments arising from the application of the fair value tax recognition method.

In compliance with Article 41 of the Investment Tax Code, it should be mentioned that BiG Serviços Financeiros, S.A. receives the tax benefit provided for in Article 38 of the Investment Tax Code, resulting in a tax saving that amounted to 71,680 Euros. This amount is reflected in the line item Tax benefits in the above table.

NOTE 40 OTHER LIABILITIES

On 31 December 2024 and 2023, this caption was broken down as follows:

	2024	2023
Creditors and other dues		
Diverse funding	765,069	9,731,484
Public sector	4,969,019	3,227,875
Charges on behalf of third parties	10,393	20,611
Lease liabilities	3,426,451	873,042
Other creditors	523,084	1,342,588
	9,694,016	15,195,600
Costs payable		
Staff charges	4,752,718	4,363,432
Other charges payable	1,630,019	1,064,247
	6,382,737	5,427,679
Deferred income	16,808	18,296
Other accruals and deferrals		
Other operations to be settled	10,539,201	5,896,996
Non controlling interests	51,474,852	34,898,658
	62,014,053	40,795,654
	78,107,614	61,437,229

The item Diverse funding refers to collateral margins transferred by counterparties under repurchase agreements (repo).

The item Other creditors includes, as of December 31, 2023, an amount of 750,000 Euros related to a component of the acquisition price of DIF Broker, which was settled during 2024.

Lease liabilities refer to the present value of the future payments of the Bank's leasing operations, specifically relating to buildings and vehicles. In 2024, we relocated our premises in Spain, which led to the recognition of a lease liability in the total amount of 1,849,575 Euros.

The caption Other operations to be settled relates essentially to operations which were outstanding at 31 December 2024 and 2023.

The caption Non controlling interests includes the non-controlling interests associated with the consolidation of the BiG Diversified Macro Fund and ONETIER – Risk Capital Fund.

For the years ended on 31 December 2024 and 2023, below is the detail of the Lease liabilities caption:

	2024	2023
Opening balance	873,042	975,950
Additions	3,287,581	640,985
Interest	2,077	4,434
Other	-	(8,930)
Payments	(736,091)	(600,313)
Write-downs	(158)	(139,084)
Closing balance	3,426,451	873,042

On 31 December of 2024 and 2023, the future payments relating to Lease liabilities are detailed as follows:

	2024			2023		
	Buildings	Vehicles	Total	Buildings	Vehicles	Total
Up to 3 months	127,727	60,530	188,257	101,200	32,718	133,918
From 3 months to 1 year	354,732	177,671	532,403	147,497	68,648	216,145
From 1 to 5 years	1,337,679	674,623	2,012,302	345,672	146,996	492,668
Over 5 years	683,871	9,618	693,489	35,000	-	35,000
	2,504,009	922,442	3,426,451	629,369	248,362	877,731

▲ NOTE 41 CAPITAL, ISSUE PREMIUMS, TREASURY STOCK AND RESERVES

Capital

On 31 December 2024 and 2023, the Bank's shareholder structure was the following:

	2024	2023
	Ordinary Shares	Ordinary Shares
Adger – SGPS, S.A.	12.68%	12.67%
Carlos Adolfo Coelho Figueiredo Rodrigues	8.38%	8.38%
Maria Aldina Fernandes Valente	0.00%	6.60%
Rui Paulo Fernandes Rodrigues	7.00%	0.38%
António da Silva Rodrigues	6.33%	6.33%
Nicholas Leo Racich	6.27%	6.27%
WWC World Wide Capital - SPGS, S.A.	4.79%	4.79%
JRI – SGPS, S.A.	4.55%	4.55%
Bâloise Vie Luxembourg S.A.	0.74%	4.49%
Oceangest - Gestão e Empreendimentos Imobiliários, S.A.	4.10%	4.10%
Joaquim Fernando Leça Ramada	2.76%	0.00%
Peter Alexander Batista Rodrigues	2.58%	2.58%
Phillip John Batista Rodrigues	2.48%	2.48%
LNKM Hospitality Capital - Fundo Capital de Risco	2.03%	2.03%
Other	35.31%	34.35%
	100.00%	100.00%

On 31 December 2023 and 2024 the Group held 12,000,000 non-voting redeemable preferred shares issued, which had the nature of liabilities (note 37). Thus, even though strictly for statutory purposes the Bank's share capital was considered to be 198,947,388 Euros, given the accounting treatment and characteristics of the redeemable non-voting preferred shares, the caption Share capital was represented by 186,947,388 ordinary shares with the nominal value of 1 Euro each as of 31 December 2023 and 2024.

The first issuance of redeemable preferred shares was done on July 2016. As foreseen under the terms on the deliberation of the issuance of these stocks, their redemption occurred on 16 September 2019.

Having in sight a second underwriting program of redeemable preferred shares targeted to BiG's Employees and Executive Board Members, on 27 May 2020 was concluded a new issuance of this type of shares in the amount of 12,000,000, in replacement of the shares redeemed on September 2019. These shares were redeemed in June 2023.

Issue premiums

On 31 December 2024 and 2023, the issue premiums amounting to 1,362,309 Euros (2023: 1,362,307 Euros) refer to the premiums paid by the shareholders in the capital increases made.

Treasury stock

During 2024 and 2023, there were no movements in the Treasury stock caption, totalling a value of 2,326 Euros on 31 December 2023.

Other accumulated comprehensive income

The caption Other accumulated comprehensive income represents potential capital gains and losses relating to the portfolio of financial assets at fair value through other comprehensive income plus impairment recognised in the income statement and the effects of hedge accounting. The value of this item is presented net of deferred taxation and current taxation.

The caption Other accumulated comprehensive income for the years ended on 31 December 2024 and 2023 is analysed as follows:

	2024	2023
Cost of financial assets at fair value through other comprehensive income (note 22) ⁽¹⁾	1,292,173,604	1,156,765,312
Market value of financial assets at fair value through other comprehensive income	1,216,201,195	1,069,926,247
Fair value reserve of financial assets at fair value through other comprehensive income	(189,481,382)	(217,418,352)
Fair value reserve associated to macro-hedging for interest rate risk	111,131,219	128,337,532
Impairment of financial assets at fair value through other comprehensive income	2,377,754	2,241,755
Deferred tax	23,161,013	27,535,726
Current tax	25,673	25,672
Currency revaluation	3,699,813	2,288,625
	(49,085,910)	(56,989,042)

⁽¹⁾ Amortized cost including accrued interest, impairments, and effects of interest rate risk hedging for debt securities and acquisition cost with respect to shares and other equity instruments.

Other reserves

The equity item Other reserves on 31 December of 2024 includes the amounts constituted by the Banco de Investimento Global as legal reserves, free reserves and other retained earnings. These components are detailed below:

i. Legal reserve

Pursuant to article 97 of the General Regime of Credit Institutions and Financial Companies approved by Law no. 298/91, of 31 December and altered by Law no. 201/2002, of 25 September, the companies of the Bank should set aside a portion of not less than 10% of net profits in each year for the creation of a legal reserve, up to a limit equal to the value of the share capital or to the sum of the free reserves set up and of the retained earnings, if greater. With reference to 31 December 2024 the Bank's legal reserves totalled 59,712,578 Euros (31 December 2023: 56,035,770 Euros).

ii. Free reserve

With reference to 31 December 2024, the Bank's free reserves amount to 179,882,144 Euros (31 December 2023: 176,302,070 Euros) representing the total accumulated results of the Bank not distributed and/or not constituted as a legal reserve.

iii. Other retained earnings

The caption of other retained earnings includes the gains and losses associated to capital instruments (potential and real values) that the Bank has irrevocably designated at fair value through other comprehensive income. According to the requirements of

IFRS 9, these gains and losses are recorded in equity and not recycled to the income statement. With reference to 31 December 2024 the caption of other retained earnings totals 2,475,877 Euros (31 December 2023: 3,730,066 Euros).

There are no statutory restrictions on the use of reserves, being applicable only those resulting from legal provisions, namely, those provided for in Article 295 of the Commercial Companies Code in relation to legal reserves.

The movement of the fair value reserve, net of taxation, for the years 2024 and 2023 is analysed in the following manner:

	2024	Variations in fair value	Hedge accounting		Tax	2023
			Fair value hedge adjustment	Disposals		
Financial assets at fair value through other comprehensive income						
Debt instruments	(58,867,027)	27,178,317	(20,985,131)	4,612,689	(4,394,149)	(52,455,301)
Capital instruments	(410,641)	41,400	-	-	12,627	(356,614)
Currency Revaluation	2,288,625	1,437,380	-	-	-	3,726,005
	(56,989,043)	28,657,097	(20,985,131)	4,612,689	(4,381,522)	(49,085,910)

	2023	Variations in fair value	Hedge accounting		Tax	2023
			Fair value hedge adjustment	Disposals		
Financial assets at fair value through other comprehensive income						
Debt instruments	(88,994,953)	85,747,121	(51,828,548)	9,785,200	(13,575,847)	(58,867,027)
Capital instruments	(378,702)	(24,288)	-	-	(7,651)	(410,641)
Currency Revaluation	2,975,938	(687,313)	-	-	-	2,288,625
	(86,397,717)	85,035,520	(51,828,548)	9,785,200	(13,583,498)	(56,989,043)

Dividends paid in advance

On November 29, 2024, BiG's Board of Directors resolved to pay dividends in advance on the profits of the 2024 financial year, in the amount of 9,347,240 Euros (December 31, 2023: 6,543,068 Euros), corresponding to a dividend of 0.05 Euros per share. For this purpose, the Fiscal Council was previously requested to provide its opinion and gave its express consent to the said advance payment.

Non-controlling interests

This item records the interests that the Group does not control associated with the consolidation of Banco BiG Moçambique. This caption is presented as follows:

	2024	2023
Banco BiG Moçambique, S.A.	6,277,606	5,628,664

The movement of this caption in the period is presented as follows:

	2024	2023
Opening balance	5,628,664	5,545,416
Other comprehensive income	12,831	80,034
Currency exchange differences	406,754	(200,197)
Net result	3,568,369	3,497,857
Transfers to reserves	-	-
Dividends	(481,807)	(484,885)
Reserves	-	-
Non controlling interest in Liabilities	(2,857,205)	(2,809,561)
Closing balance	6,277,606	5,628,664

NOTE 42 OFF-BALANCE SHEET ACCOUNTS

On 31 December 2024 and 2023, this caption was broken down as follows:

	2024	2023
Guarantees provided and other liabilities		
Assets given as guarantee	1,467,873,058	1,193,604,846
Guarantees and sureties	126,250	141,450
	1,467,999,308	1,193,746,296
Guarantees received		
Personal guarantees		
Guarantees and sureties	1,467,592	1,470,558
Real guarantees		
Securities	117,585,275	167,067,359
Loans	7,608,394	5,874,828
Real Estate	5,451,460	5,256,871
	132,112,721	179,669,616
Commitments before third parties		
Irrevocable commitments		
Potential liability to the Investor Compensation System	674,614	674,614
Contratos a prazo de depósitos	20,000,000	-
Revocable commitments		
Bank overdraft facilities	31,700,555	30,509,323
	52,375,169	31,183,937
Foreign exchange operations and derivative instruments		
Foreign exchange spot transactions	1,294,591	1,562,384
Trading instruments	287,470,489	161,036,829
Hedging instruments	1,019,188,834	990,133,937
	1,307,953,914	1,152,733,150
Liabilities for services provided		
Asset custody and deposit	4,792,023,522	3,854,288,328
For asset administration	504,269,157	205,028,187
For collection of amounts	1,392,430	1,348,660
	5,297,685,109	4,060,665,175
Services rendered by third parties		
Asset custody and deposit	4,473,408,744	3,580,846,183
	4,473,408,744	3,580,846,183
Other off-balance-sheet accounts		
Consignments	17,949	17,030
Credit written off from assets	148,457	153,130
	166,406	170,160

On 31 December 2024 and 2023, the balance of the caption Assets Given as Guarantee includes:

- ▲ securities provided as a guarantee to the Investor Compensation System amounting to 1,123,950 Euros (31 December 2023: 1,107,630 Euros);

- ▲ securities in the pool of the European System of Central Banks in the amount of 943,068,884 Euros (31 December 2023: 821,849,928 Euros). As of December 31, 2024 and 2023, none of the securities in the pool were pledged as collateral;
- ▲ other securities provided as a guarantee 523,538,757 Euros (31 December 2023: 370,506,701 Euros). Other securities given as guarantee correspond to a pool of securities, of which a significant part was not being used as collateral in liquidity operations.

▲ NOTE 43 TRANSACTIONS WITH RELATED PARTIES

The Group's policy on transactions with related parties establishes the rules to be observed and procedures to be followed, whenever there are transactions with related parties. Within the terms contemplated in IAS 24, and based on this policy, the following are considered related parties of the BiG, namely:

- i. Qualified participants of the institution and other people or entities covered by the regime foreseen on article 109 of the General Regime of Credit Institutions and Financial Companies;
- ii. the members of the corporate and supervisory bodies of BiG;
- iii. the spouse, domestic partner, close members of the family of the people mentioned in line (ii) above;
- iv. an entity in which a corporate or supervisory bodies member, or its spouse, domestic partner, or close members of the family hold a qualified stake equal or higher than 10 % of the share capital or of the voting rights, or on which those people exercise significant influence or exercise senior management functions or belong to the corporate and supervisory bodies;
- v. Senior staff members, who correspond to people with a category or functions, with authority and responsibility for the planning, management and control of activities of the Group;
- vi. any fund or benefit plan, such as pensions, other retirement benefits, life insurance and medical care insurance, for the benefit of the employees of BiG;
- vii. Members of the corporate bodies of entities belonging to BiG;
- viii. the people or entities, including namely, depositors, creditors, debtors, participated entities by BiG, Bank's employees or of other BiG's entities, which through the relation with BiG may, potentially, influence its management, in such way to obtain a commercial relationship not in line with the normal market conditions.
- ix. the entities of any Related Party with BiG that are: (i) partner; (ii) director, namely as a member of the corporate or supervisory bodies or if it has regular access to privileged information and participates in decisions related to management and control of the entity or (iii) holder, individually or jointly, directly or indirectly of, at least, half of the respective share capital or voting rights, as well as entities which have been incorporated for the benefit of any BiG's Related Party; and
- x. Entities with which there is an interdependent economic relationship, namely due to their insertion in a crossed relationship of participations in diverse entities or that, for being connected to the institution is such a way, in the contingency of one of them having financial problems, the institution may also struggle financially.

On 31 December 2024 and 2023, the balances reflected in the captions of Assets relating to related parties are represented as follows:

	2024			
	Other demand deposits	Financial assets at fair value through other comprehensive income	Loans and advances - Clients	Other Assets
Governing Body	-	-	56,045	15,004
Related companies	-	13,978	-	12,292
	-	13,978	56,045	27,296

	2023			
	Other demand deposits	Financial assets at fair value through other comprehensive income	Loans and advances - Clients	Other Assets
Shareholders with holdings over 10%	-	-	-	1
Governing Body	-	-	63,465	10,000
Related companies	-	13,978	-	12,207
	-	13,978	63,465	22,208

On 31 December 2024 and 2023, the balances reflected in the captions of Liabilities relating to related parties are represented as follows:

	2024		
	Funding from Clients	Funding from other banks	Other Liabilities
Shareholders with holdings over 10%	6,965,186	15	-
Governing Body	2,087,492	-	-
Closely related people	618,681	-	-
Related companies	9,692,553	-	3
	19,363,912	15	3

	2023		
	Funding from Clients	Funding from other banks	Other Liabilities
Shareholders with holdings over 10%	5,199,944	63	-
Governing Body	4,592,691	-	-
Closely related people	1,159,558	-	-
Related companies	6,296,098	-	3
	17,248,291	63	3

On 31 December 2024 and 2023, the balances reflected in the captions of the Income Statement relating to related parties are represented as follows:

	2024		
	Interest income	Interest expense	Fee and commission income
Shareholders with holdings over 10%	-	(87,334)	1,228
Governing Body	740	(32,248)	2,074
Closely related people	-	(6,672)	1,580
Related companies	-	(146,411)	7,244
	740	(272,665)	12,126

	2023		
	Interest income	Interest expense	Fee and commission income
Shareholders with holdings over 10%	-	(29,486)	875
Governing Body	703	(18,149)	5,532
Closely related people	-	(6,041)	2,273
Related companies	-	(101,381)	11,939
	703	(155,057)	20,619

NOTE 44 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

On 31 December 2024 and 2023, the fair value of the financial assets and liabilities is presented as follows:

	Amortised cost	Total Balance Sheet value	Listed market values (level 1)	Evaluation models with parameters / prices observable in the market (level 2)	Evaluation models with no observable parameters in the market (level 3)	Fair value
31 December 2024						
Cash, cash balances at central banks and other demand deposits						
Cash and cash reserves at Central Banks	164,103,353	164,103,353	164,103,353	-	-	164,103,353
Other demand deposits	114,361,177	114,361,177	114,361,177	-	-	114,361,177
Financial assets at fair value through profit and loss						
Financial assets held for trading						
Securities						
Bonds and other fixed return securities						
From public issuers	-	61,220,779	59,810,289	-	1,410,490	61,220,779
From other issuers	-	24,229,533	20,093,412	2,622,001	1,514,120	24,229,533
Derivatives						
Term transactions	-	2,625	-	2,625	-	2,625
Non-trading financial assets mandatorily at fair value through profit or loss						
Securities						
Shares						
Funds	-	166,386	-	-	166,386	166,386
Credits and other receivables	-	1,314,068	-	-	1,314,068	1,314,068
Financial assets accounted at fair value through profit and loss						
Securities						
Bonds and other fixed return securities						
From public issuers	-	6,701,550	-	6,701,550	-	6,701,550
From other issuers	-	902,225	-	902,225	-	902,225
Financial assets at fair value through other comprehensive income						
Bonds and other fixed return securities						
From public issuers	-	831,143,563	766,657,220	64,486,343	-	831,143,563
From other issuers	-	382,657,004	256,331,893	67,056,947	59,268,164	382,657,004
Shares	-	786,028	755,550	-	30,478	786,028
Other	-	1,614,600	1,614,600	-	-	1,614,600
Financial assets at amortised cost						
Debt securities						
Loans and advances - Clients	962,165,671	962,165,671	623,749,300	52,283,445	269,813,528	945,846,273
Loans and advances - Central Banks	20,126,750	20,126,750	-	-	20,126,750	20,126,750
Loans and advances - Banks	30,346,826	30,346,826	-	-	30,346,826	30,346,826
Derivatives - Hedge accounting	63,583,466	63,583,466	-	-	63,583,466	63,583,466
	-	9,152,470	-	9,152,470	-	9,152,470
Financial assets	1,354,687,243	2,681,264,973	2,007,476,794	203,207,606	454,261,175	2,664,945,575
Financial liabilities held for trading						
Derivatives						
FX forwards	-	5,807,687	-	5,807,687	-	5,807,687
Financial liabilities measured at amortised cost						
Funding from clients						
Funding from other banks	2,208,678,567	2,208,678,567	-	-	2,208,678,567	2,208,678,567
Derivatives - Hedge accounting	65,740,646	65,740,646	-	-	65,740,646	65,740,646
	-	25,808,339	-	25,808,339	-	25,808,339
Financial liabilities	2,274,419,213	2,306,035,239	-	31,616,026	2,274,419,213	2,306,035,239
31 December 2023						
Cash, cash balances at central banks and other demand deposits						
Cash and cash reserves at Central Banks	284,570,445	284,570,445	284,570,445	-	-	284,570,445
Other demand deposits	102,271,531	102,271,531	102,271,531	-	-	102,271,531
Financial assets at fair value through profit and loss						
Financial assets held for trading						
Securities						
Bonds and other fixed return securities						
From public issuers	-	35,790,084	34,412,238	-	1,377,846	35,790,084
From other issuers	-	35,849,182	30,487,900	4,342,320	1,018,962	35,849,182
Derivatives						
Term transactions	-	1,672,421	-	1,672,421	-	1,672,421
Non-trading financial assets mandatorily at fair value through profit or loss						
Securities						
Shares						
Funds	-	6,948,881	-	-	6,948,881	6,948,881
Credits and other receivables	-	174,138	-	-	174,138	174,138
Financial assets accounted at fair value through profit and loss						
Securities						
Bonds and other fixed return securities						
From public issuers	-	8,216,780	-	8,216,780	-	8,216,780
From other issuers	-	334,083	-	334,083	-	334,083
Financial assets at fair value through other comprehensive income						
Bonds and other fixed return securities						
From public issuers	-	538,879,646	522,448,234	16,431,412	-	538,879,646
From other issuers	-	528,716,215	345,450,548	153,481,421	29,784,246	528,716,215
Shares	-	757,186	726,708	-	30,478	757,186
Other	-	1,573,200	1,573,200	-	-	1,573,200
Financial assets at amortised cost						
Debt securities						
Loans and advances - Clients	886,192,944	886,192,944	530,386,238	271,774,454	48,691,797	850,852,489
Loans and advances - Central Banks	19,952,928	19,952,928	-	-	19,952,928	19,952,928
Loans and advances - Banks	17,741,773	17,741,773	-	-	17,741,773	17,741,773
Derivatives - Hedge accounting	70,318,652	70,318,652	-	-	70,318,652	70,318,652
	-	9,086,629	-	9,086,629	-	9,086,629
Financial assets	1,381,048,273	2,550,613,039	1,852,327,042	465,339,520	197,606,022	2,515,272,584
Financial liabilities held for trading						
Derivatives						
FX forwards	-	2,837	-	2,837	-	2,837
Financial liabilities designated at fair value through profit or loss						
Financial liabilities measured at amortised cost						
Funding from clients						
Funding from other banks	2,024,574,177	2,024,574,177	-	-	2,024,574,177	2,024,574,177
Derivatives - Hedge accounting	131,718,791	131,718,791	-	-	131,718,791	131,718,791
	-	20,330,077	-	20,330,077	-	20,330,077
Financial liabilities	2,156,292,968	2,195,665,751	19,039,869	20,332,914	2,156,292,968	2,195,665,751

The movements during 2024 and 2023 related to the fair value measurement of Level 3 assets in the fair value hierarchy (excluding the Loans and advances line items) are as follows:

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost
31 December 2022	7,384,427	-
Acquisitions	15,704,962	1,910,513
Settlements	(7,071,914)	(8,576,421)
Transfers	13,369,609	53,100,031
Value change	427,640	2,257,674
31 December 2023	29,814,724	48,691,797
Acquisitions	5,653,838	24,810,508
Settlements	(29,200,899)	(37,248,841)
Transfers	56,770,216	230,348,085
Value change	(3,739,237)	3,211,979
31 December 2024	59,298,642	269,813,528

The transfers refer entirely to RMBS (residential mortgage-backed securities) for which the prices used in the determination of fair value are no longer published by the main market makers in this asset class. As a result, fair value is now determined using prices obtained through the BVAL methodology. This is a proprietary valuation methodology developed by Bloomberg, which uses actual transaction data, market quotes, and other relevant factors for price calculation.

The Group's Financial assets and liabilities at fair value are valued, pursuant to the IFRS 13, according to the following hierarchy:

Level 1 – Financial instruments recorded at fair value based on the listed prices available in official markets and as disclosed by entities which usually provide prices of transactions for these assets/liabilities traded on liquid markets.

Level 2 – Financial instruments recorded at fair value through the use of internal evaluation models, specifically discounted cash flow models and option evaluation models, which imply the use of estimates and require judgements which vary according to the complexity of the products being assessed. However, the Bank uses variables provided by the market as inputs in its models, such as interest rate curves, credit spreads, volatility and indices on quotations. It also includes instruments the valuation of which is obtained through quotations divulged by independent entities but in markets which have much less liquidity.

Level 3 – This level includes financial instruments that are measured based on evaluation models with parameters that are not observable in the market and includes valuations determined by the use of internal evaluation models or quotations provided by third parties but where the parameters used are not observable in the market.

In the case of investments held in Fintech companies, fair value is calculated based on appropriate methodologies for this type of investment, in which the fair value generally corresponds to the transaction value, considering as such the purchase price or market price of a recent transaction. If there are materially relevant changes in the company's business that may suggest a change in fair value, and there being no observable data related to comparable companies or transactions, other internationally recognised methods are used, particularly assessment through analysis of compliance with Milestones based on financial, technical or product, human resources, commercial and financing indicators. According to this methodology, if a relevant deviation from the established Milestone is identified, a positive or negative adjustment should be applied. In extreme situations, the adjustment may reach 100%, as is the case of Write-offs, for example when the company shows signs of short-term liquidity issues with no indication of success in obtaining financing.

Presented below are the main methods and assumptions used in the estimate of the fair value of the financial assets and liabilities recorded in the balance sheet at amortised cost:

Cash and deposits in central banks, Deposits in other banks and Applications in banks

Considering the short terms associated to these financial instruments, the Balance Sheet value is a reasonable estimate of the respective fair value.

Loans and advances to clients

Considering that the Bank's portfolio is composed essentially of short term and recent loans, the Balance Sheet value is considered as a reasonable estimate of the fair value of the loans and advances to clients.

Funding from other banks

Considering the short terms associated to these financial instruments, the Balance Sheet value is a reasonable estimate of the respective fair value.

Funding from clients

Considering that the interest rates applicable are variable in nature and the period of maturity of the deposits and other resources is substantially less than one year, there are no materially relevant differences in their fair value.

Funding from central banks

Considering the short-term nature associated to these instruments, it is assumed that the fair value equals the book value.

Financial assets at amortised cost – Debt securities

For the calculation of the fair value of financial instruments – debt securities recorded at amortised cost, observable market prices were used in accordance with the valuation hierarchy consistently defined by the Bank for assets measured at fair value.

Hedging and trading derivatives

All derivatives are accounted for at fair value. For market derivatives, the respective market price is used. For OTC derivatives, the payoff determines the valuation method.

Most OTC options are valued based on closed-form models derived from the Black & Scholes Model. However, when the payoff makes the use of a closed-form model impossible, Monte Carlo simulation is used.

Financial assets and liabilities held for trading

These instruments are accounted for at fair value. The fair value is based on market quotes whenever available. When quotes are not available, numerical models are used.

The interest rate curves of the main currencies for the years 2024 and 2023 are as follow:

(values expressed as a percentage)

	2024		2023	
	EUR	USD	EUR	USD
Overnight	2.900	4.490	3.985	5.310
1 month	2.845	4.323	3.845	5.469
3 months	2.714	4.302	3.909	5.593
6 months	2.568	4.250	3.861	5.586
1 year	2.460	4.176	3.513	6.041
3 years	2.196	4.055	2.552	4.679
5 years	2.241	4.039	2.429	4.218
7 years	2.286	4.049	2.433	4.005
10 years	2.360	4.071	2.491	3.862
15 years	2.419	4.119	2.559	3.788
20 years	2.361	4.102	2.535	3.729
25 years	2.257	4.025	2.416	3.589
30 years	2.154	3.934	2.330	3.482

The 90-day volatility of interest rate instruments, calculated on the price of public debt instruments for the most liquid terms (bond futures), in the years 2024 and 2023 are as follows:

(values expressed as a percentage)

	2024		2023	
	EUR	USD	EUR	USD
3 years	2.043	2.667	2.064	3.652
5 years	3.230	3.250	4.744	4.970
7 years	3.958	5.785	5.403	7.752
10 years	5.180	4.987	7.353	7.524

The evolution of the exchange rates of the main currencies for the years 2024 and 2023, and respective historic volatilities used in the evaluation of currency exchange derivatives are as follows:

	2024	2023	Volatilities 2024 (in %)		
			3 months	6 months	1 year
EUR/USD	1.039	1.105	6.984	6.259	5.920
EUR/GBP	0.829	0.869	5.004	4.384	4.063
EUR/JPY	163.060	156.330	10.233	9.800	8.991
EUR/CHF	0.941	0.926	4.799	5.405	5.231
EUR/MZN	65.730	69.870	7.956	7.301	7.053

The evolution of the main stock indices for the years 2024 and 2023, and respective volatilities used in the evaluation of derivatives on shares and share indices are as follows:

	List price			Historic volatility (as %)		Implicit volatility (as %)	
	2024	2023	Variation %	1 month	3 months	Call	Put
Eurostoxx	4 895.98	4 521.65	8.3	10.21	14.31	14.46	14.46
Dow Jones Ind.	42 544.22	37 689.54	12.9	12.29	12.35	13.52	13.52
DAX	19 909.14	16 751.64	18.8	10.22	12.55	13.62	13.62
S&P	5 881.63	4 769.83	23.3	12.97	12.85	14.00	14.00
Nasdaq 100	21 012.17	16 825.93	24.9	18.07	18.38	19.09	19.09

NOTE 45 BUSINESS RISK MANAGEMENT

Background

The Bank seeks to manage the risks inherent to the banking business on a daily basis, specifically market, liquidity, credit, operational, technological, compliance and reputational risks. Additional information on this topic is available in the Board of Directors Report.

As these risks are normally interrelated, the Group structured a system of internal control which, through the establishment of policies, procedures and other instruments of control, seeks to manage all of the risks in a comprehensive and integrated manner. These procedures and policies are generically conceived to ensure effective processing, to ensure robust systems, an appropriate assumption of risk, independent reporting and responsible behaviour, as well as respect for adhering to regulatory, legal and prudential guidelines.

In the management of its exposure to risk, the Group is guided by the following basic principles:

- ▲ Regular review of policies and procedures by the Administration;
- ▲ Formal establishment of responsibilities for Risk Management in the Group;
- ▲ Independent process of surveillance of business units;
- ▲ Definition of policies and procedures intended to ensure an appropriate diversification of risk categories;
- ▲ Maintenance of a suitable system of internal reporting;
- ▲ Evaluation and systematic disciplined measurement of risks, including statistical and qualitative measures;
- ▲ Regular training to enhance the identification of risks in the diverse business units.

Risk measurement

The Group uses a series of different methodologies to measure and control the different types of risk exposure, specifically, the following:

- ▲ Value at Risk (VaR);
- ▲ Limits per counterparty, family, class of assets or portfolio;
- ▲ Limits of concentration;
- ▲ Basis point values;
- ▲ Non-statistical indicators, such as stress tests (Economic Value and Earnings at Risk) and sensitivity analyses of the risk parameters of derivative products (greeks);
- ▲ Back-testing exercises.

Risk management is an evolving process and is one of the daily centres of attention of the Administration, especially because any single methodology is usually insufficient to provide a complete view of our risk exposure. The Group systematically seeks to quantify the potential losses associated with all the aspects of our business in order to have a reasonable prior estimate of the potential damage upon the occurrence of unexpected events. These can range from those which are possible based on recent historic data, to those more improbable, but which nevertheless can be considered based on the assumption of certain extreme scenarios.

An assessment of market risk involves a daily review of all the measures mentioned above. The credit risk generally concentrates its focus on nominal and fractional exposures, concentrations by lender or group, sector or geography and stress testing. The risk management of liquidity, interest and exchange rate combine various methodologies, which include basis point values and scenarios analyses. The exposure to derivatives is measured with sensitivity analyses as well as Greeks. An evaluation of the more subjective risks to which the bank may be exposed, such as the reputational risk and the correlation risk, depend on scenario analyses in order to arrive at quantitative estimates. Finally, the Group's exposition to the operating risk is very oriented towards the study of the Group's processes and to ongoing occurring events.

Market Risk

Market Risk represents the possible loss in value of financial instruments as a result of changes in market conditions.

In terms of financial markets, the key risks to be managed are related with:

- ▲ Liquidity risk: resulting from treasury management and the different maturities of assets and liabilities;
- ▲ Interest rate risk: resulting from changes in the level, slope and curvature of interest rate curves, interest rate volatility and the duration of the credit margins;
- ▲ Price risk of securities and raw materials: resulting from exposure to changes in the price of the underlying assets and volatility;
- ▲ Exchange rate risk: resulting from exposure to changes in the spot price, at a future point in time, and volatility;
- ▲ Risk hedging: resulting from the management of exposure to changes in the price of the underlying assets used to hedge Clients' positions and products.

Value at Risk (VaR)

In terms of the product lines and portfolios, statistical measures, such as VaR, are combined with non-statistical measures, including stress tests, back-testing and measures of earnings-at-risk advisories, to ensure that there are adequate controls over the expected results by risk type in any market conditions.

The Group calculates the daily VaR with a confidence interval of 99%. This means that the Group can expect to incur losses greater than the estimated VaR only once every 100 working days, or approximately 2.5 times per year. As the VaR is a theoretical approach based on historic data, the model has limitations and cannot always produce exact forecasts on the future market risk. Changes in VaR between reporting periods, for example, are generically due to changes in levels of exposure, volatility and the correlation between securities.

The VaR for the years ended on 31 December 2024 and 2023 is presented as follows:

	2024				2023			
	December	Annual average	Maximum	Minimum	December	Annual average	Maximum	Minimum
Exchange risk	42,441	82,879	177,655	16,733	86,058	32,538	304,164	5,938
Interest rate risk	181,392	346,088	780,762	67,624	127,018	249,969	782,176	91,201
Shares	-	2,854	92,064	-	-	29,367	144,568	-
Effect of diversification	17%	23%			46%	30%	-	-
Total VaR	186,724	331,514	778,910	94,116	115,897	219,743	768,596	81,883

The average VaR of the exposures allocated to each of the trading portfolios reduced in 2024 remained in line with the amounts recorded in 2023, there being no relevant changes to be noted.

Sensitivity analysis

With regard to the sensitivity analysis to stock market indices in the portfolio, or of stock market indices for which the Group has shares of the respective index in portfolio, the variation in prices of these indices is presented below in relation to the years ended on 31 December 2024 and 2023:

	List price			Historic volatility 2024	
	2024	2023	Variation %	1 month	3 months
AEX 25	878.63	786.82	11.67	9,556	12,474
Nasdaq 100	21,012.17	16,825.93	24.88	18,074	18,377
S&P 500	5,881.63	4,769.83	23.31	12,973	12,848
DAX	19,909.14	16,751.64	18.85	10,221	12,550
KOSPI 200	317.82	357.99	(11.22)	19,798	19,668
Nikkei 225	39,894.54	33,464.17	19.22	13,581	21,199
S&P/TSX 60	1,482.30	1,264.83	17.19	10,532	9,939
SMI	11,600.90	11,137.79	4.16	10,858	11,044
S&P / ASX 200	8,159.14	7,590.82	7.49	11,298	10,110
FTSE 100	8,173.02	7,733.24	5.69	8,508	8,962
FTSE China A50	13,512.87	11,503.58	17.47	16,547	28,331
MSCI India USD	2,843.88	2,487.49	14.33	12,953	12,795
MSCI SINGAPORE	1,740.68	1,335.38	30.35	8,959	10,05
FTSE Taiwan	1,914.75	1,559.33	22.79	14,593	16,730

In order to analyse the impact that a decline in stock market prices has on the shares of the trading portfolio, sensitivity analyses are performed on them. Within this analysis a sudden change of +/- 10% was applied in all the indices, and for each share the magnitude of the decline was weighted by the Beta of the share with the respective reference index.

This sensitivity analysis, and in particular the amplitude of the shock in question, is intended to capture the impacts arising from adverse shocks, which although representing high levels of severity, nevertheless have some adherence in terms of the historical occurrence observed in the equity markets.

The sensitivity analysis resulting from a +/- 10% decline in the stock market indices for the years ended on 31 December 2024 and 2023 is presented as follows:

Impact resulting from a sudden movement in stock indices	2024		2023	
	+10%	-10%	+10%	-10%
Eurostoxx	-	-	-	-
AEX 25	107,096	(107,096)	123,543	(123,543)
S&P 500	(229,213)	229,213	(196,476)	196,476
DAX	350,910	(350,910)	(126,848)	126,848
Kospi 200	507,128	(507,128)	172,195	(172,195)
Nikkei 225	367,210	(367,210)	1,010,010	(1,010,010)
Nasdaq 100	286,886	(286,886)	308,411	(308,411)
S&P/TSX 60	199,478	(199,478)	(104,217)	104,217
SMI	270,646	(270,646)	(143,215)	143,215
FTSE Taiwan	-	-	477,531	(477,531)
S&P / ASX 200	255,605	(255,605)	433,094	(433,094)
FTSE 100	(148,301)	148,301	(205,985)	205,985
FTSE China A50	356,172	(356,172)	(514,383)	514,383
MSCI India	(110,273)	110,273	(117,620)	117,620
MSCI SINGAPORE	237,596	(237,596)	(408,761)	408,761
Total impact	2,450,940	(2,450,940)	707,279	(707,279)

Liquidity risk

Group's strategy takes as an assumption a reduced exposure to the liquidity risk. The basic principles of this strategy are (i) to pre-fund the acquisition/constitution of any asset, (ii) to ensure that a major part of the Group's Balance Sheet can be converted into liquidity in the short term and (iii) to be fully independent of the interbank market in terms of financing.

The management of the Group's immediate resources is carried out so as to minimise the risk of an increase in lending activities which might imply a decrease in liquidity, or rather, a rate of growth in loans which is greater than that of resources.

The exposure by maturity of the Group's Balance Sheet assets and liabilities are distributed in the following way for the years ended on 31 December 2024 and 2023:

2024							
	Spot	Up to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Undefined	Total
Cash, cash balances at central banks and other demand deposits							
Cash and cash reserves at Central Banks	164,103,353	-	-	-	-	-	164,103,353
Other demand deposits	114,361,177	-	-	-	-	-	114,361,177
Financial assets at fair value through profit and loss							
Financial assets held for trading	-	56,498,370	8,949,426	14,287,752	5,717,389	-	85,452,937
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	8,167,353	8,167,353
Financial assets accounted at fair value through profit and loss	-	576,632	3,362,905	3,664,238	-	-	7,603,775
Financial assets at fair value through other comprehensive income	-	12,518,327	13,999,873	314,134,776	873,147,591	2,400,628	1,216,201,195
Financial assets at amortised cost							
Debt securities	-	7,281,589	9,968,961	245,204,896	699,710,225	-	962,165,671
Loans and advances - Clients	14,928,641	575	200,496	441,782	4,538,597	16,659	20,126,750
Loans and advances - Central Banks	-	30,346,826	-	-	-	-	30,346,826
Loans and advances - Banks	-	26,133,466	37,450,000	-	-	-	63,583,466
Derivatives - Hedge accounting	-	-	-	-	9,152,470	-	9,152,470
	293,393,171	133,355,785	73,931,661	577,733,444	1,592,266,272	10,584,640	2,681,264,973
Financial liabilities held for trading	-	3,764,716	1,651,640	391,331	-	-	5,807,687
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost							
Funding from clients	768,850,186	946,055,355	486,150,795	7,622,231	-	-	2,208,678,567
Funding from other other banks	29,421,135	36,319,511	-	-	-	-	65,740,646
Other liabilities represented by securities	-	6,407,848	5,376,282	-	-	-	11,784,130
Derivatives - Hedge accounting	-	-	-	-	25,808,339	-	25,808,339
	798,271,321	992,547,430	493,178,717	8,013,562	25,808,339	-	2,317,819,369

2023							
	Spot	Up to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Undefined	Total
Cash, cash balances at central banks and other demand deposits							
Cash and cash reserves at Central Banks	284,570,445	-	-	-	-	-	284,570,445
Other demand deposits	102,271,531	-	-	-	-	-	102,271,531
Financial assets at fair value through profit and loss							
Financial assets held for trading	1,672,412	35,173,049	8,089,717	25,278,956	3,097,553	-	73,311,687
Non-trading financial assets mandatorily at fair value through profit or loss	8,689,340	-	-	-	-	-	8,689,340
Financial assets accounted at fair value through profit and loss	-	2,942,811	3,623,221	1,984,831	-	-	8,550,863
Financial assets at fair value through other comprehensive income	2,330,386	164,732,492	63,887,742	240,732,104	598,243,523	-	1,069,926,247
Financial assets at amortised cost							
Debt securities	-	335,930,730	21,875,933	121,550,424	406,835,857	-	886,192,944
Loans and advances - Clients	-	17,957,138	1,778,534	17,619	199,637	-	19,952,928
Loans and advances - Central Banks	-	17,741,773	-	-	-	-	17,741,773
Loans and advances - Banks	-	62,856,358	7,462,294	-	-	-	70,318,652
Derivatives - Hedge accounting	-	-	-	-	9,086,629	-	9,086,629
	399,534,114	637,334,351	106,717,441	389,563,934	1,017,463,199	-	2,550,613,039
Financial liabilities held for trading	-	2,837	-	-	-	-	2,837
Financial liabilities designated at fair value through profit or loss	-	19,039,869	-	-	-	-	19,039,869
Financial liabilities measured at amortised cost							
Funding from clients	677,977,178	646,994,970	689,952,991	23,448,816	-	-	2,038,373,955
Funding from other other banks	38,734,917	93,124,563	-	-	-	-	131,859,480
Other liabilities represented by securities	-	-	14,058,372	-	-	-	14,058,372
Derivatives - Hedge accounting	-	192,518	(2,806,666)	11,109,790	16,542,097	-	25,037,739
	716,712,095	759,354,757	701,204,697	34,558,606	16,542,097	-	2,228,372,252

Interest rate risk

Interest rate risk measures the probability of the occurrence of negative impacts on the Group's income or capital caused by movements in the absolute levels of interest rates, in spreads between two rates, or in the configuration of the interest rate curve, among other factors.

As of 31 December 2024, the distribution of contractual maturities and interest rate repricing of the sensitive amounts in the Bank's portfolio is as follows:

2024						
	Balance Sheet value	Not sensitive to interest rates	Sensitive to fixed and variable interest rates			
			Up to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years
Cash, cash balances at central banks and other demand deposits						
Cash and cash reserves at Central Banks	164,103,353	164,103,353	-	-	-	-
Other demand deposits	114,361,177	114,361,177	-	-	-	-
Financial assets at fair value through profit and loss						
Financial assets held for trading	85,452,937	2,625	57,506,744	9,553,408	14,083,262	4,306,898
Non-trading financial assets mandatorily at fair value through profit or loss	8,167,353	8,167,353	-	-	-	-
Financial assets accounted at fair value through profit and loss	7,603,775	-	3,277,573	3,469,423	856,779	-
Financial assets at fair value through other comprehensive income	1,216,201,195	2,400,627	172,259,737	44,547,357	230,144,244	766,849,230
Financial assets at amortised cost						
Debt securities	962,165,671	-	372,796,904	36,618,628	162,722,635	390,027,504
Loans and advances - Clients	20,126,750	-	18,563,447	1,468,593	39,739	54,971
Loans and advances - Central Banks	30,346,826	-	30,346,826	-	-	-
Loans and advances - Banks	63,583,466	-	26,133,466	37,450,000	-	-
Derivatives - Hedge accounting	9,152,470	-	-	-	-	9,152,470
Total	2,681,264,973	289,035,135	680,884,697	133,107,409	407,846,659	1,170,391,073
Financial liabilities held for trading	5,807,687	-	3,764,716	1,651,524	391,447	-
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Financial liabilities measured at amortised cost						
Funding from clients	2,208,678,567	760,082,379	954,823,162	486,150,795	7,622,231	-
Funding from other other banks	65,740,646	29,421,135	36,319,511	-	-	-
Other liabilities represented by securities	11,784,130	-	6,407,848	5,376,282	-	-
Derivatives - Hedge accounting	25,808,339	-	-	-	-	25,808,339
Total	2,317,819,369	789,503,514	1,001,315,237	493,178,601	8,013,678	25,808,339
GAP (Assets - Liabilities)	363,445,604	(500,468,379)	(320,430,540)	(360,071,192)	399,832,981	1,144,582,734

2023						
	Balance Sheet value	Not sensitive to interest rates	Sensitive to fixed and variable interest rates			
			Up to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years
Cash, cash balances at central banks and other demand deposits						
Cash and cash reserves at Central Banks	284,570,445	284,570,445	-	-	-	-
Other demand deposits	102,271,531	102,271,531	-	-	-	-
Financial assets at fair value through profit and loss						
Financial assets held for trading	73,311,687	1,672,412	35,173,049	8,089,717	25,278,956	3,097,553
Non-trading financial assets mandatorily at fair value through profit or loss	8,689,340	8,689,340	-	-	-	-
Financial assets accounted at fair value through profit and loss	8,550,863	-	2,942,811	3,623,221	1,984,831	-
Financial assets at fair value through other comprehensive income	1,069,926,247	2,330,386	164,732,492	63,887,742	240,732,104	598,243,523
Financial assets at amortised cost						
Debt securities	886,192,944	-	335,930,730	21,875,933	121,550,424	406,835,857
Loans and advances - Clients	19,952,928	-	17,957,138	1,778,534	17,619	199,637
Loans and advances - Central Banks	17,741,773	-	17,741,773	-	-	-
Loans and advances - Banks	70,318,652	-	62,856,358	7,462,294	-	-
Derivatives - Hedge accounting	9,086,629	-	-	-	-	9,086,629
Total	2,550,613,039	399,534,114	637,334,351	106,717,441	389,563,934	1,017,463,199
Financial liabilities held for trading	2,837	-	2,837	-	-	-
Financial liabilities designated at fair value through profit or loss	19,039,869	-	19,039,869	-	-	-
Financial liabilities measured at amortised cost						
Funding from clients	2,024,574,177	677,992,320	648,876,349	675,232,109	22,473,399	-
Funding from other other banks	131,718,791	38,734,917	92,983,874	-	-	-
Other liabilities represented by securities	13,149,177	-	-	13,149,177	-	-
Derivatives - Hedge accounting	20,330,077	-	-	-	-	20,330,077
Total	2,208,814,928	716,727,237	760,902,929	688,381,286	22,473,399	20,330,077
GAP (Assets - Liabilities)	341,798,111	(317,193,123)	(123,568,578)	(581,663,845)	367,090,535	997,133,122

Sensitivity analysis

As part of the interest rate risk sensitivity analysis of the banking book, and based on the application of a parallel shift in interest rates, the impact resulting from these stocks for the years ended December 31, 2024 and 2023 is presented as follows:

	2024				2023			
	Parallel increase of 100 pb	Parallel reduction of 100 pb	Increase after 1 year of 50pb	Reduction after 1 year of 50pb	Parallel increase of 100 pb	Parallel reduction of 100 pb	Increase after 1 year of 50pb	Reduction after 1 year of 50pb
On 31 December	(11,627,502)	3,755,150	(6,020,973)	2,137,032	1,124,914	(1,124,914)	(323,377)	323,377

Following the ECB directives on the reform of IBOR rates, with applicability from 3 October 2019 and up to 3 January 2023, which led to the replacement of the EONIA rate with the €STR rate, the Bank replaced it as of January 3, 2023, with effects on the valuation of the following instruments:

1. Derivative instruments cleared with central counterparties;
2. Derivative instruments with bilateral counterparties which are now determined based on the €STR curve after review of the respective collateral contracts (ISDA-CSA);
3. Instruments used for hedge accounting, as they will now be discounted at the €STR curve.

Asset and liability repricing risk

Included in the non-statistical earnings at risk indicators, the re-pricing bands for the years ended on 31 December 2024 and 2023 are presented as follows:

2024						
	Balance Sheet value	Not sensitive	Up to 3 months	3 months to 1 year	From 1 to 5 years	Over 5 years
Cash, cash balances at central banks and other demand deposits						
Cash and cash reserves at Central Banks	164,103,353	164,103,353	-	-	-	-
Other demand deposits	114,361,177	114,361,177	-	-	-	-
Financial assets at fair value through profit and loss						
Financial assets held for trading	85,452,937	82,427,467	1,010,998	603,982	1,410,490	-
Non-trading financial assets mandatorily at fair value through profit or loss	8,167,353	8,167,353	-	-	-	-
Financial assets accounted at fair value through profit and loss	7,603,775	3,846,316	2,707,064	1,050,395	-	-
Financial assets at fair value through other comprehensive income	1,216,201,195	1,005,058,088	159,787,430	32,237,226	19,118,451	-
Financial assets at amortised cost						
Debt securities	962,165,671	564,993,163	370,522,840	26,649,668	-	-
Loans and advances - Clients	20,126,750	101,857	18,325,486	1,699,407	-	-
Loans and advances - Central Banks	30,346,826	30,346,826	-	-	-	-
Loans and advances - Banks	63,583,466	63,583,466	-	-	-	-
Derivatives - Hedge accounting	9,152,470	9,152,470	-	-	-	-
Total	2,681,264,973	2,046,141,536	552,353,818	62,240,678	20,528,941	-
Financial liabilities held for trading	5,807,687	-	-	-	-	5,807,687
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Financial liabilities measured at amortised cost						
Funding from clients	2,208,678,567	2,208,678,567	-	-	-	-
Funding from other banks	65,740,646	65,740,646	-	-	-	-
Other liabilities represented by securities	11,784,130	11,784,130	-	-	-	-
Derivatives - Hedge accounting	25,808,339	25,808,339	-	-	-	-
Total	2,317,819,369	2,312,011,682	-	-	-	5,807,687
GAP (Assets - Liabilities)	363,445,604	(265,870,146)	552,353,818	62,240,678	20,528,941	(5,807,687)

2023						
	Balance Sheet value	Not sensitive	Up to 3 months	3 months to 1 year	From 1 to 5 years	Over 5 years
Cash, cash balances at central banks and other demand deposits						
Cash and cash reserves at Central Banks	284,570,445	284,570,445	-	-	-	-
Other demand deposits	102,271,531	102,271,531	-	-	-	-
Financial assets at fair value through profit and loss						
Financial assets held for trading	73,311,687	68,989,472	2,292,671	2,029,544	-	-
Non-trading financial assets mandatorily at fair value through profit or loss	8,689,340	8,689,340	-	-	-	-
Financial assets accounted at fair value through profit and loss	8,550,863	5,789,016	2,694,682	67,165	-	-
Financial assets at fair value through other comprehensive income	1,069,926,247	863,072,122	164,724,825	42,129,300	-	-
Financial assets at amortised cost						
Debt securities	886,192,944	542,577,147	335,930,437	7,685,360	-	-
Loans and advances - Clients	19,952,928	225,844	17,956,139	1,770,945	-	-
Loans and advances - Central Banks	17,741,773	17,741,773	-	-	-	-
Loans and advances - Banks	70,318,652	70,318,652	-	-	-	-
Derivatives - Hedge accounting	9,086,629	9,086,629	-	-	-	-
Total	2,550,613,039	1,973,331,971	523,598,754	53,682,314	-	-
Financial liabilities held for trading	2,837	2,837	-	-	-	-
Financial liabilities designated at fair value through profit or loss	19,039,869	19,039,869	-	-	-	-
Financial liabilities measured at amortised cost						
Funding from clients	2,024,574,177	2,024,574,177	-	-	-	-
Funding from other other banks	131,718,791	131,718,791	-	-	-	-
Other liabilities represented by securities	13,149,177	13,149,177	-	-	-	-
Derivatives - Hedge accounting	20,330,077	20,330,077	-	-	-	-
Total	2,208,814,928	2,208,814,928	-	-	-	-
GAP (Assets - Liabilities)	341,798,111	(235,482,957)	523,598,754	53,682,314	-	-

Currency exchange risk

In the foreign exchange markets, there was a general increase in volatility levels for the main currency pairs (Euro-Pound, Euro-Yen, Euro-Swiss Franc, Euro-US Dollar, and Euro-Metical).

The ECB's benchmark interest rate underwent several revisions throughout 2024. This year was marked by a downward trend in interest rates, from 4% (the reference rate in effect in January 2024) to 3% at the end of December 2024.

Regarding the euro's exchange rates against the main currencies, the euro appreciated against the Swiss franc until May 2024, after which the trend reversed, with the euro depreciating against the Swiss franc.

As for the euro-pound pair, there was a trend of euro depreciation against the pound throughout 2024. It is worth noting that in August 2024, the euro experienced a strong appreciation against the pound, a trend that continued over the following months until the end of the year.

In the euro-yen pair, the euro showed strong appreciation in the first half of 2024, followed by significant depreciation between July and August. From that point on, no clear trend was observed.

Regarding the euro-dollar pair, there was no defined trend in the first half of the year. From June to September, the euro appreciated against the dollar, peaking in August. From September 2024 onward, it depreciated, reaching its lowest point of the year in December. The exchange rate movement of the euro-metical pair was similar to that the euro-dollar.

The distribution of the Balance Sheet by currency for the years ended on 31 December 2024 and 2023 is presented as follows:

2024					
	Euros	North American Dollars	Pound Sterling	Other Foreign Currencies	Total Amount
Assets by currency					
Cash, cash balances at central banks and other demand deposits					
Cash and cash reserves at Central Banks	155,601,363	457,508	118,141	7,926,341	164,103,353
Other demand deposits	36,252,889	63,552,444	6,890,854	7,664,990	114,361,177
Financial assets at fair value through profit and loss					
Financial assets held for trading	85,452,937	-	-	-	85,452,937
Non-trading financial assets mandatorily at fair value through profit or loss	8,167,353	-	-	-	8,167,353
Financial assets accounted at fair value through profit and loss	-	-	-	7,603,775	7,603,775
Financial assets at fair value through other comprehensive income	966,173,243	230,788,356	-	19,239,596	1,216,201,195
Financial assets at amortised cost					
Debt securities	962,165,671	-	-	-	962,165,671
Loans and advances - Clients	20,120,258	6,219	270	3	20,126,750
Loans and advances - Central Banks	-	-	-	30,346,826	30,346,826
Loans and advances - Banks	63,409,306	174,160	-	-	63,583,466
Derivatives - Hedge accounting	8,264,592	887,878	-	-	9,152,470
Tangible assets	17,446,371	-	-	3,920,618	21,366,989
Intangible assets	10,255,971	-	-	417,977	10,673,948
Tax assets	19,121,821	-	-	445,728	19,567,549
Other assets	63,185,899	2,383,134	1,114,357	3,792,316	70,475,706
	2,415,617,674	298,249,699	8,123,622	81,358,170	2,803,349,165
Liabilities by currency					
Financial liabilities held for trading	5,807,687	-	-	-	5,807,687
Financial liabilities measured at amortised cost					
Funding from clients	2,127,608,489	67,960,216	662,458	12,447,404	2,208,678,567
Funding from central banks	-	-	-	-	-
Funding from other banks	6,720,172	46,822,939	-	12,197,535	65,740,646
Other liabilities represented by securities	-	-	-	11,784,130	11,784,130
Derivatives - Hedge accounting	25,808,339	-	-	-	25,808,339
Provisions	476,657	-	-	46,864	523,521
Tax liabilities					
Current tax liabilities	1,923,453	(8,208)	-	(1,099,775)	815,470
Deferred tax liabilities	513,812	-	-	308,776	822,588
Other liabilities	73,286,124	1,863,797	6,420	2,951,273	78,107,614
	2,242,144,733	116,638,744	668,878	38,636,207	2,398,088,562
	173,472,941	181,610,955	7,454,744	42,721,963	405,260,603

2023					
	Euros	North American Dollars	Pound Sterling	Other Foreign Currencies	Total Amount
Assets by currency					
Cash, cash balances at central banks and other demand deposits					
Cash and cash reserves at Central Banks	266,041,767	1,422,511	112,750	16,993,417	284,570,445
Other demand deposits	46,592,398	45,329,273	6,487,160	3,862,700	102,271,531
Financial assets at fair value through profit and loss					
Financial assets held for trading	73,311,678	9	-	-	73,311,687
Non-trading financial assets mandatorily at fair value through profit or loss	8,689,340	-	-	-	8,689,340
Financial assets accounted at fair value through profit and loss	-	-	-	8,550,863	8,550,863
Financial assets at fair value through other comprehensive income	855,271,480	196,732,671	-	17,922,096	1,069,926,247
Financial assets at amortised cost					
Debt securities	886,192,944	-	-	-	886,192,944
Loans and advances - Clients	19,919,051	33,875	2	-	19,952,928
Loans and advances - Central Banks	-	-	-	17,741,773	17,741,773
Loans and advances - Banks	70,159,507	159,145	-	-	70,318,652
Derivatives - Hedge accounting	8,696,274	390,355	-	-	9,086,629
Tangible assets	14,892,436	-	-	3,867,805	18,760,241
Intangible assets	11,144,828	-	-	311,793	11,456,621
Tax assets					
Current tax assets	-	-	-	-	-
Deferred tax assets	24,233,731	-	-	481,938	24,715,669
Other assets	52,397,685	3,642,587	116,428	1,646,944	57,803,644
	2,337,543,119	247,710,426	6,716,340	71,379,329	2,663,349,214
Liabilities by currency					
Financial liabilities held for trading	2,837	-	-	-	2,837
Financial liabilities designated at fair value through profit or loss	19,039,869	-	-	-	19,039,869
Financial liabilities measured at amortised cost					
Funding from clients	1,947,242,314	70,333,460	542,676	6,455,727	2,024,574,177
Funding from central banks	-	-	-	-	-
Funding from other banks	65,534,440	50,146,978	-	16,037,373	131,718,791
Other liabilities represented by securities	-	-	-	13,149,177	13,149,177
Derivatives - Hedge accounting	20,330,077	-	-	-	20,330,077
Provisions	476,657	-	-	11,172	487,829
Tax liabilities					
Current tax liabilities	2,235,745	(6,872)	-	(928,682)	1,300,191
Deferred tax liabilities	642,143	-	-	-	642,143
Share capital repayable on demand	-	-	-	-	-
Other liabilities	57,923,434	3,480,138	142,423	(112,934)	61,433,061
	2,113,427,516	123,953,704	685,099	34,611,833	2,272,678,152
	224,115,603	123,756,722	6,031,241	36,767,496	390,671,062

Sensitivity analysis

The Group does not speculate on currency markets (FX) and the use of VaR limits reflect its strategy to limit the exposure to foreign currency fundamentally to Clients' business and associated fluxes. During 2024, BiG decided to include in its balance sheet some assets in U.S. dollars. The exposition to Euro-Dollar futures contracts had therefore the goal to hedge the exchange rate risk of these assets (economic hedging).

In order to analyse the impact of a decline in exchange rates on the Group's exposures, an alteration of +/- 15% was applied to all exchange rates.

The sensitivity analysis resulting from a +/- 15% decline in exchange rates for the years ended on 31 December 2024 and 2023 is presented as follows:

2024				
Currency	Base scenario		Impact resulting from a movement of:	
	Original currency	Equivalent	+15%	-15%
Australian Dollar	(3,037,726)	(1,811,189)	236,242	(319,621)
Brazilian Real	(32,800,000)	(5,104,820)	665,846	(900,851)
Canadian Dollar	(2,904,693)	(1,943,199)	253,461	(342,917)
Danish Krone	900,533	120,750	(15,750)	21,309
Pound Sterling	12,163,601	14,669,433	(1,913,404)	2,588,724
Yen	(529,691,101)	(3,248,443)	423,710	(573,255)
Mexican Peso	(66,476,308)	(3,084,690)	402,351	(544,357)
Polish Zloty	17,699	4,140	(540)	731
Swedish Krone	(36,606,205)	(3,194,537)	416,679	(563,742)
Swiss Franc	(3,811,441)	(4,049,555)	528,202	(714,628)
New Turkish Lire	437	12	(2)	2
US Dollar	52,575,447	50,606,841	(6,600,892)	8,930,619
Norwegian Krone	(16,238,841)	(1,376,756)	179,577	(242,957)
Hong Kong Dollar	1,097	136	(18)	24
New Zealand Dollar	(5,600,000)	(3,021,800)	394,148	(533,259)
Singapore Dollar	688,496	486,704	(63,483)	85,889
Won	(8,176,616,730)	(5,336,695)	696,091	(941,770)
South African Rand	32,497,265	1,656,435	(216,057)	292,312
Indian Rupee	(578,000,000)	(6,499,238)	847,727	(1,146,924)
Meticais	755,157,793	11,445,340	(1,492,870)	2,019,766
Chinese Yuan	(45,696,691)	(6,012,413)	784,228	(1,061,014)
Total impact			(4,474,754)	6,054,081

2023				
Currency	Base scenario		Impact resulting from a movement of:	
	Original currency	Equivalent	+15%	-15%
Australian Dollar	(3,343,544)	(2,055,921)	268,164	(362,809)
Brazilian Real	17,800,002	3,319,781	(433,015)	585,844
Canadian Dollar	(3,875,329)	(2,646,721)	345,224	(467,069)
Danish Krone	1,738,709	233,293	(30,430)	41,169
Pound Sterling	2,264,126	2,605,288	(339,820)	459,757
Yen	(589,562,483)	(3,771,269)	491,905	(665,518)
Mexican Peso	123,023,686	6,570,690	(857,047)	1,159,534
Polish Zloty	1,996	460	(60)	81
Swedish Krone	(35,924,354)	(3,237,595)	422,295	(571,340)
Swiss Franc	2,611,254	2,819,929	(367,817)	497,634
New Turkish Lire	261	8	(1)	1
US Dollar	17,992,712	16,282,997	(2,123,869)	2,873,470
Norwegian Krone	(18,092,282)	(1,609,562)	209,943	(284,040)
Hong Kong Dollar	337	39	(5)	7
New Zealand Dollar	(1,799,999)	(1,028,336)	134,131	(181,471)
Singapore Dollar	(229,443)	(157,483)	20,541	(27,791)
Won	(2,837,356,506)	(1,979,100)	258,143	(349,253)
South African Rand	15,471,984	760,380	(99,180)	134,185
Indian Rupee	349,999,999	3,808,301	(496,735)	672,053
Meticais	(83,777,393)	(1,186,284)	154,733	(209,344)
Chinese Yuan	(18,984,067)	(2,413,323)	314,781	(425,880)
Total impact			(2,128,119)	2,879,220

Hedging risk

The quantification of the risk of the derivative products depends on a number of variables related with the market, including the price of underlying assets, volatility, interest rates and time to maturity. The Group quantifies its exposure to these variables carrying out sensitivity analyses known as "greeks" which are mathematical terms.

Since January 2021 the Group no longer has any OTC options in the portfolio, and so any existing exposure will only arise from market options, whose price does not depend on any internal model. The materiality of this asset class is, for this reason, residual in the Group's balance sheet, which reflects the reduced appetite for trading this type of instrument.

The Greeks monitored in options are as follows:

- ▲ **delta** – underlying sensitivity – Impact on the value of options in response to percentage changes in the price of the underlying asset, expressed in euros.
- ▲ **vega** – volatility sensitivity – Impact on the value of options in response to percentage changes in volatility, expressed in euros.
- ▲ **theta** – time sensitivity – Impact on the value of options with the passage of time, expressed in euros.

On the other hand, the BPV (basis point value) sensitivity measure – which captures the sensitivity of assets to changes in the interest rate curve, in basis points – is one of the most relevant in the Bank's context and business model, given that a significant portion of the portfolio consists of fixed-rate assets. A long strategy in bonds was adopted for fixed-rate products, and the values shown in the table below refer to the total exposure of the bond portfolios. On average, the exposure to interest rate risk is in line with the levels recorded in 2023.

2024				
	<i>Rho</i>	<i>Vega</i>	<i>Delta</i>	<i>Theta</i>
Minimum	(382,407)	-	-	-
Maximum	(129,335)	-	-	-
Average	(275,690)	-	-	-
Standard Deviation	59,526	-	-	-

2023				
	<i>Rho</i>	<i>Vega</i>	<i>Delta</i>	<i>Theta</i>
Minimum	(380,421)	(861)	(42,602)	(11,419)
Maximum	(119,050)	22,243	3,432	152
Average	(279,540)	3,437	(7,464)	(880)
Standard Deviation	57,114	5,148	10,739	1,466

<i>Rho</i>	Sensitivity of the interest rate risk
<i>Vega</i>	Sensitivity of the volatility risk
<i>Delta</i>	Sensitivity of the underlyings risk
<i>Theta</i>	Sensitivity to the time risk

Limits and Reporting

Limits on trading activity are essential to the control process of the risk appetite level, with there being limits approved by class of product, content and by portfolio, which may be calculated by means of a combination of non-statistical measures, including basis point value, and statistical measures, such as value at risk, analysed beforehand. A daily report is prepared for the Senior Administration with all of the relevant indicators and positions, based on the statistical and non-statistical measures established.

Credit risk

Credit Risk is the risk of loss as a result of a default by a borrower or counterparty.

A. Credit Risk Management

The Group is exposed to credit risks in a number of its activities. These necessarily include i) direct exposure to clients who have contracted loans, ii) direct exposure to credit risks associated with securities issued by third parties and held by the Group, and iii) market or settlement risk associated with trading activities by clients (settlement risk).

Credit risk arising from dealings with professional counterparties as well as the risk associated to issuers of quoted securities, is assessed in combination with procedures for managing market risks discussed above in Market Risk.

The Board of Directors delegates the implementation of the general policies and guidelines on the management of the Credit Risk to the Executive Committee which, together with the Credit Risk Department and other members of the Credit Risk Committee and support area teams, implements daily these policies and liabilities daily. These activities specifically include:

- ▲ Definition of quantitative and qualitative guidelines for credit reviews;
- ▲ Analysis and control of the counterparty risk;
- ▲ Maintenance of a credit scoring and approval matrix;
- ▲ Integrity of the credit approval process;
- ▲ Control and monitoring of client, family and “house limit” risks;
- ▲ Definition of support documentation and control systems;
- ▲ Management and control of risk monitoring policies and systems;
- ▲ Strict adherence to regulatory standards and principles;
- ▲ Monitoring exposure to ESG themes, particularly climate and environmental risks;
- ▲ Application of prices appropriate to the risks assumed.

In its process of analysis and approval, the Group assesses its exposure both in terms of individual transactions, relating to the maximum exposure allowed per client/ group of clients and, separately, in terms of the respective portfolios, to ensure there is adequate control over risk concentrations in each sector or industry. So, the Management of the Credit Risk in the Group is an integrated process at both transaction level and portfolio level:

- ▲ In terms of transactions: It means that all transactions need the approval of at least two representatives with credit authority, granted by the Board of Directors. In the case of portfolios of securities, the limits are approved by members of the Board of Directors.
- ▲ In terms of portfolios: It means that the exposure will be managed – whether of loans, loans represented by securities, derivatives, currency exchange, etc. – so as to minimise excessive concentrations of risk relating to clients, industries, products or geographic location. Problematic loans, rates of cover by provisions, write-offs and recoveries are also analysed. There are various credit reporting procedures in force and available internally for the information of the Board of Directors.

Systematically, all exposures are assessed and approved, whether they are included in the balance sheet or not. Approval is always carried out by at least two individuals with credit authority. This authority is granted by the Board of Directors and reviewed at least annually.

The correct risk management is fundamental for the Group to create value for the shareholders. In general terms, the Group is exposed to risk as a direct result of the taking of positions with respect to particular markets or combinations of Markets, Products or Customers.

In the course of the Group's current activity, integrated exposure control systems are a key element of the credit risk management process. Credit risk is managed in order to achieve sustainable performance of the organization within acceptable parameters of risk versus return. This objective is achieved through a combination of policies, systems and controls, which are always underpinned by considered and careful business decisions.

In the management of exposure to risk, the Group is guided by the following basic principles:

- ▲ Formal definition of responsibility for the risk management in the Group;
- ▲ Existence of policies and procedures that allow independent supervision;
- ▲ Frequent review of policies and procedures by the Board of Directors;
- ▲ Policy of adequate diversification of risks;
- ▲ Independent reporting systems;
- ▲ Overlapping of risk measurement and control systems;
- ▲ Training to help in the identification of risks in the various areas.

In relation to its risk appetite, the Group seeks to limit exposure to the credit risk, and essentially to:

- ▲ Exposure to investment grade companies, sovereigns with rating or banks with good credit quality, approval of which is supported by internal analyses and/or by research by Moody's (or other provider of independent research);
- ▲ Foreign Exchange or exposure to settlement associated to Companies, Institutional Investors and Private Investors. In this last group, limits are frequently approved on a case-by-case basis;
- ▲ Exposure to occasional credit risk analysed in detail by internal analysts;
- ▲ Collateralised credit, especially connected to the business of Wealth Management.

The exposure to the retail credit risk is traditionally very low, due to a number of reasons, such as:

- ▲ Non-strategic nature of the credit business, typical of commercial banking;
- ▲ Focus on other investment banking areas and Wealth Management;
- ▲ Lack of scale/dimension of the Group.

In decision-making and risk management of the Group, the Board applies its strategy and business model in combination with a set of quantitative tools and systems used to monitor and measure exposure. These aspects include:

- ▲ Limits per counterparty, family, class of assets and portfolio;
- ▲ Limits of concentration;
- ▲ Non-statistical measurements, such as scenario analyses, stress and sensitivity tests;
- ▲ Qualitative analysis and professional judgement;
- ▲ Control procedures.

The quantification of risk is an evolving process that requires regular self-assessment, updates of techniques and changes in assumptions, besides adherence to regulatory and accounting standards. As a result, the Board of Directors considers that any methodology of risk measurement alone is generally insufficient and may not provide a complete perspective of the risk from all exposures.

As a policy, the Group seeks to systematically quantify the potential losses associated with all the aspects of the business and aims to make a reasonable estimate of the potential damage in the event of the occurrence of unexpected events. These events include not only those that are observed, based on historic data but also those considered to be improbable, yet estimable based on the assumption of certain scenarios.

As explained previously, the Group's exposure to the credit risk can include the concession of loans to clients, sovereign bonds, investments in corporate bonds, interbank total value and replacement value risks, the risk of liquidation of certain securities, amounts receivable under derivatives and foreign currency contracts and commitments assumed under guarantees or commercial paper programmes.

Credit risk is generally present in nominal and fractional exposures, which may concentrate on borrowers or groups of interconnected borrowers, in sectors of activity or geography.

The Group's credit portfolio is segmented into the following products:

- ▲ Mortgage loans;
- ▲ Margin account;
- ▲ BiG Auto (auto loans);
- ▲ Credit for the acquisition of BiG's shares;
- ▲ Other loans; and
- ▲ Guarantees and guarantees provided.

With respect to the securities portfolio, at the time of initial recognition of a financial instrument, its classification is a function of:

- ▲ Of the type of financial instrument, debt or equity;
- ▲ The BiG's business model; and
- ▲ The contractual cash flow characteristics of the financial asset.

Depending on the elements listed above, the respective financial instrument will be classified in one of the following categories, namely:

- ▲ Financial assets at amortized cost; or
- ▲ Financial assets at fair value through other comprehensive income; or
- ▲ Financial assets at fair value through profit or loss.

B. Calculation of impairment

During 2024, the Group continued to calibrate the models that it developed to comply with the requisites of the IFRS 9 and to monitor possible orientations of national and international regulators with regard to the application of this standard.

IFRS 9 contemplates the classification of financial assets according to three criteria:

- ▲ The business model under which the financial assets are managed;
- ▲ The type of financial instrument, or rather (i) derivative financial instruments, (ii) equity instruments or (iii) financial debt instruments; and

- ▲ The characteristics of the contractual cash flows of the financial debt instruments (which represent only payments of capital and interest).

In this context, the main categories of financial assets contemplated in the IFRS 9 are summarised as follows:

- ▲ A financial debt instrument that (i) is managed under a business model whose objective involves keeping the financial assets in the portfolio and receiving all their contractual cash flows and (ii) may have contractual cash flows in specific dates that correspond exclusively to the payment of capital and interest on the outstanding capital, should be measured at amortised cost, unless it is designated at fair value through profit and loss under the fair value option – Hold to Collect.
- ▲ A financial debt instrument that (i) is managed under a business model whose objective is achieved either through the receipt of the contractual cash flows or through the sale of the financial assets and (ii) contemplate contract clauses that give rise to cash flows that correspond exclusively to the payment of capital and interest on the outstanding capital, should be measured at fair value as a counter-entry against equity (FVTOCI), unless it is designated at fair value through profit and loss under the fair value option – Hold to Collect & Sell.
- ▲ All other financial debt instruments should be measured at fair value through profit and loss (FVTPL).

The Group assesses its business models based on a broad set of indicators, some of the main ones being the strategy, its Business Plan, and also its current risk management policies. For the Hold to Collect business model, in order to assess the frequency and materiality of sales, quantitative thresholds were defined based on past experience. The sales contemplated for the financial assets classified in that business model does not exceed the thresholds defined by the Group.

With respect to other financial instruments, specifically equity instruments and derivatives, these are, by definition, classified at fair value through results.

For equity instruments, there is the irrevocable option of designating for all fair value variations to be recognised in other comprehensive income, and in this case, only the dividends are recognised in results, as gains and losses are not reclassified for results even at the time of their non-recognition/sale.

IFRS 9 establishes that the concept of impairment based on expected losses (ECL – Expected Credit Loss) is applied to all financial assets, except to financial assets measured at fair value through results and equity instruments measured at fair value through equity.

Financial assets subject to impairment assessment are classified in different stages according to the evolution of their credit risk from the date of initial recognition and do not depend on the credit risk at the reporting date:

- ▲ Stage 1: financial assets are classified in stage 1 whenever there is no significant increase in the credit risk since the date of their initial recognition. For these assets the expected credit impairment loss resulting from events of non-compliance that occur during the 12 months after the reporting date should be recognised in the income statement of the year;
- ▲ Stage 2: incorporates the financial assets in which a significant increase in the credit risk has been verified since the date of their initial recognition, even though this situation may not have materialised in concrete losses and are only the result of evidences. For these financial assets expected credit impairment losses are recognised throughout of the life of the assets (lifetime). However, interest will continue to be calculated on the gross amount of the asset;
- ▲ Stage 3: the assets classified in this stage demonstrate objective evidence of impairment on the reporting date, as a result of one or more events that have already occurred which result in a loss. In this case, the expected credit impairment loss during the expected remaining lifetime of the financial assets will be recognised in the income statement of the year. Interest is calculated and recognised on the net book value of the assets.

On each reporting date, the Group assesses if there is a significant increase in the credit risk, in order to determine the stage into which each exposure should be classified.

Financial assets go from stage 1 to stage 2 when the credit risk increases significantly when compared with the credit risk on the date of their initial recognition. The significant increase in the credit risk should be determined through the analysis of internal quantitative and/or qualitative indicators used in the normal management of credit risk, thus requiring the articulation of the accounting requisites with the management policies on credit risk established by the Group. The transition of financial assets from stage 2 to stage 3 occurs when these are in default.

In the identification and assessment of the significant increase in the credit risk, the Group uses the information that is fed into the credit risk models implemented, supporting its decisions based on a broad set of triggers and alerts.

The Group uses a number of tools, where it considers the following factors, among others:

- ▲ the evolution of the rating of the issuer and of the prices of the securities in the portfolio (when applicable);
- ▲ the aggregate exposure to the client and the existence of overdue loans;
- ▲ the existence of other triggers (even though indirect) that could lead the Group to suspect impairment (evidences/indications);
- ▲ the economic-financial viability of the client's business or professional activity and its capacity to generate sufficient means to service the debt in the future;
- ▲ the existence, nature and estimated value of the collateral associated to each credit;
- ▲ if there are privileged creditors;
- ▲ the client's level of indebtedness in the financial sector;
- ▲ the analysis carried out weekly in relation to PARI – Plan of Action for the Risk of Non-compliance
- ▲ the amount and timing of estimated recovery.

The amount of the ECL to be recognised corresponds to the difference between the book value of the exposure and the current value of the estimated future cash flow (considering the recovery period) discounted at the original effective interest rate of the contract.

For a credit with a variable interest rate, the discount rate to be used to determine the respective ECL is the original effective interest rate contracted, determined based on the clauses of each contract.

The measurement of expected losses is the result of the product between (i) the probability of default (PD) of the financial instrument, (ii) the LGD (Loss Given Default) and (iii) the exposure on the date of the non-compliance (EAD – Exposure at Default), discounted at the initial effective interest rate of the contract. This measurement, and also the assessment of the significant increase in the credit risk, should consider not only information on past events, but also the current conditions and reasonable forecasts substantiated on events and future economic conditions (i.e. forward-looking information).

These parameters are obtained through statistical models, market data, historical data or through external benchmarks, if internal sources are not available, their calculation being validated by independent bodies and their values regularly updated.

- ▲ The EAD represents the expected exposure, in the case of non-compliance by the client and/or of the exposure. The Group obtains the values of the EAD through the current exposure of the counterparty and foreseeable alterations to the respective current value, depending on the contract conditions, including amortisation and advance payments. For guarantees and sureties provided by the Bank, the value of the EAD considers the total value guaranteed by the Group, on the assumption that the amount may be used in full (i.e. it is applied a CCF – Credit Conversion Factor of 100%).
- ▲ The PD are estimated considering a determined historic period, or through external benchmark indicators, if historic data is not available. The Group regularly gathers indicators of performance and default of its credit risk exposures, with analyses by type of exposure/client. For segments where there is no information available, but it is possible to determine the debtor's external rating, the Group uses external information published by the rating agencies or market data, such as CDS spreads and bond yields to gauge the PD.
- ▲ The LGD represents the value of the loss that the Group expects in the event of a non-compliance. The Group estimates the parameters using external benchmark data (e.g. Moody's) or internal data, when available, through the recovery rates.

As mentioned previously, the main difference between impairment losses measured for financial assets classified in stages 1 and 2 is the respective time horizon in the calculation of the PD. The expected losses for financial assets in stage 1 are calculated using a PD of 12 months while the expected losses in stage 2 use a lifetime PD. The calculation of the expected loss for the financial assets always considers point-in-time and forward-looking.

The estimates take macroeconomic factors into consideration that can influence them. In the ECL calculation models, estimates of certain variables are used in accordance with the Economic Projections of the Bank of Portugal (latest update on December 13, 2024):

	2024e	2025e	2026e
GDP	2.2%	2.2%	1.7%
Unemployment Rate	6.4%	6.4%	6.4%

The different business generating areas involved in this process do not perform the calculation, revision and approval of impairment losses, therefore retaining the independence that is absolutely necessary in this type of analysis.

C. Credit moratoria

Motivated by the COVID-19 pandemic situation and the resulting socio-economic consequences, during the years 2022 and 2021, the public and private sectors came together to take a series of measures to support families and companies, of which we highlight the most relevant:

- ▲ The launch of lines of economic support by the Portuguese State, with the partial guarantee of a Mutual Guarantee Society; and
- ▲ Families and companies have the possibility of adhering to the temporary suspension of loan instalments (commonly known as moratoria).

While with regard to the first measure, the Group did not make this offer to its Customers because its specialised business model of savings and investment banking does not include this type of credit offer to its Customers; with regard to the second measure, the Group supported its Customers in view of the exceptional global and national economic situation, by applying moratoria under the following provisions:

- ▲ of Decree-Law 10-J/2020 of 26 March on “legal moratoria” for companies and individuals; and
- ▲ of the Protocol on “general moratoria of private initiative” to be applied within the scope of the COVID-19 pandemic between a number of Financial Institutions and the Portuguese Banking Association (APB).

The various types of moratoria, both legal and private, ended during 2021, with most clients having resumed the repayment of the payment schedule of operations without disruption. For some operations it was necessary to apply additional restructuring measures, in order for clients to resume a new regular payment plan for their loans.

At the end of 2024, no operations were subject to moratorium measures. Furthermore, all operations were in good standing.

As of 31 December 2024, and 2023, the detail of the operations that were still in the balance sheet and that were subject to the application of moratoriums in the Group (despite no longer being in force):

2024						
	Corporates		Individuals		Total	
	Number	Book Value	Number	Book Value	Number	Book Value
Public / Legal						
Mortgage	-	-	2	185,054	2	185,054
Private APB						
Non-mortgage	-	-	2	1,993	2	1,993
Total	-	-	4	187,047	4	187,047

2023						
	Corporates		Individuals		Total	
	Number	Book Value	Number	Book Value	Number	Book Value
Public / Legal						
Mortgage	-	-	2	190,398	2	190,398
Private APB						
Non-mortgage	-	-	2	6,516	2	6,516
Total	-	-	4	196,914	4	196,914

In accounting terms, the following aspects should be noted:

- 1) Treatment of planned moratoria
The moratorium regime provided for the extension of credit payment, obliging banks to suspend this payment for a certain period.

The existing moratorium regimes allowed for the application of two types of payment suspensions, which were chosen by the customers:

- ▲ Suspension only of the repayment of the principal, keeping interest payments;
- ▲ Full suspension, of capital and interest, with no payment by the Customers.

2) Treatment of significant increases in credit risk

In general, the Group applied the EBA guidelines, published on 2 April 2020, *Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis (EBA/GL/2020/02)* to determine the significant increase in credit risk of operations in moratorium. Nevertheless, the Group reinforced the monitoring of these operations in order to identify and analyse as early as possible any indication that could impact the credit quality of these debtors, and if necessary, classify the respective contract to stage 2 or until stage 3.

3) Identification of restructured operations

Operations with approved moratorium requests have not been identified as restructuring due to financial difficulties, whether they were legal moratoriums applied under Decree-Law 10-J/2020 (and subsequent Decree-Laws), or general private initiative moratoriums applied as a result of the Interbank Protocol promoted by the Portuguese Banking Association (APB). However, in the post-moratorium period, some additional support measures were granted by the Bank, which led to the classification of the respective operations as restructured due to financial difficulties, as can be consulted in the section Details on restructured credit.

4) Updating of macroeconomic scenarios

In recent years, whenever deemed relevant, the Group updated the macroeconomic scenarios used in its model for the calculation of Expected Credit Loss (ECL) under IFRS 9 more frequently.

D. Application of Decree-Law 20-B/20234, of March 22

This decree-law aimed to establish extraordinary supports to assist families in paying rent and loan instalments. In the case of loan agreements, the support was implemented through an interest rate “subsidy” on the loan.

In the Bank’s portfolio, only one client opted for the measure, with the outstanding amount of that contract at the end of the year being approximately 89.6 thousand Euros.

This measure remained in effect until December 31, 2024.

E. Application of Decree-Law 91/2023, of October 11

This measure aims to temporarily fix the instalments amounts of mortgage loans for the purchase or construction of primary residences, in response to the sharp increase in benchmark interest rates.

The Bank did not receive any requests for participation by March 31, 2024, which was the deadline for clients to apply.

Clients can opt for this measure until 31 March 2024.

F. Policy relating to the degrees of internal risk

The Group gives preference to the use of the ratings of external entities (Moody’s, S&P and Fitch). The Group adopts the Basel policies on the selection of ratings when there is more than one rating.

When these notations are not available, the Group performs an internal analysis of the issuers and assigns a classification of 1-10, which then is mapped for the classification of these external entities.

The internal treatment of a client classified as in default should contemplate taking all the operational measures that appear necessary, namely the inhibition/limitation of (i) movements in accounts and means of moving accounts, (ii) transfers of amounts outside of the Group, (iii) attempts to reduce or remove collateral and (iv) increases in exposure by the borrower.

As necessary, still in relation to this internal analysis, the legal mechanisms that ensure the execution of guarantees or the filing of enforcement proceedings will be triggered. This action will be coordinated by the Legal department, together with the law firm that assists the Bank in legal matters.

The actions described above should also take into consideration (i) knowledge of the client, (ii) awareness of the product, (iii) the necessary understanding of standards, regulations, procedures, timings of reporting to the supervisory bodies and (iv) the need to adjust the Group’s internal accounts and reports. Finally, it is important to mention the entire legal framework associated with the Regime for the Prevention and Regularization of Credit Contract Default (Decree-Law No. 227/2012, of October 25).

G. Calculation of the current value of the future cash flow in the calculation of impairment losses assessed individually and collectively

On an individual basis for each instrument, the preferred calculation method adopted by the Bank for the determination of credit impairment is the discounted cash flow (DCF) method or rather, the Bank determines the PV (Present Value) of the cash-flows becoming due for the time of the analysis, discounted at the original effective interest rate of the contract. This PV is then compared with the exposure value and, if the difference is negative, there will then be an impairment loss.

In the case of the DCF method, the interest rate used in the calculation of impairment is determined in accordance with the following rules:

- ▲ fixed rate contracts: initial fixed interest rate
- ▲ variable rate contracts: current interest rate, resulting from the contract clauses (e.g. indexed to the Euribor)

For the purpose of individual impairments analysis, only transactions with financial guarantees (margin account) or real guarantees (mortgage loans or auto loans) have their respective collaterals valued, while for other transactions, collateral is assumed to be zero. The Bank also takes into account the expected value of the collateral, as well as the expected timing of its recovery and the costs of recovery and sale.

H. Conversion of debt into capital of the debtor

The Group does not normally use this type of solution and has no exposure to any economic group that has undergone this form of credit restructuring.

I. Emergent period used for the different segments and justification of its suitability

The Group does not consider an emergent period in its model. In all the segments, the rule defined by the IFRS9 is used, with expected losses at 12 months, in the case of exposures classified in stage 1, and lifetime expected losses for exposures in stage 2 and stage 3.

J. Triggers and alerts for significant increases in the credit risk

Staging Criterion – Transfer to stage 2		
	Securities portfolio	Credit portfolio
<i>TRIGGERS (automatic)</i>	<ul style="list-style-type: none"> i. Delay in the payment of capital and/or interest of between 30 and 90 days; ii. Debt of the issuer restructured due to financial difficulties iii. Inability to measure the credit risk at the time of its origination and/or acquisition; 	<ul style="list-style-type: none"> i. Delay in the payment of capital and/or interest of between 30 and 90 days;
<i>OTHER ALERTS (subject to revision and analysis in the Credit Risk Committee)</i>	<ul style="list-style-type: none"> i. Negative evolution of the rating compared to the acquisition date (as per ratings matrix, which defines the maximum number of notches expected to occur for each rating/term in the portfolio to trigger this alert); ii. Negative evolution of price compared to amortised cost and comparison with the threshold permitted in the price matrix (as defined in the price matrix, which sets the maximum expected price variation for each rating/residual maturity); 	<ul style="list-style-type: none"> i. Indications of risk in the CRC-Credit Liabilities Centre of the Banco de Portugal; ii. Indications of risk in the Clients' accounts; iii. Liens or bank blocks recorded in the Clients' accounts; iv. Inclusion in the List of Cheque Defaulters); i. Inclusion in the internal watchlist; vi. Significant restructuring of a credit operation due to financial difficulties of the debtor.

Staging Criterion – Transfer to stage 3

	Securities portfolio	Credit portfolio
<i>TRIGGERS (automatic)</i>	<ul style="list-style-type: none"> i. Delay in the payment of capital and/or interest equal to or longer than 91 days; ii. Securities with a rating equal or lower than CCC+ (non-POCI – Purchased or Originated Credit Impairment); iii. Loss of rating assignment, with BIG unable to infer the associated risk of the asset; iv. Disappearance of an active market for the instrument under review due to financial difficulties of the issuer; v. Bankruptcy/insolvency of the issuer; vi. Debt of the issuer restructured due to financial difficulties; vii. Inability to measure the credit risk at the time of its origination and/or acquisition. 	<ul style="list-style-type: none"> i. Delay in the payment of capital and/or interest equal to or longer than 91 days.
<i>OTHER ALERTS (subject to revision and analysis in the Credit Risk Committee)</i>	<ul style="list-style-type: none"> i. Negative evolution of the rating (from 2 additional notches, after the migration to Stage 2 had already taken place). ii. Decline in the fair value of the financial asset on a continuous basis during 12 months or decline of the fair value of the financial asset significantly (over 30%), not justified by some disruptive event (e.g. war, pandemic) and out of step with general market developments. In this case, the interest rate risk effect should be excluded, and the occurrence of a downgrade should be analysed for the Credit Risk Committee; iii. Securities with rating equal to or less than CCC+ (not POCI); iv. Loss of attribution of rating, with the Group being unable to infer the risk associated to the asset; v. Disappearance of active market for the bond under analysis due to financial difficulties; vi. Bankruptcy/insolvency of the issuer; 	<ul style="list-style-type: none"> i. Client in insolvency proceedings, PER - Special Recovery Plan, or any other equivalent situation of protection; ii. Classification of the operation as “unproductive” (without interest); iii. Termination of the contract due to non-compliance and consequent filing of legal case for recovery; iv. Sale, by the Group, of credit operation with significant financial loss (>20% of the outstanding nominal value on the date of the sale) due to reasons exclusively connected to the quality of the credit risk of the debtor; v. Contagion from other operations to the debtor (if the same are significant against the total value in debt). For “Non-Retail” exposures, this contagion is mandatory. For “Retail” exposures, the contagion is not mandatory, being employed an indicative threshold of 20%.

The distribution by sector of activity for the years ended on 31 December 2024 and 2023, is presented as follows:

2024							
	Financial assets at amortised cost		Financial assets at fair value through profit and loss			Financial assets at fair value through other comprehensive income	Guarantees and sureties provided
	Loans and advances to Clients	Debt securities	Financial assets held for trading	Non-trading financial assets mandatorily at fair value through profit or loss	Financial assets accounted at fair value through profit and loss		
	Balance Sheet value	Balance Sheet value	Balance Sheet value	Balance Sheet value	Balance Sheet value		
Mining industries	-	4,432,112	-	-	-	5,873,087	-
Manufacturing industries	7,447	56,322,032	1,196,416	-	-	63,718,866	-
Electricity, gas, steam, hot and cold water and cold air	-	37,546,653	3,460,413	-	-	48,939,167	-
Construction	27	-	-	-	-	-	-
Bulk and retail trade; repair of motor vehicles and motorcycles	25,158	-	-	-	-	-	-
Transports and storage	-	-	-	-	-	1,648,798	-
Financial activity and insurance	2,390,026	518,130,046	17,791,572	166,386	2,280,459	248,012,390	-
Real estate	18,657	2,019,726	-	-	-	-	-
Scientific, technical consultancy and similar	689,404	-	-	431,372	-	30,478	-
Public administration and defence; Obligatory social security	-	337,824,883	37,992,156	-	5,323,316	654,293,955	-
Human health and social support	5,025	-	314,459	-	-	4,338,790	-
Other	16,991,006	5,890,219	24,697,921	7,569,595	-	189,345,664	126,250
	20,126,750	962,165,671	85,452,937	8,167,353	7,603,775	1,216,201,195	126,250

2023

	Financial assets at amortised cost		Financial assets at fair value through profit and loss			Financial assets at fair value through other comprehensive income	Guarantees and sureties provided
	Loans and advances to clients	Debt securities	Financial assets held for trading	Non-trading financial assets mandatorily at fair value through profit or loss	Financial assets accounted at fair value through profit and loss		
	Balance Sheet value	Balance Sheet value	Balance Sheet value	Balance Sheet value	Balance Sheet value		
Agriculture, livestock, hunting, forestry and fishing	13	-	-	-	-	-	-
Mining industries	-	4,488,944	492,822	-	-	5,531,910	-
Manufacturing industries	5,546	53,966,458	4,864,866	-	-	101,780,175	-
Electricity, gas, steam, hot and cold water and cold air	-	41,706,341	699,556	-	-	55,913,848	-
Construction	1	-	-	-	-	-	-
Bulk and retail trade; repair of motor vehicles and motorcycles	56,079	-	-	-	-	2,071,848	-
Transports and storage	-	-	-	-	-	2,268,309	-
Financial activity and insurance	2,595,740	463,867,874	32,357,396	174,138	4,090,910	344,807,299	-
Real estate	155,585	2,022,899	-	-	-	-	-
Scientific, technical consultancy and similar	991,084	-	-	427,014	-	2,091,754	-
Public administration and defence; Obligatory social security	-	311,506,622	26,465,553	-	4,459,953	536,282,800	-
Human health and social support	4	2,806,407	484,791	-	-	-	-
Mortgages	-	-	-	-	-	-	-
Loans to private individuals	-	-	-	-	-	-	-
Other	16,148,876	5,827,399	7,946,703	8,088,188	-	19,178,304	141,450
	19,952,928	886,192,944	73,311,687	8,689,340	8,550,863	1,069,926,247	141,450

Exposure to public debt

On 31 December 2024 and 2023 the Group's exposure to public debt is as follows:

	2024			
	Financial assets held for trading	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost
Spain	-	-	152,444,827	11,465,591
United States	-	-	148,270,010	-
Italy	8,961,284	-	243,989,892	285,938,659
Other EU countries	49,378,297	-	210,833,373	25,139,546
Other	506,804	6,701,550	75,605,460	15,280,627
	58,846,385	6,701,550	831,143,562	337,824,423

	2023			
	Financial assets held for trading	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost
Spain	-	-	146,599,114	11,378,800
United States	-	-	76,772,905	-
Italy	-	-	225,932,426	278,743,870
Other EU countries	35,292,947	-	14,006,522	6,203,179
Other	497,145	8,216,780	75,568,642	15,180,763
	35,790,092	8,216,780	538,879,609	311,506,612

The breakdown of the exposure to securities in the portfolio of Financial assets at fair value through other comprehensive income, Financial assets held for trading and Financial assets at amortised cost is as follows:

2024					
	Nominal value	List value	Accumulated interest	Balance Sheet value⁽¹⁾	Fair value reserve⁽²⁾
Financial assets held for trading					
Italy					
Maturity up to 1 year	9,000,000	8,961,284	-	8,961,284	-
Other EU countries					
Maturity up to 1 year	44,369,516	44,281,806	2,266	44,284,073	-
Maturity over 1 year	5,297,234	5,019,184	75,040	5,094,224	-
Other					
Maturity up to 1 year	500,000	499,323	7,481	506,804	-
Financial assets at fair value through profit and loss					
Other					
Maturity up to 1 year	3,834,816	3,779,962	105,859	3,885,821	-
Maturity over 1 year	2,591,994	2,636,193	179,536	2,815,729	-
Financial assets at fair value through other comprehensive income					
Spain					
Maturity over 1 year	220,000,000	151,835,125	609,702	152,444,827	(21,057,630)
Unites States					
Maturity over 1 year	164,600,000	147,341,575	928,434	148,270,010	(10,129,703)
Italy					
Maturity over 1 year	298,418,000	243,017,546	1,420,171	243,989,892	(21,473,847)
Other EU countries					
Maturity over 1 year	222,642,000	208,843,688	1,989,686	210,833,373	(3,995,644)
Other					
Maturity up to 1 year	4,657,812	4,706,488	121,494	4,827,982	165,534
Maturity over 1 year	78,134,922	69,173,432	1,604,046	70,777,478	(4,545,582)
Financial assets at amortised cost					
Spain					
Maturity over 1 year	13,000,000	11,197,840	16,985	11,465,591	-
Italy					
Maturity over 1 year	305,000,000	276,540,450	1,696,044	285,938,659	-
Other EU countries					
Maturity over 1 year	20,000,000	25,164,004	18,193	25,139,546	-
Other					
Maturity over 1 year	16,000,000	14,115,140	144,574	15,280,627	-
	1,408,046,294	1,217,113,040	8,919,511	1,234,515,920	(61,036,872)

(1) the Balance Sheet value of Financial assets at amortised cost - Debt securities, includes the component of hedge impairment.

(2) the fair value reserve presented includes the component of hedge impairment.

2023					
	Nominal value	List value	Accumulated interest	Balance Sheet value ⁽¹⁾	Fair value reserve ⁽²⁾
Financial assets held for trading					
Other EU countries					
Maturity up to 1 year	29,599,069	29,397,636	7,332	29,404,968	-
Maturity over 1 year	6,181,638	5,855,677	32,302	5,887,979	-
Other					
Maturity over 1 year	500,000	489,710	7,435	497,145	-
Financial assets at fair value through profit and loss					
Other					
Maturity up to 1 year	321,784,000	3,803,989	875	3,804,864	-
Maturity over 1 year	297,659,400	4,219,761	192,155	4,411,916	-
Financial assets at fair value through other comprehensive income					
Spain					
Maturity over 1 year	218,600,000	146,088,863	510,251	146,599,114	(18,231,568)
United States					
Maturity over 1 year	97,000,000	76,566,288	206,617	76,772,905	(8,610,156)
Italy					
Maturity over 1 year	290,418,000	224,582,392	1,350,034	225,932,426	(25,063,924)
Other EU countries					
Maturity over 1 year	17,642,000	13,824,757	181,765	14,006,522	(2,290,384)
Other					
Maturity up to 1 year	211,449,000	2,597,040	-	2,597,040	41,685
Maturity over 1 year	1,019,018,600	71,522,932	1,448,670	72,971,602	(6,700,022)
Financial assets at amortised cost					
Spain					
Maturity over 1 year	13,000,000	10,892,590	16,939	11,378,800	-
Italy					
Maturity over 1 year	305,000,000	266,969,550	1,686,711	278,743,870	-
Other EU countries					
Maturity over 1 year	5,000,000	6,139,503	4,453	6,203,179	-
Other					
Maturity over 1 year	16,000,000	13,777,780	144,555	15,180,763	-
	2,848,851,707	876,728,468	5,790,094	894,393,093	(60,854,369)

(1) the Balance Sheet value of Financial assets at amortised cost - Debt securities, includes the component of hedge impairment.

(2) the fair value reserve presented includes the component of hedge impairment.

Debt exposure by rating

Considering that the main exposures are Sovereigns, Large Multinational Corporations, Other Institutions, ABS Instruments, the Group gives preference to the use of the ratings of external entities (Moody's, S&P and Fitch), using the rules set out in the following paragraph.

If the ratings differ between external entities, the Group uses the following criteria:

- ▲ When there are three different ratings, the best of the two worst ratings is used;
- ▲ When there are two different ratings, the worst of the two ratings is used; and
- ▲ When there is only one rating, this rating is used.

When such ratings are not available, the Bank conducts an internal analysis of the issuer and assigns a rating on a scale of 1-10, which is then mapped to the ratings of those external entities.

On 31 December 2024 and 2023 the Group's debt exposure by rating is as follows:

EXPOSURE 31-12-2024								
	Rating AAA - AA	Rating A - BBB	Rating BB - B	Rating CCC	Unrated*	GROSS EXPOSURE**	ECL	NET EXPOSURE
Loans represented by securities								
Hold to Collect								
Stage 1	376,903,932	542,324,506	40,195,218	-	3,800,856	963,224,512	1,058,841	962,165,671
Hold to Collect and Sell								
Stage 1	451,475,473	628,038,345	43,511,976	19,046,714	76,506,441	1,218,578,949	2,377,754	1,216,201,195
	828,379,405	1,170,362,851	83,707,194	19,046,714	80,307,297	2,181,803,461	3,436,595	2,178,366,866

* Instruments without external credit ratings for which the Bank assigns internal ratings

** The gross exposure corresponds to the amortized cost with accrued interest

EXPOSURE 31-12-2023								
	Rating AAA - AA	Rating A - BBB	Rating BB - B	Rating CCC	Unrated*	GROSS EXPOSURE**	ECL	NET EXPOSURE
Loans represented by securities								
Hold to Collect								
Stage 1	352,808,977	533,305,598	40,060,548	-	-	926,175,123	1,155,869	925,019,254
Hold to Collect and Sell								
Stage 1	256,616,687	862,423,180	59,554,556	17,189,674	88,712,449	1,284,496,546	2,212,984	1,282,283,562
Stage 2	-	-	-	-	156,277	156,277	28,771	127,506
	609,425,664	1,395,728,778	99,615,104	17,189,674	88,868,726	2,210,827,946	3,397,624	2,207,430,322

* Instruments without external credit ratings for which the Bank assigns internal ratings

** The gross exposure corresponds to the amortized cost with accrued interest

On 31 December of 2024 and 2023, the Group's exposure to balances and amounts receivable by rating is as follows:

EXPOSURE 31-12-2024								
	Rating AAA - AA	Rating A - BBB	Rating BB - B	Rating CCC	Unrated	GROSS EXPOSURE	ECL	NET EXPOSURE
Deposits and margins								
Stage 1	31,719,311	280,286,150	5	38,353,505	13,489,775	363,848,746	-	363,848,746
	31,719,311	280,286,150	5	38,353,505	13,489,775	363,848,746	-	363,848,746

EXPOSURE 31-12-2023								
	Rating AAA - AA	Rating A - BBB	Rating BB - B	Rating CCC	Unrated	GROSS EXPOSURE	ECL	NET EXPOSURE
Deposits and margins								
Stage 1	68,847,429	399,381,820	212	34,752,956	11,395,539	514,377,956	-	514,377,956
	68,847,429	399,381,820	212	34,752,956	11,395,539	514,377,956	-	514,377,956

Notes:

- For the construction of this table, the rating assigned by Moody's was considered, or if not available, the rating assigned by Fitch.

- For the balances with the Central Banks of Portugal and Spain, the rating of the Portuguese and Spanish Republics was assigned, respectively.

Exposure by type and staging

Considering the portfolios indicated in line A. above, the retail credit exposures were grouped as follows:

- ▲ Loans at sight;
- ▲ Mortgages;
- ▲ Other (car loans, credit for employees to buy BiG's shares and other credits, which include overdrafts and personal loans)

On 31 December 2024 and 2023 the Group's exposure by type and staging is as follows:

A.1) Gross exposure and impairment by type of secured and unsecured debt

	Gross exposure 31-12-2024			
	Stage 1	Stage 2	Stage 3	TOTAL
Loans not represented by securities				
Current Account Credit	14,022,346	841,662	-	14,864,008
Mortgages	4,734,587	-	-	4,734,587
Other	530,811	5,176	18,386	554,373
Loans represented by securities				
Hold to Collect*	963,224,512	-	-	963,224,512
Hold to Collect and Sell*	1,218,578,949	-	-	1,218,578,949
Guarantees and sureties provided	126,250	-	-	126,250
TOTAL	2,201,217,455	846,838	18,386	2,202,082,679

* The gross exposure corresponds to the amortized cost with accrued interest

	Impairment 31-12-2024			
	Stage 1	Stage 2	Stage 3	TOTAL
Loans not represented by securities				
Current Account Credit	-	-	-	-
Mortgages	1,008	-	-	1,008
Other	6,568	256	18,386	25,210
Loans represented by securities				
Hold to Collect	1,058,841	-	-	1,058,841
Hold to Collect and Sell	2,377,754	-	-	2,377,754
Guarantees and sureties provided	-	-	-	-
TOTAL	3,444,171	256	18,386	3,462,813

	Net exposure 31-12-2024			
	Stage 1	Stage 2	Stage 3	TOTAL
Loans not represented by securities				
Current Account Credit	14,022,346	841,662	-	14,864,008
Mortgages	4,733,579	-	-	4,733,579
Other	524,243	4,920	-	529,163
Loans represented by securities				
Hold to Collect*	962,165,671	-	-	962,165,671
Hold to Collect and Sell*	1,216,201,195	-	-	1,216,201,195
Guarantees and sureties provided	126,250	-	-	126,250
TOTAL	2,197,773,284	846,582	-	2,198,619,866

	Gross exposure 31-12-2023			
	Stage 1	Stage 2	Stage 3	TOTAL
Loans not represented by securities				
Current Account Credit	15,460,696	42,427	66	15,503,189
Mortgages	3,845,824	179,560	-	4,025,384
Other	425,678	661	21,384	447,723
Loans represented by securities				
Hold to Collect*	926,175,123	-	-	926,175,123
Hold to Collect and Sell*	1,284,496,546	156,277	-	1,284,652,823
Guarantees and sureties provided	141,450	-	-	141,450
TOTAL	2,230,545,317	378,925	21,450	2,230,945,692

* The gross exposure corresponds to the amortized cost with accrued interest

	Impairment 31-12-2023			
	Stage 1	Stage 2	Stage 3	TOTAL
Loans not represented by securities				
Current Account Credit	-	-	66	66
Mortgages	234	154	-	388
Other	1,521	9	21,384	22,914
Loans represented by securities				
Hold to Collect*	1,155,869	-	-	1,155,869
Hold to Collect and Sell*	2,212,984	28,771	-	2,241,755
Guarantees and sureties provided	-	-	-	-
TOTAL	3,370,608	28,934	21,450	3,420,992

	Net exposure 31-12-2023			
	Stage 1	Stage 2	Stage 3	TOTAL
Loans not represented by securities				
Current Account Credit	15,460,696	42,427	-	15,503,123
Mortgages	3,845,590	179,406	-	4,024,996
Other	424,157	652	-	424,809
Loans represented by securities				
Hold to Collect*	925,019,254	-	-	925,019,254
Hold to Collect and Sell*	1,282,283,562	127,506	-	1,282,411,068
Guarantees and sureties provided	141,450	-	-	141,450
TOTAL	2,227,174,709	349,991	-	2,227,524,700

A.2) Gross exposure and impairment by type of secured and unsecured credit considering staging and days past due

GROSS EXPOSURE 31-12-2024	Stage 1	Stage 2			Total	Stage 3			TOTAL
		Without delays	Delays <= 30 days	Delays > 30 days		Delays <= 90 days	Delays > 90 days	Total	
Loans not represented by securities									
Current Account Credit	14,022,346	841,662	-	-	841,662	-	-	-	14,864,008
Mortgages	4,734,587	-	-	-	-	-	-	-	4,734,587
Other	530,811	-	-	5,176	5,176	-	18,386	18,386	554,373
Loans represented by securities									
Hold to Collect*	963,224,512	-	-	-	-	-	-	-	963,224,512
Hold to Collect and Sell*	1,218,578,949	-	-	-	-	-	-	-	1,218,578,949
Guarantees and sureties provided	126,250	-	-	-	-	-	-	-	126,250
	2,201,217,455	841,662	-	5,176	846,838	-	18,386	18,386	2,202,082,679

* The gross exposure corresponds to the amortized cost with accrued interest

IMPAIRMENT 31-12-2024	Stage 1	Stage 2			Total	Stage 3			TOTAL
		Without delays	Delays <= 30 days	Delays > 30 days		Delays <= 90 days	Delays > 90 days	Total	
Loans not represented by securities									
Current Account Credit	-	-	-	-	-	-	-	-	-
Mortgages	1,008	-	-	-	-	-	-	-	1,008
Other	6,568	-	-	256	256	-	18,386	18,386	25,210
Loans represented by securities									
Hold to Collect	1,058,841	-	-	-	-	-	-	-	1,058,841
Hold to Collect and Sell	2,377,754	-	-	-	-	-	-	-	2,377,754
Guarantees and sureties provided	-	-	-	-	-	-	-	-	-
	3,444,171	-	-	256	256	-	18,386	18,386	3,462,813

NET EXPOSURE 31-12-2024		Stage 2				Stage 3			TOTAL
Segment	Stage 1	Without delays	Delays <= 30 days	Delays > 30 days	Total	Delays <= 90 days	Delays > 90 days	Total	
Loans not represented by securities									
Current Account Credit	14,022,346	841,662	-	-	841,662	-	-	-	14,864,008
Mortgages	4,733,579	-	-	-	-	-	-	-	4,733,579
Other	524,243	-	-	4,920	4,920	-	-	-	529,163
Loans represented by securities									
Hold to Collect	962,165,671	-	-	-	-	-	-	-	962,165,671
Hold to Collect and Sell	1,216,201,195	-	-	-	-	-	-	-	1,216,201,195
Guarantees and sureties provided	126,250	-	-	-	-	-	-	-	126,250
	2,197,773,284	841,662	-	4,920	846,582	-	-	-	2,198,619,866

GROSS EXPOSURE 31-12-2023		Stage 2				Stage 3			TOTAL
Segment	Stage 1	Without delays	Delays <= 30 days	Delays > 30 days	Total	Delays <= 90 days	Delays > 90 days	Total	
Loans not represented by securities									
Current Account Credit	15,460,696	42,427	-	-	42,427	-	66	66	15,503,189
Mortgages	3,845,824	179,560	-	-	179,560	-	-	-	4,025,384
Other	425,678	-	-	661	661	-	21,384	21,384	447,723
Loans represented by securities									
Hold to Collect*	926,175,123	-	-	-	-	-	-	-	926,175,123
Hold to Collect and Sell*	1,284,496,546	156,277	-	-	156,277	-	-	-	1,284,652,823
Guarantees and sureties provided	141,450	-	-	-	-	-	-	-	141,450
	2,230,545,317	378,264	-	661	378,925	-	21,450	21,450	2,230,945,692

* The gross exposure corresponds to the amortized cost with accrued interest

IMPAIRMENT 31-12-2023		Stage 2				Stage 3			TOTAL
Segment	Stage 1	Without delays	Delays <= 30 days	Delays > 30 days	Total	Delays <= 90 days	Delays > 90 days	Total	
Loans not represented by securities									
Current Account Credit	-	-	-	-	-	-	66	66	66
Mortgages	234	154	-	-	154	-	-	-	388
Other	1,521	-	-	9	9	-	21,384	21,384	22,914
Loans represented by securities									
Hold to Collect	1,155,869	-	-	-	-	-	-	-	1,155,869
Hold to Collect and Sell	2,212,984	28,771	-	-	28,771	-	-	-	2,241,755
Guarantees and sureties provided	-	-	-	-	-	-	-	-	-
	3,370,608	28,925	-	9	28,934	-	21,450	21,450	3,420,992

NET EXPOSURE 31-12-2023		Stage 2				Stage 3			TOTAL
Segment	Stage 1	Without delays	Delays <= 30 days	Delays > 30 days	Total	Delays <= 90 days	Delays > 90 days	Total	
Loans not represented by securities									
Current Account Credit	15,460,696	42,427	-	-	42,427	-	-	-	15,503,123
Mortgages	3,845,590	179,406	-	-	179,406	-	-	-	4,024,996
Other	424,157	-	-	652	652	-	-	-	424,809
Loans represented by securities									
Hold to Collect	925,019,254	-	-	-	-	-	-	-	925,019,254
Hold to Collect and Sell	1,282,283,562	127,506	-	-	127,506	-	-	-	1,282,411,068
Guarantees and sureties provided	141,450	-	-	-	-	-	-	-	141,450
	2,227,174,709	349,339	-	652	349,991	-	-	-	2,227,524,700

Reconciliation of exposures

On 31 December 2024 and 2023 the movements in the Group's exposures subject to calculation of expected impairment losses are presented as follows:

	Stage 1	Stage 2	Stage 3	Total
Exposure Loans not represented by securities and Guarantees and sureties provided				
Opening balance on 01-01-2024	19,873,648	222,648	21,450	20,117,746
Increases due to origination or acquisition	4,850,896	630,722	1,708	5,483,326
Reductions due to derecognition	(3,400,656)	(661)	(6,229)	(3,407,546)
Net variations due to alterations in the credit risk	(24,298)	(25,000)	702	(48,596)
Net variations due to modifications without derecognition	(1,885,596)	19,129	755	(1,865,712)
Closing balance on 31-12-2024	19,413,994	846,838	18,386	20,279,218
Exposure Loans represented by securities				
Opening balance on 01-01-2024	1,957,001,381	185,048	-	1,957,186,429
Increases due to origination or acquisition	459,812,982	-	-	459,812,982
Reductions due to derecognition	(306,767,638)	(185,048)	-	(306,952,686)
Net variations due to modifications without derecognition	71,756,736	-	-	71,756,736
Closing balance on 31-12-2024	2,181,803,461	-	-	2,181,803,461
Total Exposure on 31-12-2024	2,201,217,455	846,838	18,386	2,202,082,679

	Stage 1	Stage 2	Stage 3	Total
Exposure Loans not represented by securities and Guarantees and sureties provided				
Opening balance on 01-01-2023	32,137,462	2,884,530	99,353	35,121,345
Increases due to origination or acquisition	3,290,485	66	3,536	3,294,087
Reductions due to derecognition	(17,099,816)	(237,747)	(80,148)	(17,417,711)
Net variations due to alterations in the credit risk	3,105,796	(2,412,852)	(1,509)	691,435
Net variations due to modifications without derecognition	(1,560,279)	(11,349)	218	(1,571,410)
Closing balance on 31-12-2023	19,873,648	222,648	21,450	20,117,746
Exposure Loans represented by securities				
Opening balance on 01-01-2023	1,863,550,107	206,975	-	1,863,757,082
Increases due to origination or acquisition	975,880,268	-	-	975,880,268
Reductions due to derecognition	(441,922,645)	-	-	(441,922,645)
Alterations due to updates to methodologies used	(440,506,349)	(21,927)	-	(440,528,276)
Closing balance on 31-12-2023	1,957,001,381	185,048	-	1,957,186,429
Total Exposure on 31-12-2023	1,976,875,029	407,696	21,450	1,977,304,175

Reconciliation of expected impairment losses

On 31 December 2024 and 2023 the movements in the Group's expected impairment losses are presented as follows:

	Stage 1	Stage 2	Stage 3	Total
ECL Loans not represented by securities and Guarantees and sureties provided				
Opening balance on 01-01-2024	1,755	163	21,450	23,368
Increases due to origination or acquisition	5,350	117	1,621	7,088
Reductions due to derecognition	(778)	(9)	(6,229)	(7,016)
Net variations due to alterations in the credit risk	9	(15)	789	783
Net variations due to modifications without derecognition	1,240	-	755	1,995
Closing balance on 31-12-2024	7,576	256	18,386	26,218
ECL Loans represented by securities				
Opening balance on 01-01-2024	3,368,853	28,771	-	3,397,624
Increases due to origination or acquisition	569,911	-	-	569,911
Reductions due to derecognition	(345,428)	(28,771)	-	(374,199)
Net variations due to modifications without derecognition	(156,741)	-	-	(156,741)
Closing balance on 31-12-2024	3,436,595	-	-	3,436,595
Total ECL on 31-12-2024	3,444,171	256	18,386	3,462,813

	Stage 1	Stage 2	Stage 3	Total
ECL Loans not represented by securities and Guarantees and sureties provided				
Opening balance on 01-01-2023	931	370	98,789	100,090
Increases due to origination or acquisition	1,006	1	3,536	4,543
Reductions due to derecognition	(134)	(150)	(80,251)	(80,535)
Net variations due to alterations in the credit risk	83	(16)	(842)	(775)
Net variations due to modifications without derecognition	(131)	(42)	218	45
Closing balance on 31-12-2023	1,755	163	21,450	23,368
ECL Loans represented by securities				
Opening balance on 01-01-2023	4,693,415	50,698	-	4,744,113
Increases due to origination or acquisition	448,780	-	-	448,780
Reductions due to derecognition	(545,299)	-	-	(545,299)
Net variations due to modifications without derecognition	(1,228,043)	(21,927)	-	(1,249,970)
Closing balance on 31-12-2023	3,368,853	28,771	-	3,397,624
Total ECL on 31-12-2023	3,370,608	28,934	21,450	3,420,992

Details on collateral

For the purpose of quantitative analysis, the following valuation criteria are used:

- i) Financial: performed automatically by the systems depending on the market prices and weightings that are periodically revised by the Board of Directors:
 - ▲ Every month the financial assets used as collateral are analysed with regard to their Liquidity, Volatility and stock market capitalisation (if applicable);
 - ▲ Every week automatically, taking the 30-day volatility of securities traded on regulated markets into account, for all the financial assets which were previously approved as acceptable to be held as collateral, it is calculated the respective weighting (calculated by the system) over which the client can leverage the credit (80%, 70%, 60% and 50%).
- ii) Buildings: the value of the last formal valuation of the building, performed by an independent entity, is used. Furthermore, a correction factor is applied to this value, according to the scale below:
 - ▲ Up to 12 months: 0%
 - ▲ From 12 to 24 months: 15%
 - ▲ From 24 to 36 months: 25%
 - ▲ More than 36 months: 50%

The determination of the recoverable amount is based on the evaluation (with or without the correction factor) plus a time discount factor.

When a credit operation collateralised by buildings shows sufficiently strong indications that so justify it, the collateral is reassessed by an external appraiser. This also occurs when the client become non-compliant.

iii) Other collateral: are analysed on a case by case basis.

Weightings and other corrective factors are periodically revised, at least once a year, taking history, economic prospects and the published indicators of the competitors into account, according to the type of product.

On 31 December 2024 and 2023 the collateral of the exposures of the portfolio of loans not represented by securities (retail and guarantees and sureties provided) is as follows:

Breakdown of the fair value of the collateral underlying the credit portfolio by segments:

31-12-2023	Current Account Credit		Mortgages		Other	
	Other Real Collateral*		Buildings		Other Real Collateral*	
	Number	Amount	Number	Amount	Number	Amount
Fair value						
< 0,5 M€	146	17,703,301	65	7,138,118	651	167,050
>= 0,5 M€ e < 1 M€	15	10,157,862	1	500,000	-	-
>= 1 M€ e < 5 M€	10	23,448,858	-	-	-	-
>= 5 M€	6	44,008,257	-	-	-	-
	177	95,318,278	66	7,638,118	651	167,050

* Examples: shares, bonds and deposits (at market price)

31-12-2023	Current Account Credit		Mortgages		Other	
	Other Real Collateral*		Buildings		Other Real Collateral*	
	Number	Amount	Number	Amount	Number	Amount
Fair value						
< 0,5 M€	160	17,043,223	57	6,288,617	604	308,500
>= 0,5 M€ e < 1 M€	10	6,263,959	1	500,000	-	-
>= 1 M€ e < 5 M€	9	25,437,474	-	-	-	-
>= 5 M€	4	32,883,430	-	-	-	-
	183	81,628,086	58	6,788,617	604	308,500

* Examples: shares, bonds and deposits (at market price)

a) LTV ratio of the Housing and Other segments

Segment / Ratio	31/12/2024						
	Number of buildings	Credit Stage 1	Credit Stage 2	Credit Stage 3	Total Credit (*)	Impairment	Net exposure
Mortgages							
< 60%	65	4,602,550	-	-	4,642,550	979	-
>= 60% e < 80%	1	132,037	-	-	132,037	29	-
	66	4,734,587	-	-	4,774,587	1,008	-

(*) Gross Exposure Value

Segment / Ratio	31/12/2023						
	Number of buildings	Credit Stage 1	Credit Stage 2	Credit Stage 3	Total Credit (*)	Impairment	Net exposure
Mortgages							
< 60%	54	3,669,213	179,560	-	3,848,773	378	3,848,395
>= 60% e < 80%	4	176,611	-	-	176,611	11	176,600
	58	3,845,824	179,560	-	4,025,384	389	4,024,995

(*) Gross Exposure Value

Details on restructured credit

When, due to the financial difficulties of a given client, the Group agrees to change the contract conditions of existing credit operations (namely, extension of the repayment period, introduction of grace periods, capitalization of interest, reduction in interest rates, forgiving the interest or capital) or contracts new credit facilities for the settlement (total or partial) of existing debt, these credit operations should be identified and marked as restructured credit due to financial difficulties of the client, and impairment is calculated accordingly on these loans. A client is in a situation of financial difficulty when s/he has not complied with some of their financial obligations with the Group or if it is foreseeable, in view of the information available, that this may occur, taking into consideration, among other things, the indications of impairment.

In 2024 and 2023, there were no new restructuring operations. In 2021, there were some credit restructuring operations, only related to additional relief measures applied in the COVID-19 post-moratorium period. After that date, there were no further restructurings in active operations.

The value of restructured exposures for the year ended on 31 December 2024 and 2023 is as follows:

2024								
Segment	Exposure				Impairment			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Private individuals	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-

2023								
Segment	Exposure				Impairment			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Private individuals	-	47,791	-	47,791	-	40	-	40
TOTAL	-	47,791	-	47,791	-	40	-	40

The annual variation in restructured exposures for the years ended on 31 December 2024 and 2023 is the following:

	2024	2023
Opening balance of the restructured credit portfolio (gross of impairment)	47,791	52,537
Settlement of restructured loans (partial or total)	-	4,746
Reclassifications to performing non-restructured loans	47,791	-
Closing balance of the restructured credit portfolio (gross of impairment)	-	47,791

The restructuring measures applied for the year ended on 31 December, 2023 are indicated below. There were no restructured operations in 2024:

2023			
Restructuring measures implemented	Performing loans		
	No. of operations	Exposure	Impairment
Time extension and reduction of spread	1	47,791	40
TOTAL	1	47,791	40

Details on analysis of credit

For the purpose of the identification of individually significant exposures (which obligatorily will be analysed on an individual basis), the Group sets other thresholds that should be considered. These are, among other things, exposures collateralised by non-liquid assets which represent a relevant percentage of the retail credit portfolio or of the Group's own funds. Nevertheless, even if a given exposure does not come within these criteria and bearing in mind the Group's conservative position in relation to the credit risk, this may be subject to individual analysis for impairment.

On 31 December 2024 and 2023 the detail of the portfolio of loans not represented by securities (retail and guarantees and sureties provided) by individual and collective assessment model, is as follows:

2024	Current Account Credit		Mortgages		Other		Total	
	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment
Evaluation								
Individual	-	-	-	-	-	-	-	-
Collective	14,864,008	-	4,734,587	1,008	680,623	25,210	20,279,218	26,218
	14,864,008	-	4,734,587	1,008	680,623	25,210	20,279,218	26,218

2023	Current Account Credit		Mortgages		Other		Total	
	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment
Evaluation								
Individual	-	-	-	-	-	-	-	-
Collective	15,503,189	66	4,025,384	388	589,173	22,914	20,117,746	23,368
	15,503,189	66	4,025,384	388	589,173	22,914	20,117,746	23,368

Sensitivity analysis on expected credit loss

A sensitivity analysis exercise was carried out on the expected credit loss (ECL), on loans and advances to customers, based on amendments of the fundamental hypotheses applied individually to the calculation of the expected loss.

Presented below is the estimated sensitivity to changes in the projection of the annual variation of the rate of growth of unemployment for the twelve following months:

Annual variation in the unemployment rate	Variation of expected credit loss (ECL)
+1%	+ 238 euros
-1%	- 255 euros

Regarding the estimated sensitivity of the ECL for the bond portfolio, a study was conducted based on a general change in credit spreads for the next twelve months.

Annual variation of credit spreads	Variation of expected credit loss (ECL)
+0.25%	+ 5,151,230 euros
-0.25%	- 1,932,302 euros

Operational Risk

Operating risk is part of the Group's Day to day business and may arise as a result of inadequate procedures or systems, human risk or external events.

Given the nature of its business, the Group is exposed to potential losses related to operational risk as a result of human error, system breakdown, operation processing failures, unexpected interruptions in activity or stoppages or shortages in terms of third-party supplies or provision of services.

To monitor this type of risk and the effective fulfilment of the operating procedures throughout the Group, there is an internal control structure which supervises the appropriateness of the procedures, systems and human resources in order to ensure the normal development of the activity in any circumstances.

The objective of this structure is to ensure that the Group adheres to the established procedures and limits, so that the cost inherent to operational errors can be kept within controlled levels, vis-à-vis the Group's capital and its strategy. Alongside this structure, a culture of risk detection and mitigation is established in the Group, which encourages the proactive resolution of problems based on their early identification.

Capital and solvency ratio management

Equity funds for the years ended on 31 December 2024 and 2023 are presented as follows:

		2024	2023
A - Own Funds			
Ordinary paid-up capital, Share premium, Treasury shares and other		188,156,691	188,146,689
Results and reserves formed from retained earnings		192,984,689	179,078,862
Minority interest recognised in FPP1		5,747,492	5,189,564
Intangible assets		(10,673,948)	(11,456,620)
Adjustments due to prudential filters		(1,358,194)	(1,208,938)
Other deductions from equity		(5,240,917)	(2,446,780)
Common Equity Tier 1 Capital	(A1)	369,615,813	357,302,777
Tier 1 Capital	(A2)	369,615,813	357,302,777
Total Equity Funds	(A3)	369,615,813	357,302,777
B - Risk weighted assets	(B)	1,190,209,311	1,136,430,114
C - Capital Ratios			
Common Equity Tier 1 Capital	(A1 / B)	31.1%	31.4%
Tier 1 Capital	(A2 / B)	31.1%	31.4%
Total capital ratio	(A3 / B)	31.1%	31.4%

The movement in equity funds for the years ended on 31 December 2024 and 2023 is presented as follows:

	2024	2023
Opening Balance	357,302,777	316,065,294
Ordinary paid-up capital, Share premium, Treasury shares and other	10,002	183,446
Results and reserves formed from retained earnings	13,905,827	33,129,988
Minority interest recognised in FPP1	557,928	125,512
Intangible assets	782,672	(83,537)
Adjustments due to prudential filters	(149,256)	(54,133)
Other deductions from equity	(2,794,137)	7,936,207
Closing Balance	369,615,813	357,302,777

Other Risks and their measurement:

Reputational Risk

In terms of Reputation Risk, understood as the probability of the occurrence of a negative impact on results or on capital arising from a negative perception of the public image of the institution, founded or not, by the different stakeholders, the press or by public opinion in general, the Group conceived stress tests which allow for the existence of negative news relating to the Group, with consequences in terms of the withdrawal of deposits by clients.

Correlation Risk

The different types of risk, liquidity, reputation, credit, counterparty, market concentration, interest rate, market, etc., are correlated between each other. This correlation is evidently clearer in some pairs of risks while having no particular relevance in other risk pairs.

▲ Liquidity risk *versus* Reputation risk:

The decline in the reputation of a financial institution can lead to a lack of trust of clients and of investors in general. Such a situation can lead to the liquidity risk for the institution with regard to its immediate liabilities.

▲ Liquidity risk versus Reputation risk versus Market risk:

In the above case the reputation risk versus liquidity risk is analysed. We can nevertheless assume that there is an unusual variation in the different financial instruments in the market.

▲ Liquidity risk versus Reputation risk versus Credit risk:

In this case, as in the previous point, the Group allows for scenarios where there is Reputation risk and Liquidity risk. In addition, we can also consider a scenario of the probability of default of the assets, as well as the impact of downgrades in their rating.

Liquidity risk versus Reputation risk versus Market risk

(30% drop in the stock market, a 100 b.p. decline in the interest rate curve and a massive withdrawal of deposits as consequence of reputational risk).

The results of the scenarios below (scenarios 1, 2 and 3) relate to December 31, 2024, the impact of which is described below.

Scenario 1 – 33% of DO's are withdrawn by clients

Available liquidity: 278,464,530 Euros.

Liabilities: 223,804,945 Euros.

In this scenario, it would not be necessary to sell assets to meet liabilities. Based on the assumption of market conditions that are also simultaneously negative and based on the stress assumptions (30% stock market decline and a 100 b.p. shock to the interest rate curve), the Group's assets would experience a devaluation of 36,108,636 Euros.

Scenario 2 – 50% of DO's are withdrawn by clients

Available liquidity: 278,464,530 Euros.

Liabilities: 335,707,417 Euros.

In this scenario, it would be necessary to obtain additional funding, for a total amount of 57,242,888 Euros. Under the assumption of also simultaneously negative market conditions and based on the stress assumptions (30% stock market decline and a 100 b.p. shock to the interest rate curve), the Group's assets would experience a devaluation of 36,108,636 Euros.

Scenario 3 – 50% of DO's and PD's are withdrawn by clients

Available liquidity: 278,464,530 Euros.

Liabilities: 1,104,339,283 Euros.

In this scenario, it would be necessary to sell assets or obtain additional funding in a total amount of 825,874,754 Euros.

Based on the assumption of simultaneously adverse market conditions and stress assumptions (a 30% drop in the equity market and a 100 basis point shock in the interest rate curve), the Group's assets would experience a devaluation of 36,108,636 Euros.

Liquidity risk versus Reputation risk versus Credit risk:

(Scenario of downgrades of debt securities and massive withdrawal of deposits as a consequence of reputational risk)

▲ Aaa – Aa2: the rating is maintained

▲ Aa3 – A3: a drop of 2 notches in the rating

▲ Baa1 and lower ratings: a drop of 4 notches in the rating

The results of the scenarios below (scenarios 1, 2 and 3) relate to 31 December 2024, the impact of which is described below:

Scenario 1 – 33% of DO's are withdrawn by clients

Available liquidity: 278,464,530 Euros.

Liabilities: 223,804,945 Euros.

In this scenario, it would not be necessary to sell assets to meet liabilities. Based on the assumption of simultaneously negative market conditions (downgrade of debt securities), the Group's assets would experience a devaluation of 21,172,080 Euros.

Scenario 2 – 50% of DO's are withdrawn by clients

Available liquidity: 278,464,530 Euros.

Liabilities: 335,707,417 Euros.

In this scenario, it would be necessary to obtain funding in a total amount of 57,242,888 Euros through repos with a maturity of more than one month, for which the assets pledged as collateral would not be eligible for the liquidity ratio. Based on the assumption of simultaneously adverse market conditions (downgrade of debt securities), the Group's assets would experience a devaluation of 21,172,080 Euros.

Scenario 3 – 50% of DO's and PD's are withdrawn by clients

Available liquidity: 278,464,530 Euros.

Liabilities: 1,104,339,283 Euros.

In this scenario, it would be necessary to sell assets or request additional funding, for a total amount of 825,874,754 Euros. Based on the assumption of equally negative market conditions (downgrade of debt securities), the Group would have a maximum potential loss of 21,172,080 Euros.

NOTE 46 PLEDGING OF ASSETS

On 31 December 2024 and 2023 pledges on assets may be analysed as follows:

2024	Book value of pledged assets	Fair value of pledged assets	Book value of unencumbered assets	Fair value of unencumbered assets
Securities				
Bonds and other fixed return securities	47,653,834	47,653,834	2,221,366,491	2,205,047,097
Shares	-	-	7,472,927	7,472,926
Other securities	-	-	1,780,986	1,780,986
Other assets	8,200,000	-	517,327,760	-
	55,853,834		2,747,948,164	

2023	Book value of pledged assets	Fair value of pledged assets	Book value of unencumbered assets	Fair value of unencumbered assets
Securities				
Bonds and other fixed return securities	120,305,602	117,563,442	1,913,673,332	1,881,075,037
Shares	-	-	7,706,067	7,706,067
Other securities	-	-	1,747,338	1,747,338
Other assets	8,200,000	-	611,716,875	-
	128,505,602		2,534,843,612	

In 2024 and 2023, pledged securities are recorded in the portfolios of Financial Assets at fair value through other comprehensive income and in the portfolio of Financial Assets at amortised cost.

On 31 December 2024, the amount of liabilities associated to pledged assets was 32,674,257 Euros (31 December 2023: 90,760,122 Euros) and primarily relates to the balances relating to repurchase agreements (note 31).

NOTE 47 GROUP COMPANIES

The accounts of the Group companies as on 31 December of 2024 and 2023 are presented below:

	2024			2023		
	Total assets	Total Equity	Net Result of the year	Total assets	Total Equity	Net Result of the year
BiG Serviços Financeiros, S.A.	1,532,081	1,372,430	207,822	1,404,196	1,164,608	494,493
Banco BIG Moçambique, S.A.	74,156,631	36,142,911	4,086,218	68,370,576	32,414,684	3,963,901
Onetier Partners, SCR, S.A.	7,504,553	7,007,673	(611,293)	7,926,403	7,618,967	(1,095,052)
DIF Broker - Empresa de Investimento S.A.	21,285,479	4,841,616	137,896	31,736,836	4,851,491	150,405

Investments in subsidiaries, associates, and investment funds are made up as follows:

Activity	Consolidation method	2024		2023	
		% economic interest	% of voting rights	% economic interest	% of voting rights
Subsidiaries					
BiG Serviços Financeiros, S.A.	Financial assistant	Full	100.0%	100.0%	100.0%
Banco BIG Moçambique, S.A.	Bank	Full	82.6%	82.6%	82.6%
Onetier Partners, SCR, S.A.	Venture capital company	Full	100.0%	100.0%	100.0%
DIF Broker - Empresa de Investimento S.A.	Financial brokerage firm	Full	100.0%	100.0%	100.0%

Consolidation method	Head Office	Year of acquisition	Year of incorporation	2024		2023	
				% economic interest	% of voting rights	% economic interest	% of voting rights
Investment Funds							
BiG Diversified Macro Fund	Full	Ireland	2018	2018	50.8%	50.8%	59.3%
Onetier Fundo Capital de Risco	Full	Portugal	2021	2021	55.3%	55.3%	55.3%

BiG Serviços Financeiros, S.A., fully held by the Bank, was incorporated on 11 September 2008, with its registered office at Lisbon and its main objective is to provide financial advisory services, as well as holding or managing real estate.

BiG Moçambique was incorporated on 8 October 2014, with its registered office in Maputo, and its main objective is to carry out any operations and provide any services permitted for banks in Mozambique, with no legal restriction.

Onetier Partners, Sociedade de Capital de Risco, S.A. was incorporated on 20 April 2004 and its main objective is to make temporary investments in companies with high potential for growth and appreciation. Since 2016 the company's investment policy has favoured the acquisition of equity stakes in, or the granting of convertible debt to, early stage start-up companies that operate preferably in the Fintech, Insurtech and Cybersecurity segments.

On September 7, 2021, the Bank acquired 100% of the share capital of DIF Broker – Empresa de Investimento, S.A., an investment firm incorporated in 1999, whose corporate purpose is the provision of investment services and ancillary services for which it is authorized, in accordance with its bylaws.

The acquisition cost of the capital of DIF Broker consists of: (i) a fixed component, amounting to 10.9 million Euros and (ii) a variable component, dependent on the performance of the business acquired by BiG during 2021-2023 period, which amounted to 2.7 million Euros.

The BiG Diversified Macro Fund is an open-ended collective investment scheme incorporated on 25 April 2018, based in Dublin, Ireland, and regulated under the Alternative Investment Fund Managers Directive (AIFMD).

The entity Onetier – Fundo Capital de Risco is a venture capital fund managed by Onetier Partners, Sociedade de Capital de Risco, S.A. and was established in December 2021.

There are no significant restrictions on the control of subsidiaries, with the exception of those provided for in Article 101 of the General Regime of Credit Institutions and Financial Companies. On this date, none of the companies that composes the Group is in the situation contemplated in no. 1 of the said article.

▲ NOTE 48 RECENTLY ISSUED STANDARDS

The recently issued accounting standards and interpretations that came into effect and were applied by the Bank in the preparation of its financial statements are as follows:

Clarification of the requirements for classifying liabilities as current or non-current (amendment to IAS 1 – Presentation of Financial Statements)

On January 23, 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current.

The amendments clarify one of the criteria in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

The amendments aim to:

- a. specify that the entity's right to defer settlement must exist at the end of the reporting period and must be substantive;
- b. clarify that covenants the entity must comply with after the reporting date (i.e., future covenants) do not affect the classification of a liability at the reporting date. However, when non-current liabilities are subject to future covenants, entities are required to disclose information that enables users to understand the risk that such liabilities may become repayable within 12 months after the reporting date; and
- c. clarify the requirements for classifying liabilities that an entity will settle, or may settle, by issuing its own equity instruments (e.g., convertible debt).

This amendment is effective for periods beginning on or after January 1, 2024.

BiG did not record significant changes upon the adoption of this clarification.

Lease liability in a sale and leaseback transaction (amendment to IFRS 16 – Leases)

In September 2022, the IASB issued amendments to IFRS 16 – Leases, introducing a new accounting model for variable lease payments in a sale and leaseback transaction.

The amendment confirms that:

- ▲ At initial recognition, the seller-lessee includes variable lease payments when measuring a lease liability arising from a sale and leaseback transaction.
- ▲ After initial recognition, the seller-lessee applies the general requirements for the subsequent measurement of the lease liability so that no gain or loss is recognised related to the retained right-of-use asset.

A seller-lessee may adopt different approaches that comply with the new requirements for subsequent measurement.

In accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee must apply the amendments retrospectively to sale and leaseback transactions entered into on or after the initial application date of IFRS 16. This means it will need to identify and reassess sale and leaseback transactions entered into since the implementation of IFRS 16 in 2019 and potentially restate those that included variable lease payments.

BiG did not record significant changes upon the adoption of this clarification.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

On May 25, 2023, the International Accounting Standards Board (IASB) issued Supplier Finance Arrangements, introducing amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures.

The amendments relate to disclosure requirements for supplier finance arrangements – also known as supply chain financing, reverse factoring, or accounts payable financing arrangements.

The new requirements complement existing IFRS disclosure requirements and include disclosures on:

- ▲ The terms and conditions of supplier finance arrangements;
- ▲ The amounts of liabilities subject to such arrangements, indicating the portion for which suppliers have already received payment from the finance providers and the line items under which those liabilities are presented in the balance sheet;

- ▲ The range of payment due dates; and
- ▲ Information on liquidity risk.

BiG did not record significant changes upon the adoption of this clarification.

There are no standards and/or interpretations adopted by the European Union with a future effective date.

Standards, Amendments, and Interpretations Issued but Not Yet Effective for the Bank

Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

On August 15, 2023, the International Accounting Standards Board (IASB or the Board) issued Lack of Exchangeability (Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates).

The amendments clarify how an entity should assess whether a currency is exchangeable or not and how to determine a spot exchange rate in situations where exchangeability is lacking.

A currency is considered exchangeable for another currency when an entity is able to exchange that currency at the measurement date and for a particular purpose. When a currency is not exchangeable, the entity must estimate a spot exchange rate.

Under the amendments, entities will be required to provide new disclosures to help users assess the impact of using an estimated exchange rate in the financial statements. These disclosures may include:

- ▲ The nature and financial effects of the lack of exchangeability;
- ▲ The spot exchange rate used;
- ▲ The estimation process; and
- ▲ The risks to the entity arising from the lack of exchangeability.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Early application is permitted.

BiG is currently assessing the impact that this amendment will have on its financial statements.

Amendments to the Classification and Measurement of Financial Instruments

On May 30, 2024, the International Accounting Standards Board (IASB or the Board) issued amendments to the classification and measurement requirements under IFRS 9 – Financial Instruments. These amendments aim to address diversity in the application of the standard, making the requirements clearer and more consistent.

The objectives of the amendments are to:

- ▲ Clarify the classification of financial assets with environmental, social, and governance (ESG) and similar features, as these features in loans can affect whether the loans are measured at amortized cost or at fair value. To address potential diversity in practice, the amendments clarify how the contractual cash flows of such loans should be assessed.
- ▲ Clarify the date on which a financial asset or financial liability is derecognised when settlement occurs through electronic payment systems. An accounting policy choice is permitted that allows for the derecognition of a financial liability before the funds are delivered on the settlement date, provided certain criteria are met.
- ▲ Improve the description of the term “non-recourse”. According to the amendments, a financial asset is considered to have non-recourse features if the entity’s ultimate right to receive cash flows is contractually limited to cash flows generated by specific assets. The presence of non-recourse features does not necessarily prevent a financial asset from meeting the SPPI (solely payments of principal and interest) criterion, but such features must be carefully evaluated.

Additionally, the amendments clarify that a contractually linked instrument must have a waterfall payment structure that creates a concentration of credit risk by allocating losses disproportionately among different tranches. The underlying pool may include financial instruments outside the scope of IFRS 9’s classification and measurement requirement requirements (e.g., financial lease contracts), but must generate cash flows that meet the SPPI criterion.

The IASB also introduced additional disclosure requirements for equity investments designed at fair value through other comprehensive income and for financial instruments with contingent features, such as ESG-linked terms:

This amendment is effective for annual reporting periods beginning on or after January 1, 2026. Early application is permitted.

BiG is currently assessing the impact that this amendment will have on its financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

On April 9, 2024, the International Accounting Standards Board (IASB or the Board) issued the new standards, IFRS 18 Presentation and Disclosure in Financial Statements.

The main changes introduced by this standard are:

- ▲ Promotion of a more structured income statement. In particular, it introduces a new subtotal, “operating profit”, and requires that all income and expenses be classified into three distinct new categories based on a company’s main business activities: Operating, Investing, and Financing.
- ▲ Requirement for companies to analyze their operating expenses directly on the face of the income statement – whether by nature, by function, or a mixed approach.
- ▲ Requirement that certain “non-GAAP” measures used by the Bank be reported in the financial statements. The standard defines Non-GAAP Performance Measures (NPMs) as subtotals of income and expenses that:
 - ▲ are used in public communications outside the financial statements; and
 - ▲ convey management’s view of financial performance.

For each NPM presented, companies will need to explain in a single note within the financial statements the reason why the measure provides useful information, how it is calculated, and reconcile it to a value determined in accordance with IFRS.

The standard also introduces enhanced guidance on how companies group information within the financial statements. This include guidance on whether material information should be included in the primary financial statements or detailed further in the notes.

The standard applies to annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively. Early adoption is permitted.

This amendment does not apply to BiG.

IFRS 19 Presentation and Disclosure in Financial Statements

On May 9, 2024, the International Accounting Standards Board (IASB or the Board) issued the new standard, IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible subsidiaries to apply IFRS with reduced disclosures. The application of IFRS 19 will reduce the cost of preparing subsidiaries’ financial statements while maintaining the usefulness of the information for users of the financial statements.

A subsidiary may elect to apply the new standard in its consolidated, individual, or separate financial statements provided that, at the reporting date:

- ▲ it does not have public accountability;
- ▲ its parent company prepares consolidated financial statements in accordance with IFRS.

A subsidiary applying IFRS 19 is required to clearly state in its explicit and unconditional statement of compliance with IFRS that IFRS 19 has been adopted.

The standard applies to annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively. Early adoption is permitted.

This amendment is not applicable.

▲ NOTE 49 SUBSEQUENT EVENTS

Between 31 December 2024 and the date of approval of these financial statements by the Board of Directors, there have been no subsequent events requiring adjustments.

SUPERVISORY BOARDS

General Shareholders' Assembly

Paulo Câmara Pires dos Santos Martins

President

João Manuel de Jesus Rufino

Secretary

Board of Directors

Carlos Adolfo Coelho Figueiredo Rodrigues

Chairman

José Fernando Catarino Galamba de Oliveira

Member of the Board of Directors

Maria Teresa Corrêa de Barros Cardoso de Menezes

Member of the Board of Directors

Mário João Abreu Galhardo Bolota

**Chief Executive Officer (CEO)
and Member of the Board of Directors**

Vítor Manuel Carvalho Luís

**Member of the Board of Directors
and of the Executive Committee**

Ana Rita da Costa Gil Simões

**Member of the Board of Directors
and of the Executive Committee**

João Miguel Barrier Henrique

**Member of the Board of Directors
and of the Executive Committee**

Fiscal Board

Maria Aline Bastos Moreira Veloso de Almeida (President)

Pedro Rogério Barata do Ouro Lameira (Member)

Jorge Manuel Jacob Miguel Tainha (Member)

Effective Portuguese Statutory Auditor

PricewaterhouseCoopers & Associados

Sociedade de Revisores Oficiais de Contas, S.A.

represented by

João Ricardo Amorim Gravito

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Asset Management

Corporate Finance

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IT Project Management

IT Delivery & Support

IT Security & Networks

Operations

Accounting

Reporting

Compliance

Internal Audit

Human Resources

Marketing

Legal

Risk

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Ana Tomás

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