1. Introduction

The incorporation, in 1991, of the Sistema Integrado do Crédito Agrícola Mútuo (SICAM or Integrated System of Crédito Agrícola Mútuo), composed of Caixa Central – Caixa Central de Crédito Agrícola Mútuo, CRL (Caixa Central) and its Associated Caixas, established an arrangement of co-responsibility between them. The Caixas have freedom of association to Caixa Central and may pursue their business outside SICAM, although under stricter rules, similar to those applied for all other credit institutions.

On 1 January 2020, Decree-Law 106/2019 of 12 August, which determined the transfer of the deposit guarantee arm of FGCAM to the Deposit Guarantee Fund (FGD), came into force. However, the assistance component remained in FGCAM, which was transformed into a private law association called Associação – Fundo de Assistência do Crédito Agrícola Mútuo (FACAM or Crédito Agrícola Mútuo Assistance Fund) to which the autonomous assets resulting from the transformation were allocated and which pursues the financial assistance activity of SICAM (see Note 4).

The consolidated accounts presented reflect the financial situation of the Integrated System of Crédito Agrícola Mútuo (SICAM), comprising the Caixa Central, the associated Caixas de Crédito Agrícola and the FACAM, with their respective subsidiary and associated companies, which together form the Financial Group of Crédito Agrícola Mútuo ("Crédito Agrícola Group", "CA Group" or “CA Group"), and are prepared in accordance with the legal and regulatory provisions in force, as laid down in Article 74 of the Legal Framework of Crédito Agrícola Mútuo, Decree-Law 36/92, and the instructions laid down in Article 7 of this law.

The Crédito Agrícola Group is a nationwide financial group, comprising 67 local banks (Caixas Agrícolas), Caixa Central de Crédito Agrícola Mútuo, and specialised companies, with the central structure being Caixa Central, which is a credit institution that also has powers to supervise, guide and monitor the activities of the Associated Caixas and FENACAM - Federação Nacional das Caixas de Crédito Agrícola Mútuo, a cooperative representative institution that provides specialised services to the CA Group.

The interim condensed consolidated financial statements attached herewith refer to the consolidated activity of the Crédito Agrícola Group.

On 5 December 2024, the Executive Board of Directors of Caixa Central approved the interim condensed consolidated financial statements with reference to 30 September 2024.

Until September 2024, the activities were maintained in relation to the reporting of accounting and prudential aspects underpinned by harmonised information models in the European context (FINREP / COREP), as well as the periodic conduct of various exercises that, in addition to the CA Group's internal management items, represent prudential supervisory instruments used by the regulator. In this regard, of particular importance is (i) the Funding and Capital Plan, which presents projections of the main financial and prudential aggregates aimed at highlighting potential capital and liquidity needs in a markedly prospective manner; (ii) the Internal Capital Adequacy Assessment Process (ICAAP), which seeks to assess and quantify the main risks to which the institution is exposed, the Internal Liquidity Adequacy Assessment Process (ILAAP), the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) Funding Plan and the Recovery Plan whose objective is the prior planning of measures that may be adopted so as to avoid or correct, in a timely form, any possible situation of financial imbalance, of capital or liquidity shortage.

By September 2024 there had been a change in scope of SICAM arising from the merger by incorporation of CCAM de Alcácer do Sal e Montemor-o-Novo, CRL into CCAM da Costa Azul, C.R.L., in July, with the corporate name of the acquiring CCAM being maintained.

In the company sphere, CA Capital – Sociedade de Capital de Risco S.A. was incorporated by merger into CCAM Gestão de Investimentos e Consultoria, Unipessoal, Lda.

Therefore, on 30 September 2024, the consolidated accounts include the accounts of the 67 associated Caixas de Crédito Agrícola Mútuo, which, together with Caixa Central and Associação – Fundo de Assistência do Crédito Agrícola Mútuo (FACAM), form SICAM, whose main objective is the granting of loans and the performance of other acts inherent to banking activities, as well as the following entities that form part of the Crédito Agrícola Group ("GCA" or “CA Group"):

- FENACAM - Federação Nacional das Caixas de Crédito Agrícola Mútuo, FCRL, whose corporate object consists of the representation and development of Crédito Agrícola Mútuo, strengthening the spirit of solidarity and cooperation between the associates, as well as the promotion, coordination and conduct of activities of common interest to them, and especially: i) representation of the Caixas Agrícolas and regional unions of their associates before any national, foreign or international institutions in the realisation and defence of the rights and interests of the associates; and ii) promotion of cooperativism within the Group;

- Crédito Agrícola SGPS, S.A. and Crédito Agrícola Seguros e Pensões SGPS, whose purpose is the management of equity holdings in other CA Group companies;

- The insurers Crédito Agrícola Seguros, S.A. and Crédito Agrícola Vida, S.A., dedicated to insurance activity in all non-life technical segments (except for the air, credit, and surety business lines) and in the life business, respectively;

- Crédito Agrícola Serviços – Centro de Serviços Partilhados – ACE, whose purpose is the provision of information technology, operational, technical and management services in a manner complementing the individual and group activities of its Group members;

- Crédito Agrícola Informática – Serviços de Informática, S.A., essentially dedicated to the provision of information technology services, including consulting on matters of selection of software and hardware, the development and support to the development of applications, data processing, staff training and provision of consulting services in organisation and management, as well as the marketing and management of information technology equipment and products;

- Crédito Agrícola GEST - SGOIC, S.A., whose main activity is the management of collective investment undertakings. It also carries out the activity of discretionary and individualised management of portfolios on behalf of others and consultancy for investments in securities. In 2019, it took up the management of Real Estate Collective Investment Undertaking;

- Crédito Agrícola Imóveis Unipessoal, Lda whose purpose is the holding, management and administration of real estate properties and the purchase of real estate properties for resale;

- CCAM Gestão de Investimentos e Consultoria, Unipessoal, Lda. which, in general, provides economic and financial or specialised strategic advisory services, as well as accounting or consulting services for corporate direction or management and the preparation of economic and financial studies;

The CA Group also includes the FEIIA CA Imobiliário and FEIIF Imovalor CA funds, both real estate investment funds, and FIMF CA Institucionais, a securities investment fund, managed by Crédito Agrícola GEST and, finally, the Associação - Fundo de Assistência do Crédito Agrícola Mútuo (FACAM).

2. Basis of presentation, comparability of the information and main accounting policies

2.1. Basis of presentation of the accounts

The consolidated financial statements of CA Group were prepared pursuant to the going-concern principle, based on the books and accounting ledgers kept in accordance with the principles established in the International Financial Reporting Standards (IAS/IFRS), as endorsed by the European Union, pursuant to Regulation (EC) 1606/2002 of the European Parliament and the Council of 19 July, transposed into Portuguese law by Decree Law 35/2005 of 17 February and by Banco de Portugal Notice 1/2005 of 21 February, and in accordance with the specific rules on consolidation of accounts established in article 74 of the Legal System for Mutual Agricultural Credit, Decree-Law 36/92 of 28 March, and Banco de Portugal Notice 5/2015. When CA Group companies use different accounting standards, IAS/IFRS conversion adjustments are prepared.

International standards comprise accounting standards issued by the International Accounting Standards Board ('IASB') as well as interpretations issued by the International Financial Reporting Interpretation Committee ('IFRIC') and their predecessor bodies, in force on 1 January 2024.

With the publication of Notice 1/2019 of 22 January 2019, Banco de Portugal defined that institutions shall refer to the model financial statements and their main applicable items set out in the Commission Implementing Regulation (EU) 2021/451 of 17 December 2020, which sets out technical implementing rules as far as concerns reporting for the purpose of supervision of the institutions, in accordance with the FINREP mapping.

Except with respect to matters regulated by Banco de Portugal, as mentioned above, the institutions of the Crédito Agrícola Group use the Standards and Interpretations issued by the International Accounting Standards Board (IASB) and by the International Financial Reporting Interpretations Committee (IFRIC) which are relevant for their operations and have been approved by the European Union, effective for periods beginning on 1 January 2024.

The interim condensed consolidated financial statements for the period of nine months ended on 30 September 2024 have been prepared in accordance with IAS 34 – Interim Financial Reporting, as endorsed by the European Union. These financial statements do not include all the information required to prepare consolidated financial statements in accordance with the IFRS and therefore should be read in conjunction with the Annual Report and Accounts as at 31 December 2023 (annual), published on the Crédito Agrícola website.

In the preparation of the interim condensed consolidated financial statements, the CA Group followed the historical cost convention, modified, when applicable, by measurement of financial assets and liabilities at fair value through profit or loss, derivative financial instruments, investment properties and financial assets at fair value through other comprehensive income.

The preparation of interim condensed consolidated financial statements in conformity with the IAS / IFRS requires the use of estimates, assumptions, and critical judgements in the process of determining the accounting policies to be adopted by the CA Group, which could have a significant impact on the book value of the assets and liabilities, as well as the income and costs of the reporting period. Although these estimates are based on the best experience of the Executive Board of Directors and its expectations in relation to current and future events and actions, the real current and future results could differ from these estimates. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant for the financial statements, are set forth in Note 3.

The interim condensed consolidated financial statements and accompanying notes are expressed in thousand of euros, rounded to the nearest thousand.

2.2. Alterations to the accounting policies and comparative information

The interim condensed consolidated financial statements with reference to 30 September 2024 are, in all materially relevant aspects, comparable to the financial statements presented in this document relative to the previous year.

Additionally, a series of amendments were made to the IAS/IFRS during 2024, shown below, which did not have any impact on the accounting policies or interim condensed consolidated financial statements presented as at 30 September 2024.

Impact of the adoption of new standards, amendments to standards which became effective for annual periods starting on 1 January 2024:

a) **IAS 1** (amendment), 'Classification of liabilities as non-current and current' and 'Non-current liabilities with covenants'. These amendments clarify that liabilities are classified as current or non-current balances depending on the right that an institution has to defer their payment beyond 12 months after the reporting date. They also clarify that covenants, which an institution is required to comply with on or before the reporting date, affect the classification of a liability as current or non-current even if their verification only occurs after the reporting date. When an entity classifies liabilities arising from financing contracts as non-current and those liabilities are subject to covenants, it is required to disclose information that allows investors to assess the risk that these liabilities will become repayable within 12 months, such as: a) the carrying amount of the liabilities; b) the nature of the "covenants" and the dates of compliance; and c) the facts and circumstances indicating that the institution may have difficulties in complying with the covenants on the due dates. These changes are retrospective. No relevant impact on the CA Group's financial statements.

b) **IAS 7** (amendment) and **IFRS 7** (amendment), 'Supplier finance arrangements' These amendments require an entity to make additional disclosures about negotiated supplier finance arrangements to enable: i) an assessment of how supplier finance arrangements affect the institution's liabilities and cash flows; and ii) an understanding of the impact of supplier finance arrangements on an entity's exposure to liquidity risk, and how the entity would be affected if the arrangements were no longer available. The additional requirements complement the presentation and disclosure requirements that already exist in the IFRS, as established by the IFRS IC in the Agenda Decision of December 2020. No relevant impact on the CA Group's financial statements.

c) **IFRS 16 (amendment) '**Lease liabilities in sale and leaseback' This amendment introduces guidance regarding the subsequent measurement of lease liabilities in the context of sale and leaseback transactions that qualify as "sales" in the light of the principles of IFRS 15, with greater impact when some or all of the lease payments are variable lease payments that do not depend on an index or rate. In subsequently measuring lease liabilities, seller-lessees shall determine "lease payments" and "revised lease payments" so that they do not recognise gains/(losses) in relation to the right-of-use Asset retained. This amendment is applied retrospectively. No impact on the CA Group's financial statements.

Published standards (new and amendments), whose application is mandatory for annual periods that begin on or after 1 January 2024, and which the European Union has not yet endorsed:

a) **IAS 21** (amendment) 'Effects of changes in foreign exchange rates: Lack of exchangeability' (to be applied to financial years beginning on or after 1 January 2025). This change is still subject to approval by the European Union. This amendment adds the requirements to determine whether a currency can be exchanged for another currency (exchangeability) and to define how to determine the spot exchange rate to be used when it is not possible to exchange a currency over a long period. This amendment also requires the disclosure of information that makes it possible to understand how the currency that cannot be exchanged for another currency affects, or is expected to affect, the institution's financial performance, financial position and cash flows, in addition to the spot exchange rate used on the reporting date and how it was determined. No relevant impacts are expected on the CA Group's financial statements arising from its future adoption.

b) **IFRS 7 and IFRS 9** (amendment), 'Classification and measurement of financial instruments' (effective for annual periods beginning on or after 1 January 2026). This change is still subject to approval by the European Union. The changes that have been made refer to: i) clarification of the concept of date of recognition and derecognition of some financial assets and liabilities, introducing a new exception for settled financial liabilities through an electronic payment system; ii) clarification and exemplification as to when a financial asset complies with the criterion of the contractual cash flows corresponding to "Solely Payments of Principal and Interest" (SPPI), such as: 1) assets without right of recourse; 2) contractually associated instruments; and 3) instruments with features linked to compliance with environmental, social and governance (ESG) targets; iii) new disclosure requirements for instruments with contractual terms that could change the cash flows in terms of period and value; and iv) new disclosures required for equity instruments stated at fair value through other comprehensive income. These changes are applicable on the date when they become effective with no comparative restatement. No relevant impacts are expected on the CA Group's financial statements arising from its future adoption.

c) **IFRS 18** (new standard), 'Presentation and disclosure in financial instruments' (effective for annual periods beginning on or after 1 January 2027). This new standard is still subject to approval by the European Union. IFRS 18 shall replace the current IAS 1. Keeping many of the existing principles in IAS 1, IFRS 18 is more focused on the specification of a structure for the income statement, composed of mandatory sub-total categories. The items of the income statement shall be classified into one of three categories: operating, investing and financing. Specified subtotals and totals shall be required, with the main change being the mandatory inclusion of the subtotal "Operating profit". This standard also includes improvements in the disclosure of management performance measurements, including reconciliation with the closest subtotal required by the IFRS. This standard also reinforces the guidance on the principles of aggregation and disaggregation of the information presented in the financial statements and their notes, based on their share features. This standard is applicable retrospectively. No relevant impacts are expected on the CA Group's financial statements arising from its future adoption.

d) **IFRS 19** (new standard), 'Subsidiaries without public accountability: Disclosures' (to be applied to financial years beginning on or after 1 January 2027). This new standard is still subject to approval by the European Union. IFRS 19 is an optional standard that enables the eligible subsidiaries to use the IFRS with less disclosure requirements. IFRS 19 is a standard that only addresses disclosures and is applicable in conjunction with the remaining IFRS requirements for recognition, measurement and presentation. A subsidiary is considered eligible if (i) it does not have public accountability; and (ii) its parent company applies IFRS accounting standards in its consolidated financial statements. IFRS 19 can be applied by eligible subsidiaries in the preparation of their own consolidated and separate financial statements. The presentation of total comparative information is mandatory, unless an exemption is applicable. No relevant impacts are expected on the CA Group's financial statements arising from its future adoption.

e) **Annual improvements – 'volume 11'** (applicable in financial years starting on or after 1 January 2026). This volume of improvements affects the following standards: IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. No relevant impacts are expected on the CA Group's financial statements arising from its future adoption.

2.3. Principles of consolidation and accounting of associate companies

The consolidation of accounts of the Crédito Agrícola Group is conducted in compliance with the requirements of the following legislation:

- Article 74 of the Legal Framework for Crédito Agrícola Mútuo and Cooperatives of Crédito Agrícola (Decree-Law 24/91 of 11 January, as most recently amended by Decree-Law 142/2009 of 16 June);

- Decree-Law 36/92 of 28 March (as amended most recently by Decree-Law 188/2007 of 11 May);
- Banco de Portugal Notice 5/2015; and
- Banco de Portugal Notice 1/2019.

a) Subsidiaries

The consolidated financial statements include the accounts of Caixa Central - Caixa Central de Crédito Agrícola Mútuo, C.R.L. (Caixa Central), the associated Caixas de Crédito Agrícola, and the subsidiaries and associates controlled directly and indirectly by Caixa Central (Note 4).

Subsidiaries are those companies in which the CA Group effectively controls their current management in order to obtain economic benefits from their activities. Control normally exists when the Group holds more than 50% of the capital or voting rights.

The Group controls an institution when it is exposed to or has rights to variable returns arising from its involvement with the Institution and has the capacity to affect these same returns through the power it exercises over the Institution. The subsidiaries are consolidated from the date when their control is transferred to the Group and are excluded from consolidation from the date when this control ends.

The consolidation of the accounts of the subsidiaries was carried out by the full consolidation method, from the date when Caixa Central takes control of its activities up to the time when this control ceases to exist. The transactions and significant balances between the company's object of the consolidation were eliminated. Furthermore, when applicable, consolidation adjustments are made in order to assure consistency in the application of the accounting standards of the Crédito Agrícola Group.

Acquisitions of subsidiaries, which constitute a business, are recorded by the purchase method. The acquisition cost corresponds to the sum of the fair values of the assets acquired and liabilities incurred or undertaken, as well as any equity instruments issued in exchange for control over the acquired institution. The costs directly attributable to the transaction are recorded as costs when incurred. On the acquisition date, the assets, liabilities, and contingent assets that are identifiable and meet the requirements for recognition established in IFRS 3 – "Business combinations", are stated at their fair value.

When the acquisition of control is carried out for a percentage of less than 100%, in the application of the purchase method, the non-controlling interests can be measured at fair value or in proportion to the fair value of the acquired assets and liabilities, with this option being defined in each transaction. Whenever control is acquired through potential rights, the non-controlling interests are measured at fair value.

Subsequent transactions involving the disposal or acquisition of holdings from non-controlling interests, which do not imply change of control, do not result in the recognition of gains, losses, or goodwill, with any difference between the transaction value and the book value of the traded holding being recorded in Equity, under Other equity instruments.

Any losses generated in each period by subsidiaries with non-controlling interests are allocated according to the percentage held in them, regardless of being a negative balance.

The value corresponding to third party holdings in the subsidiaries is presented under the equity heading of "Non-controlling interests".

The consolidated profit derives from the sum of the net income of SICAM and the subsidiaries, in proportion to their effective holding, after consolidation adjustments, namely the elimination of dividends received, and capital gains and losses generated in transactions between companies included in the consolidation perimeter.

b) Associated enterprises

Associated enterprises are institutions in which the CA Group has significant influence but does not control. Significant influence is considered to exist when the CA Group has financial holdings (directly or indirectly held) above 20% (but less than 50% with voting rights in proportion to the holding) or the power to participate in decisions about the financial and operational policies of the institution but has neither control nor has joint control over it. Any dividends received are recorded as a decrease of the value of the financial investment.

Investments in related companies are initially measured at cost in the consolidated financial statements. Financial holdings in related companies are subsequently recorded by the equity method, from the moment that the CA Group acquires significant influence until the date it ceases.

The excess of the cost of acquisition over the fair value of the share of the identifiable assets and liabilities acquired, goodwill, is recognised as part of the financial investment in the related companies. If the acquisition cost is lower than the fair value of the net assets of the acquired related companies, the difference is recognised directly as a gain in the Consolidated Comprehensive Income Statement.

If the financial holding in a related companies is reduced, but maintaining the significant influence, only a proportional amount of the values recognised previously in other comprehensive income is reclassified to the Consolidated Income Statement.

Unrealised profits or losses in transactions between the Group and the Associates are eliminated in the application of the equity method.

The accounting policies of the Associates are changed whenever necessary so as to ensure that the same policies are applied consistently by all the Group’s companies.

When the share of the losses of an Associate exceeds the investment in that Associate, the Group recognises additional losses if it has undertaken liabilities or made payments in benefit of the Associate.

The consolidated financial statements include the part attributable to the CA Group of the total profit and loss recognised by the associated enterprise.

c) Goodwill

Acquisitions of subsidiaries and related companies occurred after 1 January 2006 are recorded by the purchase method. The acquisition cost corresponds to the fair value determined on the acquisition date of the assigned assets, issued equity instruments, minus the costs directly attributable to the issue. Goodwill refers to the difference calculated between the fair value of the acquisition price of investments in subsidiaries, related companies or businesses, and the fair value of the assets and liabilities of these companies or businesses on the date of their acquisition. Goodwill is recorded in the assets and is subject to impairment tests, pursuant to IAS 36, at least once a year, and is not amortised. Impairment losses relative to goodwill are not reversible. Furthermore, whenever it is detected that the fair value of the acquired net assets is higher than their acquisition cost (negative goodwill), the differential is recognised through profit or loss.

Goodwill is allocated to the cash generating units to which it belongs, for the purpose of conducting impairment tests. When the Group reorganises its corporate structure, implying an alteration of the composition of its cash generating units, to which goodwill has been imputed, the reorganisation process should involve the reallocation of the goodwill to the new cash generating units. The reallocation is made through an approach of relative value, in view of the new cash generating units arising from the reorganisation.

2.4. Summary of the main accounting policies

The material accounting policies used in the preparation of the interim condensed consolidated financial statements were as follows:

a) Foreign currency transactions

Assets and liabilities denominated in foreign currency are converted into euros at the exchange rate prevailing on the reporting date.

Income and costs relative to transactions in foreign currency are recorded in the period when they occur, considering the exchange rates in force on the day when they were carried out.

Additionally, the following accounting procedures are used:

- The spot exchange rate position for each currency, which corresponds to the net balance of the assets and liabilities of any specific currency, is revalued daily pursuant to the fixing exchange rates published by Bloomberg, and recorded against profit or loss;

- The forward exchange rate position of a currency, which corresponds to the net balance of the forward transactions awaiting settlement, is revalued at the market forward exchange rate, or, if such does not exist, at a rate calculated based on the market interest rate for this currency and for the residual term of the transaction. The difference between the balances converted into euros at the revaluation rates used and the balances converted to the contracted rates corresponds to revaluation of the forward exchange rate position and is recorded through profit or loss; and

- Non-monetary assets and liabilities measured at fair value are converted at the exchange rates of the date when the fair value was determined, with the currency conversion differences being recognised through profit or loss. The currency conversion differences of financial assets at fair value through other comprehensive income are, however, recognised in other comprehensive income, and likewise the currency conversion differences relative to cash flow hedges.

b) Loans and advances

These refer to financial instruments classified at amortised cost.

Loans and advances to customers includes loans and advances granted to customers not intended for sale in the short-term, which are recorded on the date when the credit amount is advanced to the customer, being recognised at nominal value/amortised cost.

Subsequently, the credit and accounts receivable are recorded at amortised cost, being submitted to periodic impairment tests.

The interest component, including that relative to any premiums/discounts, is disclosed in the accounts separately in the respective profit or loss accounts, pursuant to the accrual principle. Whenever applicable, the external commissions and costs imputable to the contracting of the operations underlying the assets included in this category should also be divided into periods over the maturity period of the credit, in conformity with the effective interest rate method.

The CA Group institutions (SICAM) classify in loans overdue the instalments of principal or interest that remain unpaid once 30 days have elapsed after their due date as overdue credit. The legal terms and the procedures established in the internal regulations and respective decisions are applicable to loans with overdue instalments, where it is possible, if applicable, in the event of breach of contractual obligations, for the over debt to be considered past due, namely in a context of receivership.

The CA Group (SICAM) may renegotiate or modify the contractual cash flows of a financial asset. When this situation occurs, the CA Group (SICAM) assesses whether these new contract terms are substantially different from the original terms.

In order to determine whether the modification of a financial asset is significant, the CA Group considers quantitative and qualitative assessments. With respect to the quantitative assessment, any difference between the present values of the cash flows of the original debt and those of the modified debt above 10% is considered substantial, where the CA Group also conducts a qualitative analysis to identify other facts and circumstances not captured by the quantitative analysis.

If the terms of the contract are not substantially different, the renegotiation or modification does not give rise to a derecognition, but rather the recalculation of the present value of the modified cash flows discounted at the original effective interest rate. The difference is recognised through modification gains or losses at the time when they are originated, with these gains or losses being reflected in the consolidated income statement under the heading of "Modification gains or losses, net".

On the other hand, if the changes resulting from the renegotiation are substantially different, the CA Group (SICAM) derecognises the asset and recognises a 'new' one.

Loans and advances to customers is derecognised on the balance sheet when (i) the contractual rights of the CA Group (SICAM) relative to the respective financial flows expire; (ii) the CA Group (SICAM) has substantially transferred all the risks and benefits associated to the credit; or (iii) even if the CA Group (SICAM) retains part of the risks and benefits associated to the credit, the control over the credit has been transferred.

Guarantees provided and irrevocable commitments

Liabilities for guarantees provided and irrevocable commitments are recorded as off-balance sheet items at risk value, where any flows of interest, commissions or other profits are stated through profit or loss over the life of the operations.

Loan impairment

IFRS 9 – Financial instruments establishes a series of relevant aspects concerning the impairment model, with particular emphasis on the following:

i. Concept of expected economic loss in the risk management of the portfolio of financial assets, determined based on macroeconomic scenarios;
ii. Definition of 'default' pursuant to Article 178 of the Capital Requirements Regulation (CRR);
iii. Quantification of impairment for loans to credit institutions;
iv. Revision and introduction of new risk parameters (e.g., probability of default, loss given default, credit conversion factor, performance maturity, prepayment); and
v. Adjustment of the main segments of the credit portfolio aimed at classifying assets from a risk perspective, based on homogeneous standards, according to their type (e.g. purpose, performance), in addition to being integrated in scoring and rating analytical models.

The determination of impairment losses of financial assets, in conformity with the provisions in IFRS 9, is based on specific methods which comply with the regulatory requirements, adapted to the historical data, and features of the portfolio of the Crédito Agrícola Group.

A financial asset is in a situation of impairment (and incurs impairment losses) when the present value of the expected cash flows is less than the respective exposure value. This situation is observed when:

- There is objective evidence of impairment resulting because of one or more events that occur after the initial recognition of the asset (loss event); and
- These events have impact on the expected future cash flows and can be estimated in a reliable form.

Pursuant to the financial reporting standard IFRS 9, the assessment of impairment can be based on two types of analysis:

i. Individual analysis

Analysis of customers with significant exposure, through the assessment files (questionnaires) resident in the Module of Individual Analysis of Impairment (MOAI) application, where the data of the individual analyses are validated and used to calculate impairment on an individual basis.

The selection criteria of customers subject to individual analysis are as follows:

a. All customers/economic and risk groups (GER) with liabilities of more than 1,000,000 euros and/or overdue loans of more than 50,000 euros;
b. Customer/GER classified equal to or above stage 2 and liabilities of more than 500,000 euros;
c. Customer/GER with current account exposure or overdraft of more than 500,000 euros and equal to or above 90% of the limit contracted in the last 18 months;
d. Customer/GER with liabilities of more than 500,000 euros without associated asset backing or with a loan-to value (LTV) above 80%; and
e. Customer/GER with forborne loans and forborne loans exposure of more than 500,000 euros.

ii. Collective analysis

Analysis of customers/GER that do not meet the criteria for submission to the process of individual analysis, being analysed in homogeneous risk groups through statistical methods. The model adopted for calculation of impairment is based on an expected loss model, determined based on macroeconomic scenarios, necessarily classifying the assets at 3 stages, according to the evolution of their credit risk in relation to initial recognition.

Determination of significant increase of credit

A significant increase of credit risk is assessed in each reference period, comparing the current risk of occurrence of default throughout the remaining life of a given contract with the same risk rating on the initial date of the operation.

A significant increase of credit risk is determined when there is a deterioration of the risk rating, in particular the associated probability of default, including situations of loans overdue by 30 to 90 days and forborne loans not classified as being in default, operations of customers that have financial difficulties and operations whose internal risk rating is high.

Furthermore, an exposure with low credit risk is considered to exist whenever the credit risk of a particular financial instrument presents a low probability of default at the reporting date. Nevertheless, the credit risk of these financial instruments should be monitored to ensure that the assumptions underlying the low credit risk remain appropriate in each reporting period.

Definition of default

The European Banking Authority (EBA) issued the ‘Guidelines on the application of the definition of default under Article 178 of Regulation (EU) 575/2013’ aimed at harmonising the definition of default across all prudential approaches of the European Union. Accordingly, it contains detailed clarification of the definition of default and its application, in particular the method for counting days in arrears, indications of default and conditions for leaving default. The guidelines became entirely applicable from 1 January 2021, implying that institutions incorporated these requirements in their internal procedures and systems by this date in a phased manner and ensure their coherence with the internal models on capital and risk management.

The definition of default includes loans overdue by more than 90 days, forborne loans with more than one restructuring and exposure in which there is predictability of default (improbability of payment) of the debtor, entailing quantitative and qualitative criteria, especially with respect to the reference values considered in their activation, being in concordance with the regulatory guidelines for identification and marking of a customer's financial difficulties. Moreover, there is also a contagion of default (cross default) effect for the exposure of business customers.

The criteria for leaving default respect quarantine periods. The exposures are no longer considered to be in default when the following conditions are fulfilled:

- The debtor does not have any amount overdue for more than 90 days;
- A minimum period of one year has elapsed since the application of the restructuring measures;
- In the case of operations with a non-regular payment plan, the customer pays at least one instalment during the quarantine period in default;
- All the operations should comply with a quarantine of at least 3 months, including operations that are in default via the criterion of contagion of corporate customers; and
- By analysis of the credit risk of the customer/contract(s), in particular in the case of exposures subject to restructuring, situations that have established the payment of a material fixed sum or significantly larger payments at the end of the repayment plan should imply a specialised and prudent analysis.

Incorporation of forward-looking information

Pursuant to IFRS 9, various macroeconomic scenarios should be defined to obtain an expected loss value that reflects an unbiased and weighted vision of reality. To this end, 3 macroeconomic scenarios were defined (baseline, pessimistic and optimistic) whose projections and respective probabilities are established by one of the main External Credit Assessment Institutions (ECAI).

For each contract, the impairment values were calculated for each one of the three configured macroeconomic scenarios. Losses are calculated based on the corresponding risk factors for each scenario. Additionally, and to obtain an estimate of final loss, each one of the scenarios was duly weighted according to its probability of occurrence.

Expected lifetime

At the time of the initial recognition of a financial asset, the expected loan losses are calculated for 12 months (stage 1). If the credit risk of a financial asset 'increases significantly' in relation to the initial moment and the credit quality derived from this increase is not considered a low credit risk (stage 2) or the credit risk of a financial asset increases to the extent of being considered 'impaired' (stage 3), the expected losses are recognised for the respective maturity.

Purchased or originated credit impaired (POCI) assets are financial assets are impaired at initial recognition (reduction to their recoverable value). POCI financial assets are recorded at fair value at initial recognition and the interest is subsequently recognised based on the effective interest rate adjusted for credit losses. The expected credit loss (ECL) is recognised/reversed to the extent that there is a subsequent change in the ECL.

c) Financial assets

Financial assets are classified into three categories according to the business model associated with their holding, the type of financial instrument (debt, capital, or derivatives) and their features, namely:

• Fair value through profit or loss (FVTPL);

• Fair value through other comprehensive income (FVTOCI); or

• Amortised cost.

The classification and subsequent measurement of debt instruments depends on:

(i) the features of the cash flow of the asset; and

(ii) the business model.

If the contractual features of the cash flows of a financial asset do not correspond exclusively to principal and interest (Solely Payments of Principal and Interest (SPPI) criterion), this asset shall mandatorily be recognised and measured at fair value through profit or loss.

Based on these factors, the CA Group classifies its debt instruments into one of three measurement categories, namely:

i) Financial assets at fair value through profit or loss

Debt financial instruments at fair value through profit or loss are traded on active markets, acquired for the purpose of sale, or repurchase in the short-term.

These instruments are initially recognised at fair value with the gains and losses derived from subsequent measurement at fair value being recognised through profit or loss.

The interest inherent to financial assets and the differences between acquisition cost and nominal value (premium or discount) are calculated in accordance with the effective interest rate method and recognised in the income statement under the heading of “Interest income”.

The measurement of financial assets at fair value is based on the most representative values of the bid-ask range, in relation to the circumstances of the measurement, regardless of the IFRS 13 hierarchy level in which the instruments are classified. If a market price is not available, the fair value of the instrument is estimated based on valuation techniques, which include price assessment models or discounted cash flow techniques. When discounted cash flow techniques are used, the future financial flows are estimated in accordance with the management's expectations and the discount rate used corresponds to the market rate for financial instruments with similar features. In the price assessment models, the data used correspond to information about market prices.

These debt financial instruments at fair value through profit or loss are derecognised upon their sale or when the associated cash flows expire.

ii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include financial instruments whose features exclusively refer to the SPPI criteria (principal and interest), and their objective is the receipt of contractual cash flows and/or their sale.

Financial assets at fair value through other comprehensive income are recorded at fair value. Gains and losses relative to subsequent fair value variation are reflected under a specific equity item, named “Other accumulated comprehensive income”, until their sale, at which time they are transferred to profit or loss. Currency conversion gains or losses of debt instruments are recognised directly through profit or loss for the period.

The interest inherent to financial assets and the differences between acquisition cost and nominal value (premium or discount) are calculated in accordance with the effective interest rate method and recognised in the income statement under the heading of “Interest income”.

The impairment of the securities portfolio (debt instruments) is calculated using Moody's “ImpairmentStudio” tool for calculating expected credit losses (ECL), based on the calculation of risk parameters, PD and LGD, which take into account, in particular, the rating, country, business sector and probability of default implicit in credit default swaps (CDS). The calculation of conditional risk parameters, PD and LGD, is carried out using the MA Correlation Model (GCorr) and uses the distance-to-default (DD) measure correlations, determined from the spreads, to calculate sovereign correlations. The impairment calculated is stated under a specific item in equity against profit or loss.

During the first 9 months of 2024 and in 2023, sales were residual, not exceeding the limits defined in the investment policy.

iii) Debt instruments at amortised cost

Debt instruments at amortised cost are financial instruments whose features refer exclusively to the SPPI criterion (principal and interest), with their objective being the receipt of contractual cash flows up to their redemption, namely debt securities, investments in credit institutions, purchase operations with resale agreement and loans and advances to customers (see Note 2.4 c)).

These instruments measured at amortised cost are recorded at acquisition cost. The interest inherent to financial assets, and the recognition of differences between acquisition cost and nominal value (premium or discount), are calculated in accordance with the effective interest rate method and recognised in the income statement under the heading "Interest income".

The quantification of impairment for the securities portfolio (debt instrument) recorded at amortised cost is based on the risk rating and risk factors established by the main credit risk rating agencies.

The impairment of the securities portfolio (debt instruments) is calculated using the "ImpairmentStudio" tool for calculating expected credit losses (ECL), based on the calculation of risk parameters, PD and LGD, which take into account, in particular, the rating notation, the country, the business sector and the probability of default implicit in credit default swaps (CDS). The calculation of conditional risk parameters, PD and LGD, is carried out using the MA Correlation Model (GCorr) and uses the distance-to-default (DD) measure correlations, determined from the spreads, to calculate sovereign correlations.

Securities sold with a repurchase agreement are kept in the portfolio in which they were originally recorded. The funds received are recorded, on the settlement date, in a specific liability account, with the respective interest being divided into periods through the effective interest rate method.

For debt financial instruments measured at amortised cost, maximum sale limits have been defined based on the frequency, amount, and proximity to maturity.

During the first 9 months of 2024 and in 2023, sales were residual, not exceeding the limits defined in the investment policy.

Debt instruments also include securitised loans (e.g., commercial paper) (see Note 2.4 c)).

Equity instruments

The CA Group considers equity instruments to include all those which, from the point of view of the issuer, are classified as equity, i.e., instruments that do not contain a contractual obligation to pay and which show a residual interest in the net assets of the issuer. Examples of equity instruments include basic ordinary shares.

The CA Group subsequently measures all equity instruments at fair value through profit or loss, except when the CA Group has decided, upon initial recognition, to place it under the irrevocable designation of an equity investment at fair value through other comprehensive income. It is the CA Group's policy to designate equity instruments at fair value through other comprehensive income (FVTOCI) when they are held for objectives that differ from generating returns via their sale.

When this option is taken, the fair value of gains and losses are recognised In "Other accumulated comprehensive income", and are not subsequently reclassified to profit or loss, inclusively upon their disposal. Dividends, when representing return on the equity invested, are recognised through profit or loss at the time when the right to receive them is established.

Derivative financial instruments

Items that qualify as derivative financial instruments are financial instruments, or other contracts, which have the following characteristics:

a) Its value varies as a result of changes in specific variables, such as interest rates, commodity prices, exchange rates, etc. (if a given variable is non-financial, it must not be specific to one of the contract's parties);

b) They do not require initial net investment, or the initial net investment is less than would be required for other types of contracts for which similar behaviour would be expected in the face of changes in market factors; and

c) The instrument/contract will be settled at a future date.

Derivative financial instruments are recorded at fair value on the date of their contracting, being subsequently measured at fair value through profit or loss (gains and losses at fair value for the year being stated in the items of "Gains or losses from hedge accounting, net". Furthermore, they are reflected under off-balance sheet items at their notional value. Fair value is calculated as follows:

- Based on prices in active markets (for example, with respect to futures traded on organised markets);
- Based on models which incorporate valuation techniques accepted in the market, including discounted cash flow and options valuation models.

Trading derivatives with net value receivable (positive fair value) are included under the heading "Financial assets held for trading". Trading derivatives with net value payable (negative fair value) are included under the heading "Financial liabilities held for trading".

Hedge accounting

For financial instruments to qualify for hedge accounting, the following criteria must be fully met:

- The management must formally designate and document the hedge relationship at the beginning of the hedge. This includes identifying the hedge instrument, the hedged instrument (or transaction), the type of the risk being hedged, and how the institution will assess the effectiveness of the hedge, identification of sources of ineffectiveness, how the coverage ratio will be determined, and the Group's risk management objectives and strategies that justify contracting the hedge;
- There must be an economic relationship between the hedging instrument and the hedged instrument. With the expectation that the value of the hedging instrument and the value of the hedged instrument will move in opposite directions, as a result of the common underlying assumptions, or the risk being hedged;
- Credit risk does not dominate changes in value. Even if an economic relationship exists, a change in the credit risk of the hedge instrument or the hedged instrument should not be of such magnitude as to dominate the changes in value that result from the economic relationship;
- The designated hedging ratios are consistent with the risk management strategy. The coverage ratio is defined as the ratio between the quantity of the coverage instrument and the quantity of the coverage instrument, in terms of its relative proportions.

Management documents, on the initial date of the hedge relationship, the economic relationship between the hedge instruments and the hedged instruments, including the condition as to whether the hedge instruments will offset changes in the cash flows of the hedged instruments, in accordance with the risk management objectives and strategy defined for contracting hedge transactions.

Fair value hedge:

In a fair value hedge of an asset or liability, the book value of that asset or liability, determined in accordance with the respective accounting policy, is adjusted to reflect the change in its fair value attributable to the risk being hedged.

Changes in the fair value of hedge derivatives are recognised in the profit or loss, together with changes in the fair value of the hedged asset or liability attributable to the hedged risk. When a hedge instrument expires or is sold, or when the hedge no longer meets the criteria for hedge accounting or the institution revokes the designation, the derivative financial instrument is transferred to the trading portfolio and the hedged assets and liabilities are no longer adjusted for changes in their fair value. If the hedged asset or liability corresponds to an instrument measured at amortised cost, the revaluation adjustment is amortised to maturity using the effective interest rate method and reflected in the net trading income.

Restrictions of reclassification between financial asset categories, pursuant to IFRS 9

The principle of IFRS 9 is that there are no reclassifications between categories, unless the business model used by management is changed. In this case, the reclassification is carried out prospectively from the date of reclassification and does not result in the restatement of gains and losses previously recognised in profit or loss.

In the event that the CA Group reclassifies financial assets, this reclassification follows the following set of principles:

1. If the CA Group reclassifies a financial asset, removing it from the category of measurement at amortised cost and placing it in the category of measurement at fair value through profit or loss, its fair value is measured as at the reclassification date. Any gain or loss derived from a difference between the previous amortised cost of the financial asset and the fair value should be recognised through profit or loss.

2. If the CA Group reclassifies a financial asset, removing it from the category of measurement at fair value through profit or loss and placing it in the category of measurement at amortised cost, its fair value on the reclassification date will become its new book value.

3. If the CA Group reclassifies a financial asset, removing it from the category of measurement at amortised cost and placing it in the category of measurement at fair value through other comprehensive income, its fair value is measured as at the reclassification date. Any gain or loss derived from a difference between the previous amortised cost of the financial asset and the fair value should be recognised through other comprehensive income. The effective interest rate and the measurement of expected loan losses are not adjusted as a result of the reclassification.

4. If the CA Group reclassifies a financial asset, removing it from the category of measurement at fair value through other comprehensive income and placing it in the category of measurement at amortised cost, the financial asset is reclassified at its fair value on the reclassification date. However, any accumulated gain or loss previously recognised in other comprehensive income is removed from the equity and adjusted according to the fair value of the financial asset on the reclassification date. As a result, the financial asset is measured on the reclassification date as if it had always been measured at amortised cost. This adjustment affects other comprehensive income but does not affect profit or loss and, consequently, does not consist of a reclassification adjustment. The effective interest rate and the measurement of expected loan losses are not adjusted as a result of the reclassification.

5. If the CA Group reclassifies a financial asset, removing it from the category of measurement at fair value through profit or loss and placing it in the category of measurement at fair value through other comprehensive income, the financial asset continues to be measured at its fair value.

6. If the CA Group reclassifies a financial asset, removing it from the category of measurement at fair value through other comprehensive income and placing it in the category of measurement at fair value through profit or loss, the asset continues to be measured at its fair value. However, any accumulated gain or loss previously recognised in other comprehensive income is reclassified from the equity to profit or loss as reclassification adjustment on the reclassification date.

Both the category of measurement at amortised cost and the category of measurement at fair value through other comprehensive income require that the effective interest rate should be determined upon initial recognition. Both measurement categories also imply the impairment requirements should be applied in the same way. Consequently, when an institution reclassifies a financial asset between the category of measurement at amortised cost and the category of measurement at fair value through other comprehensive income:

a) The recognition of income from interest remains unchanged and, consequently, the institution continues to apply the same effective interest rate;

b) The measurement of expected loan losses will remain unchanged, as both measurement categories apply to the same approach with respect to impairment. However, if a financial asset is reclassified from the category of measurement at fair value through other comprehensive income to the category of measurement at amortised cost, a provision for losses should be recognised in the form of an adjustment to the gross book value of the financial asset from the reclassification date. If a financial asset is reclassified from the category of measurement at amortised cost to the category of measurement at fair value through other comprehensive income, the provision for losses should be derecognised (thus no longer being recognised as an adjustment to the gross book value), being, instead recognised as an amount due to accumulated impairment (of the same value) in other comprehensive income and disclosed from the reclassification date.

Nonetheless, the CA Group is not obliged to separately recognise the income from interest or the gains or losses due to impairment of a financial asset measured at fair value through profit or loss. Consequently, when an institution reclassifies a financial asset, removing it from the category of measurement at fair value through profit or loss, the effective interest rate is determined based on the fair value of the asset on the reclassification date.

d) Annulments/Write-offs of principal and interest

Pursuant to IFRS 9, the gross carrying amount of a financial asset is reduced when there are no longer any reasonable expectations of recovery. A credit annulment constitutes a derecognition event. The annulment can involve the financial asset as a whole or merely part of it. Consequently, the gross carrying amount of a financial asset is reduced at the time of annulment. A financial asset should be annulled (written off from the assets), as a whole or partially, in the period when the loan, or fraction of this loan, is considered irrecoverable. In assessing the recoverability of non-performing loans and determining the internal annulment methods, attention should be given to the following particular situations: positions with extended arrears in repayment and positions under insolvency procedures.

The Crédito Agrícola Group believes that detailed records should be kept of all processes of annulment of uncollectible loans. The databases collating information about processes of annulment of loans considered uncollectible should fulfil requirements of depth, amplitude, reliability, up-to-dateness and traceability. The information collected in the databases should be included in management reports, to ensure that the reports and other pertinent documentation (recurring or occasional) for the decision-making process at various managerial levels, including at the level of the board of directors, are based on up-to-date, complete and coherent information.

Specific measures were adopted under the Strategic Non-Performing Loan Management Plan to annul uncollectible loans at the level of each Caixa Agrícola. In this context, the aim is to annul positions in non-performing loans (NPL) deemed unrecoverable, with contracts (secured and unsecured) that have an impairment rate above 50%, irrespective of their status (regular or overdue), having been considered for the purpose.

Credit operations with the following non-cumulative features are mandatorily eligible for annulment:

- Impairment coverage level above 80% for loans backed by real estate collateral (mortgage).
- Impairment coverage level above 70% for all other loans.

Nevertheless, cases in which customer record good compliance in the context of judicial agreements, special revitalisation processes (PER) or insolvency plans that have been homologated and turned into final judgements should be safeguarded, as their annulment is thus not feasible.

The procedures for annulment of uncollectible loans comply with the following requirements:

i) The loan should be entirely covered by impairments (100% provisioned). In cases where the degree of coverage of the exposure by impairments is less than 100%, the necessary impairments should be constituted up to this threshold; and

ii) Once the entirety of the loan has been called in and the main efforts of collection considered adequate have been developed, the expectations of loan recovery are reduced to a time horizon in which they can be reasonably estimated, thus leading to a high rate of coverage by impairment and/or the existence of default for an extended period of time.

In accounting terms, the annulment of loans considered uncollectible gives rise to the corresponding recognition in off-balance sheet accounts (see Circular Letter CC/2017/00000020), which should remain there until the effective limitation period of the debt has ended (ordinary period of 20 years, pursuant to Article 309 of the Civil Code) or, for any reason, the right to receive these loans extinguishes (e.g. debt recovery, debt remission, among others).

e) Financial liabilities

An instrument is classified as a financial instrument when there is a contractual obligation of its settlement being made against the submission of money or another financial asset, independently of its legal form.

Financial liabilities, essentially funds of credit institutions, customer deposits, issued debt and financial assets acquired with repurchase agreement, are initially stated at fair value, which corresponds to the consideration received net of transaction costs, and are subsequently stated at amortised cost. After initial recognition, the customers deposits and credit institutions are valued at amortised cost, based on the effective interest rate method.

Except for derivatives, financial liabilities held for trading (for example, short positions) are classified at fair value through profit or loss upon initial recognition. Gains and losses arising from subsequent valuation at fair value are recognised in "Gains or losses on financial assets and liabilities held for trading, net".

Financial liabilities acquired with a resale agreement at a fixed price, or at a price equal to the purchase price plus the interest inherent to the period of the operation, are not recognised on the balance sheet, with the acquisition cost being recorded as loans to other credit institutions. The difference between the purchase value and the resale value is treated as interest and is deferred over the life of the agreement, through the effective interest rate method.

A modification is defined as when the contractual terms of a financial liability are substantially altered, forcing the extinction of the original financial liability and the recognition of a new financial liability. The new financial liability resulting from the modification is recognised at its fair value and any difference in relation to the book value of the extinct financial liability, including all the associated costs and rates, is recognised through profit or loss. If the modification of a financial liability is not considered substantial, the amortised cost of the financial liability should be recalculated based on the present value of the estimated future contractual cash flows discounted at the associated original interest rate. All gains or losses arising from this recalculation will be recognised through profit or loss, and all costs and rates associated with the modification will be amortised over the remaining term of the modification. In order to determine whether the modification of a financial liability is significant, the CA Group considers quantitative and qualitative assessments. With respect to the quantitative assessment, any difference between the present values of the cash flows of the original debt and those of the modified debt above 10% is considered substantial, where the CA Group also conducts a qualitative analysis to identify other facts and circumstances not captured by the quantitative analysis. Furthermore, the financial liabilities cannot be reclassified between categories.

Derecognition of financial liabilities:

An entity should derecognise a financial liability (or a part of a financial liability) from its balance sheet when, and only when, it is extinguished - that is, when the obligation specified in the contract is satisfied or cancelled or expires.

f) Tangible assets

The tangible asset items used by the CA Group for the development of its activity are measured at acquisition cost (including directly attributable costs) minus accumulated depreciation, and impairment losses.

The acquisition cost includes the purchase/production price of the asset, the expenses directly attributable to its acquisition and costs incurred to prepare the asset to place it in condition for use. The financial costs incurred in relation to loans obtained for construction of tangible assets may also eventually be recognised as part of the cost of constructing the asset.

The depreciation of the tangible asset is recorded on a systematic basis over the estimated period of useful life of the asset, based on the following useful life periods:

Tangible assets	Years of useful life
Real estate properties for own use	50
Expenses on rented buildings	10
IT and office equipment	4 to 10
Interior furnishings and installations	6 to 10
Vehicles	4

The useful lives of tangible assets are reviewed in each financial reporting period so that the depreciation carried out is in accordance with the consumption patterns of the assets. Land is not depreciated. Alterations to useful lives are treated as an alteration of accounting estimate and are applied prospectively under the terms of IAS 8.

Expenditure related to investment in works carried out in buildings that are not owned by the CA Group are amortised over a period compatible with their expected utilisation or the rental agreement, whichever is lowest.

Whenever there are indications of loss of value in tangible assets, impairment tests are performed to estimate the recoverable amount of the asset, and when required, to record an impairment loss. The recoverable amount is determined as the highest between the fair value less costs to sell and the value in use of the asset, with the latter calculated based on the present value of estimated future cash flows, arising from the continued use and disposal of the asset at the end of its defined useful life.

Gains or losses in the disposal of assets are determined by the difference between the realisation value and the book value of the asset, being recognised in the consolidated income statement, under the heading “Gains or losses on derecognition of non-financial assets, net”.

g) Intangible assets

The CA Group records under this heading the expenses during the development phase of projects relative to information systems that are already installed or under implementation, as well as the cost of acquired software, in both cases, only when the impact is expected to be reflected beyond the year when the costs are incurred.

Internally generated assets, namely expenses related to internal development, are recorded as costs when incurred, whenever it is not possible to distinguish between the research phase and the development phase, or when it is not possible to reliably determine the costs incurred at each phase or the probability of economic benefits flowing to the CA Group.

Intangible assets are recorded at acquisition cost, minus accumulated depreciation and impairment losses.

Depreciation is recorded as costs for the year on a systematic basis over the useful life of the assets, which corresponds to a period of 3 to 10 years.

h) Non-current assets held for sale and Other assets (Assets received through loan recovery)

The CA Group records under "Non-current assets held for sale and disposal groups classified as held for sale" the real estate, equipment and other assets received as a result of credit recoveries (e.g., in lieu of payment, judicial auction sale, other). These assets are recorded at the lowest between the value agreed in the contract, which usually corresponds to the value of the existing debt which is thus extinguished, and the asset's valuation on the date of the operation. Real estate is recorded under this heading as soon as the deed of lieu of repayment, auction sale or any other applicable deed is signed.

Real estate properties can also be stated as “Non-current assets held for sale and disposal groups classified as held for sale” previously stated in tangible assets, if the expected realisation of the asset is through sale and if the criteria of IFRS 5 are met.

For these assets, there is the expectation of sale within the period of 12 months when actively on sale and the price is regularly analysed and if necessary adjusted.

As an exception to the above-mentioned framework, the real estate that have encumbrances that prevent their sale are accounted for in “Other Assets” and not as “Non-current assets held for sale and disposal groups classified as held for sale”, in accordance with IFRS 5(7) “Non-current Assets Held for Sale and Discontinued Operations”.

The valuation of these assets, and consequently the impairment losses, is supported by valuations performed by entities registered as "expert appraisers" with the Portuguese Securities Market Commission, which incorporate several assumptions. Three methods are used in the valuations of these assets:

• Market method

This method determines an estimate of the amount at which a property is believed to be tradable, after an appropriate marketing period, between an interested seller and buyer, where both parties act in an informed, prudent and unconditioned or uncoerced manner.

The value of the property is determined after analysing the transaction and offer values of comparable properties, obtained through local market knowledge and exhaustive real estate market data collection, which enables us to know the supply and demand situation for similar properties and which is a decisive factor in determining the market value of the property being assessed.

• Yield method

In this method, the market value of a property corresponds to the present value of all rights to future benefits arising from its ownership. This method assumes that the management and operation of the property is based on principles of legality, rationality and competence. The objective of the analysis is to determine the respective capacity to generate revenue streams, as well as the periodicity of their occurrence, also inferring all inherent expenses.

• Cost method

In this method, the estimated value of a property corresponds to the construction cost of a property that fulfils the same functions and has the same characteristics, materials and technology, at current market prices. The value includes the land value, the costs inherent to the construction and the profit margin of the investment promotion, as well as a deduction that corresponds to the depreciation, or loss in value of the property that results from physical, functional, economic or environmental obsolescence or a combination of these.

Although the Group aims to sell all properties and other assets received in kind immediately, during 2023, the Group changed the classification of these assets from the "Non-current assets held for sale" heading to the "Other assets" heading, due to the fact that they have been in the portfolio for more than 12 months. However, the accounting method has not changed in relation to the above, being recorded on initial recognition at the lower of its fair value less expected selling costs and the balance sheet value of the loan subject to recovery.

The reclassification to "Other assets" does not constitute a change in accounting policy, since the application of the IFRS 5 rules is always in question. In 2023, the Executive Board of Directors reassessed the condition laid down in IFRS 5 that the sale must be highly probable (within 12 months) and concluded that the condition had not been met and that this reclassification was necessary.

The CA Group does not recognise potential capital gains for these assets. Changes in impairment losses on a non-current asset held for sale, such as realised gains or losses (at the date of sale) are recorded in profit or loss under the "Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations" heading. Changes in impairment losses on properties recognised in other assets are recorded under "(Impairment or (-) reversal of impairment on non-financial assets)" and the gains or losses realised under "Gains or (-) losses on derecognition of non-financial assets, net value".

i) Provisions and Contingent Liabilities

A provision is set up when there is a present obligation (legal or constructive) resulting from past events for which the future expenditure of resources is probable and can be reliably determined.

The amount of the provision corresponds to the best estimate of the amount to be disbursed to settle the liability on the reporting date. If the future expenditure of resources is not probable, this is a contingent liability.

Contingent liabilities are only disclosed, unless the possibility of their realisation is remote.

Provisions for other risks are intended to cover:

- Liabilities for guarantees provided and other off-balance sheet commitments, which are determined on the basis of an analysis of the risk of the operations and the respective customers; and,

- Legal, tax and other contingencies arising from the Group's activity.

j) Financial Guarantees:

Financial guarantees are contracts whereby the issuer has the obligation to make specific payments to reimburse the creditor for the debt incurred when a specific debtor defaults on its contractual payment obligations, regardless of the form in which the obligation is instrumented (guarantees, sureties, financial guarantees, insurance contracts or other types of contracts).

All these operations are recorded under off-balance sheet items.

Financial guarantees are analysed periodically to determine the credit risk to which they are exposed and, where appropriate, to estimate the amount of impairment to be constituted. In this process, similar criteria are applied to those established for quantifying impairment losses on debt instruments valued at amortised cost, which are described in Note 18.

Impairments on these contracts are recorded under the balance sheet heading "Provisions".

Appropriations and reversals of impairments are recorded under "Provisions or (-) reversal of provisions" in the income statement.

k) Deposits

After initial recognition, the customers deposits and credit institutions are valued at amortised cost, based on the effective interest rate method.

l) Employee benefits

The CA Group has signed the Collective Labour Agreement (ACT) for Crédito Agrícola (called the Collective Labour Agreement of the Institutions of Crédito Agrícola Mútuo), therefore its employees and their families are entitled to pensions due to retirement, disability and survival. However, since the employees are enrolled in Social Security, the liabilities of the ACT Signatory Institutions related to employee pensions consist of the payment of supplementary pensions in accordance with the levels established in the ACT.

The defined benefit pension plan thus provides for the possibility of paying pensions set by the ACT in force, in the event of early retirement, old-age retirement, disability retirement and survivors' benefits, in addition to those granted by Social Security schemes.

The employees' post-employment benefits also include medical care (SAMS), whose liabilities are calculated based on the same assumptions as the liabilities related to supplementary pensions. In accordance with clause 116 of the ACT, the sum corresponding to 6.5% of the total retirement and survivor's pensions, provided for in the ACT, regardless of the pensions received from social security schemes, constitutes compulsory contributions by the Crédito Agrícola institutions to the SAMS. The benefits cover the relatives of the employees, under the terms of the internal regulations endorsed by the SAMS.

In December 2018, the constitutive agreement of the Pension Fund was amended to include the coverage of liabilities related to pre-retirement, relative to agreements that are concluded from 1 January 2019.

In 2019, that constitutive agreement was rectified to clarify that the early retirement liabilities thereafter covered by the Pension Fund include the respective mandatory social charges and medical care at a post-employment stage.

The managing institution of the CA Group Pension Fund is Crédito Agrícola Vida - Companhia de Seguros, S.A.

An actuarial evaluation is carried out annually with a reference date of 31 December of each year for the calculation of liabilities to be financed by the respective shares of the pension fund of Caixa Central, Caixas de Crédito Agrícola and other Associated Crédito Agrícola Institutions of the Pension Fund.

Pursuant to the Constitutive Agreement of the Crédito Agrícola Pension Fund, the members of their governing bodies are not covered by the benefits described above.

The ACT pension calculations are based on the following lengths of time of service:

- For future seniority bonuses and automatic promotions, the length of service time was considered for purposes of level and seniority; and
- For the calculations in Annex V of the Collective Labour Agreement (ACT), the starting point was the recruitment date recognised for the pension fund.

The present value of past service liabilities, as well as the corresponding current service costs, were calculated using the Projected Unit Credit method.

Only those legally married are accepted for survivor pensions. For surviving men, the age is taken as three years younger than the pensioner, and for women as three years older. The calculation of this benefit is based on the remuneration level of the participant, in line with Annex VI of the collective labour agreement (ACT).

Banco de Portugal Notice 4/2005 determines that it is compulsory for pension funds to assure the full financing of pension liabilities under current payment and a minimum level of 95% of liabilities related to past service of current staff.

The remeasurement (actuarial gains and losses; return on plan assets, excluding amounts included in net interest on liabilities (assets) net of defined benefits; and any change in the effect of the maximum limit on assets, excluding amounts included in net interest on liabilities (assets) net of defined benefits) resulting from (i) differences between the actuarial and financial assumptions used and the amounts actually recorded and (ii) changes in actuarial assumptions, are recognised in their entirety as comprehensive income in the respective year in which they occur, being recorded under the heading of “Other accumulated comprehensive income”.

The amounts recorded in the year in profit or loss refer to:

- Cost of the service: The cost of the service includes the cost of current services, cost of past services and gains or losses upon settlement, which is recorded under the “Administrative expenses - staff expenses” heading; and
- Net interest: Net interest is determined by multiplying the discount rate by the net liability (asset) of defined benefits (both determined at the beginning of the annual reporting period, considering any variation of the net liability (asset) of defined benefits during the period as a consequence of the payment of contributions and benefits), which is recorded under the “Administrative expenses – Staff expenses” heading.

Defined contribution plan

Pursuant to clause 52(1) of the Collective Labour Agreement of 2020 (hereinafter also referred to as collective labour agreement or ACT), which CA Vida and CA Seguros endorsed, published in Labour and Employment Bulletin (BTE) number 21 of 8 June 2020, “all active workers in full exercise of their duties, with an employment contract for an indefinite period, shall benefit from an individual retirement plan, and in the case of retirement due to old age or disability granted by Social Security, which shall integrate and replace any other retirement pension attribution systems established in previous collective labour regulation instruments applicable to the company”.

The pension plan is funded through collective adherence to the open pension fund "CA Reforma Garantida".

In view of the provisions in Annex V of the previously mentioned collective labour agreement, in 2018, the Company made contributions to the Individual Retirement Pension Plan (PIR) of the value corresponding to the rate of 3.25% applied to the annual wage of the worker.

The first annual contribution of the employer to the Individual Retirement Pension Plan shall occur, for workers in full exercise of their duties, in the year following that in which they complete 2 years of effective employment at the Company.

If the employment contract is subject to a fixed term, the first annual contribution of the employer shall take place in the calendar year subsequent to that of the conversion of the fixed term contract into an indefinite employment contract and after completion of period of grace of 2 years stipulated above.

The individual retirement pension plan foresees the guarantee of the capital invested, with the management institution being responsible for such. This is a defined contribution plan, with the post-employment benefits received by the employees being determined by the contributions paid by the Company, together with the return on the investments derived from these same contributions. Consequently, the actuarial and investment risks shall fall on the employees, notwithstanding the guaranteed capital invested, referred to above.

As the obligation of the Company is determined by the amounts to be contributed, the respective accounting shall consist of recognising an annual expense, as these contributions are made.

Permanence premium (other long-term benefits)

Under clause 44 of the Collective Labour Agreement (CCT), the CA Group will grant employees, subject to compliance with certain requirements defined therein, cash bonuses (employees under the age of 50) or paid days of leave (employees aged 50 or over).

When the employees complete one or more multiples of five years with the insurer, they will be entitled to a cash premium equivalent to 50% of their effective monthly salary. After the employees reaches the age of 50 and once the following minimum periods of permanence in the company have been met, the cash bonus will be replaced by the granting of paid days of leave each year, in accordance with the following scheme:

a) Three days, when the employee reaches 50 years of age and has been with the insurer for 15 years;

b) Four days, when the employee reaches 52 years of age and has been with the insurer for 18 years; and

c) Five days, when the employee 54 years of age and has been with the insurer for 20 years.

Health benefits

Employees of the insurance companies who are in active service benefit from medical insurance, and the costs resulting from this benefit are recorded as expenses for the year.

Termination benefits

Termination benefits are recognised when employment ceases before the normal retirement date, or when the employee accepts termination of employment in exchange for these benefits. The termination benefit liability is recognised on the earliest of the following dates: when the entity can no longer withdraw the offer of benefits, or when the entity recognises the expenses of a restructuring under the recording provisions. Benefits due more than 12 months after the end of the reporting period are discounted to their present value.

m) Seniority bonuses

Under the terms of the collective labour agreement (ACT), the Crédito Agrícola Group accepted the commitment to attribute a seniority bonus to active employees upon completing 15, 25 and 30 years of good and effective service of the value of 1, 2 and 3 months of their effective monthly retribution (in the year of attribution), respectively.

The Crédito Agrícola Group determines the present value of benefits related to seniority bonus through actuarial calculations using the Projected Unit Credit method. The actuarial assumptions (financial and demographic) are based on expected wage growth and mortality tables used to calculate pension liabilities. The discount rate is determined based on market rates of bonds of companies with high rating and similar maturity period to that of the settlement of the liabilities.

The impact of the estimated actuarial deviations in each year is recorded in the “Consolidated income statement” under “Administrative expenses – Staff expenses”, or “Other operating income”, depending on the nature of the movement in the year.

n) Fee and commission income

As the services are provided, fee and commission income is recognised through profit or loss in the year to which it refers.

Fee and commission income that is an integral part of the effective interest rate of a financial instrument is recognised through profit or loss by the effective interest rate method.

The recognition of commissions associated with financial instruments will depend on the objective underlying their charging.

Distinction between:

- Commissions that are part of the effective interest rate of the financial instrument (“Effective interest rate method”);
- Fees and commissions that are received in accordance with the provision of the service (“Method of linear recognition over the period of the operation”); and,
- Fees and commissions charged at the time of execution of a significant act (“Recognition at the time”).

Fees and commissions associated with credit contracts paid at the initial time of the loan are deferred and recorded under the “Deferred income” heading, being subsequently recorded under income for the year throughout the useful life of the loan contracts and in accordance with the financial plan of the loans.

Fees and commissions relative to operations of loans and other financial instruments, namely fees charged or paid at the very beginning of the operations, are recognised throughout the period of the operations by the effective interest rate method under “Fee and commission income” or “Fee and commission expenses”.

Fees and commissions for services rendered are normally recognised as income throughout the period that the service is rendered or once only if they correspond to compensation for the execution of single acts.

o) Income tax

The institutions belonging to SICAM are taxed individually, being subject to the tax system established in the Corporate Income Tax Code. There is also a group of institutions within the CA Group that are taxed under the Special Tax System for Groups of Companies (RETGS) foreseen in the Corporate Income Tax Code.

Total income tax recorded through profit or loss incorporates current and deferred taxes.

Current tax is calculated based on the taxable profit for the year, which is different from the book value profit due to adjustments to taxable profit foreseen in the Corporate Income Tax Code, arising from costs or income not relevant for tax purposes, or which will only be considered in other periods.

Deferred tax assets and liabilities correspond to the value of the tax recoverable and payable in future periods arising from temporary differences between the book value of an asset or liability and its tax base. Tax credits are also recorded as deferred tax assets.

Deferred tax liabilities are usually recorded for all temporary taxable differences, while deferred tax assets are only recorded up to the amount for which future taxable profits are likely so as to enable the use of the corresponding deductible taxable differences or tax losses. However, it should be noted that IAS 12 excludes the possibility of recording deferred taxes, among other situations, in the following cases:

- Temporary differences arising on the initial recognition of assets and liabilities in transactions that do not affect the accounting profit or loss or taxable profit; and
- Deductible temporary differences arising from profit not distributed to subsidiaries and associates, to the extent that parent company is able to control their reversal and when it is probable that this will not occur in the predictable future.

Deferred taxes are calculated using tax rates that are expected to be in force on the date of the reversal of the temporary differences, which correspond to the rates approved, or largely approved, on the reporting date.

When there are distinct tax rates applicable to different levels of taxable profit (e.g. the case of the state surcharge), the deferred tax assets and liabilities are measured using the average rates that are presume applicable to the taxable profit (tax loss) of the years in which the reversal of the temporary differences is expected to occur.

Income taxes (current or deferred) are reflected in the profit or loss for the year, except in cases when their underlying transactions have been reflected in other equity items (for example, in the case of the revaluation of financial assets stated through other comprehensive income). In these cases, the corresponding tax is also recognised against equity, and does not affect the net income for the year.

The CA Group takes into account the guidelines of IFRIC 23 – Uncertainty over Income Tax Treatments and, accordingly, periodically assesses whether there are situations in which the application of the personal income tax legislation is subject to uncertain tax treatment and if it likely that that the Tax Authority or a Court accept the tax treatment adopted in the tax returns of the institutions comprising the Group.

Deferred tax is recognised on certain specific transactions when their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences. The transactions subject to recognition refer to the recording of: i) assets under right of use and lease liabilities; and ii) provisions for dismantling, restoration or similar liabilities, and the corresponding amounts recognised as part of the cost of the related asset, when at the date of initial recognition, they are not relevant for tax purposes. These temporary differences are not included under the scope of the exemption of initial recognition of deferred taxes.

p) Leases

Lease agreements - identification of assets

At the start of the contract, the Group evaluates whether a contract is or contains a lease. For a contract to be considered as a lease, the following three cumulative conditions must be met:

- the contract identifies one or more leased assets;
- the institution derives most of the economic benefits from using the leased asset; and
- the institution has the right to control the underlying asset, for the duration of the contract, in return for payment.

As the Lessee

In accordance with IFRS 16, a lease liability is measured at the present value of the sum of future payments to be incurred under the lease contract. To discount the payments the Group should use the implicit interest rate of the contract, considering that all the information is known to determine it. If the implicit rate is not determinable, an incremental interest rate should be used, requiring the institution to develop a methodology duly supported by internal and external information for its calculation.

I. Implicit interest rate is the discount rate that equals the fair value of the rents foreseen in the contract (including the residual value) to the fair value of the asset plus all the initial direct costs of the lessor. The main difficulty in ascertaining this rate is, in most cases, the scarce information available to the lessee relating to the residual value of the underlying asset and/or the amount of direct costs incurred by the lessor.

II. Incremental interest rate is the rate that a third party would charge the CA Group in a loan for the acquisition of an asset like that underlying the lease, under similar conditions, namely in terms of duration and guarantees. The calculation of incremental interest rates was segmented by type of underlying asset, based on internal and external information.

The spreads of Commercial Mortgage-Backed Securities (CMBS) and Residential Mortgage-Backed Securities (RMBS) in Portugal and Europe were used as a reference in real estate leasing operations, given the similarity between the operations that make up this type of issue and the assets underlying these leasing contracts.

Lease payments are discounted using the discount rate implicit in the contract if this is determinable.

In relation to the maturity of the lease to be considered in the calculation of the lease liability, its determination should consider the non-cancellable period of the lease, as well as the period covered by any options for extension of the term and/or early cancellation, if there is reasonable certainty as to its exercise. In situations where there are options for extension and/or cancellation of the term, it is up to the management to assess the reasonableness of their occurrence - the concept of "reasonably certain", in relation to its future decision.

To support its analysis, the CA Group used internal and market data that may require professional judgement, such as:

I. importance of the asset to the Group's business, lack of adequate alternatives;

II. significant economic benefits to the Group in the event of exercising the option to extend/cancel the contract or purchase the underlying asset;

III. any costs associated with the early cancellation of the contract, costs of changing and/or returning the asset; and

IV. comparison of the terms and conditions of the contract with current market conditions; among other data considered relevant.

As a lessee, the CA Group records an asset under right-of-use and a lease liability at the date on which control over the use of the leased asset is transferred to the Group.

The lease liability is measured at the present value of future rents to be incurred under the contract, discounting payments at the discount rate implicit in the contract, if this is determinable. When the implicit rate is not available or cannot be measured, an incremental Group borrowing rate should be used, corresponding to the rate that the lessee would use to pay the funds necessary to obtain an asset of similar value in an economic environment with comparable terms and conditions.

The payments taken into account in the calculation of the lease liability are: (i) fixed payments (including payments that are in substance fixed), less any amounts receivable for lease incentives; (ii) index or rate-dependent variable payments (if the payments considered variable are not dependent on an index or rate, they shall be recognised in the income statement at the time they are incurred); (iii) the amount relating to the exercise of the call option, if it is reasonably certain that the institution will exercise it; and (iv) payments for non-lease components.

Lease liabilities are subsequently adjusted upwards to reflect the interest on the lease liability (using the effective interest rate method) and reduced to reflect the payments made.

The liability is remeasured whenever there is a change in one of the following variables: (i) change in the value of index or rate-dependent variable payments (for the period in question only); (ii) change in assessment as to whether or not to exercise the call option on the underlying asset; (iii) change in the residual value of the asset; or (iv) change in the term of the contract. If there is a change in the term of the contract or a change in the assessment of the exercise of the call option (points (ii) and (iv)), a new discount rate shall be calculated for the remeasurement of the liability. If the modification qualifies as a separate lease, this shall give rise to the quantification and recognition of a new right-of-use asset together with the related lease liability.

When the lease liability is revalued, the difference arising from the revaluation is offset against the right-of-use asset or is recorded through profit or loss if the book value of the right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured at cost, corresponding to the initial value of the lease liability, adjusted for any payments incurred up to the effective date of the contract, plus any initial direct costs incurred and an estimate of the costs of dismantling and removing the underlying asset or restoring the underlying asset or the location in which it is located, less any lease incentives received.

Subsequently, the right-of-use asset is depreciated using the straight-line method, from the start date to the end of the useful life of the right-of-use asset or the end of the lease term. Additionally, the right-of-use asset is periodically adjusted if re-measures are made to the lease liability.

When there are indicators of loss in value, impairment tests are carried out on right-of-use assets, reducing their value in situations of impairment losses.

Whenever the CA Group incurs an obligation to dismantle and remove a leased asset, restore the site on which it is located, or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised in accordance with IAS 37. The expenses are included in the right-of-use asset.

Lease incentives (e.g. non-rental lease periods) are recognised as items of measuring right-of-use assets and lease liabilities, as received or receivable, respectively.

Variable rents that do not depend on an index or rate are not included in the measurement of lease liabilities or right-of-use assets. Such payments are recognised as expenses in the period in which the event or condition giving rise to the payments occurs.

Practical expedients - Short-term leases, low value leases and separation of components

As provided for in the standard, the Group has adopted the following practical expedients, in particular:

- Non-recognition of lease liabilities and respective right-of-use for lease contracts (i) with a duration not exceeding 12 months (short term) or (ii) where the underlying asset has a value, in its new state, of less than 5,000 euros (low value);
- Non-segregation of the non-leasing component in the estimate of the lease liability and corresponding right of use, therefore measuring the financial liability and the respective right of use considering the total amount to be incurred with the operation; and
- These contracts are accounted for under 'Other administrative expenses'.

The right-of-use assets are included in the balance sheet under "Tangible assets" (Note 12) and the lease liabilities under "Other liabilities" (Note 20).

As the Lessor

When the CA Group is a sublessor, the accounting for the main lease and the sublease is done as 2 separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset of the main lease.

The lessor of the sublease, simultaneously lessee with respect to the original lease, should recognise an asset, right-of-use, in the balance sheet relative to the primary lease (if classified as an operating lease) or a financial lease relative to the sublease (if classified as a finance lease). If the primary lease is of short duration, then the sublease should be classified as an operating lease.

When a given contract includes payments of lease components and other components, the Crédito Agrícola Group applies IFRS 15 - Revenue from Contracts with Customers, to allocate the consideration of the contract to each component, and only the lease components are considered for registration under IFRS 16.

If the CA Group (the seller-lessee) transfers an asset to another institution (the buyer-lessor) and re-leases that asset the from the buyer-lessor, both the seller-lessee and the buyer-lessor should state the transfer contract and the lease for accounting purposes.

<u>Finance leasing</u>

As a lessor, the assets divested under finance leasing arrangements are derecognised from the balance sheet, with the recording of a loan granted “Loans to customers” (sum equivalent to the value of the net investment made in the leased assets, plus any unsecured residual in favour of the CA Group), which is repaid through constant principal payments stipulated in the financial plan of the contracts. The interest included in the lease payments are recorded as financial income under “Interest Income”, based on a constant periodic rate of return, calculated on the net investment value referred to above.

Upon the date of entry into force, the lessor should recognise the assets held under finance lease arrangements in its statement of financial position and present them as an account receivable for a value equal to that of the net investment in the lease.

<u>Operating leasing</u>

The CA Group, as lessor, recognises the operating leases as income, whether on a straight-line basis or another systematic basis. Another systematic basis should be applied if that basis is more representative of the model in which the benefit of the use of the underlying asset is reduced. Payments are recorded in the consolidated income statement under the heading of "Other operating income".

q) Insurance and investment contracts

Insurance contracts are contracts under which the CA Group assumes a significant insurance risk from another party, by accepting an amount (premium), agreeing to compensate it in the event of an uncertain future event that adversely affects it. This type of contract is established under IFRS 17.

Investment contracts are contracts which exclusively involve financial risk. These contracts may also be differentiated between purely financial contracts in which the risk can be taken by the CA Group or by the policyholder and those with a discretionary participation feature (profit-sharing).

If the investment contracts are pure or the investment risk is borne by the policyholder, they fall within the scope of IFRS 9; if they have discretionary participation features, they fall within the scope of IFRS 17 (Capitalisation products with guaranteed rates and profit sharing).

Reinsurance contracts are insurance contracts issued by one entity (the reinsurer) to compensate another entity for claims arising from one or more insurance contracts issued by that other entity. The requirements applicable to reinsurance contracts apply in the same way, except for slight adaptations.

Insurance contracts, reinsurance contracts and investment contracts with discretionary participation features are recognised and measured as follows:

Revenue from insurance contracts

Revenue from insurance contracts is recorded as income in the year as the CA Group provides services.

For contracts measured using the premium allocation approach or simplified model (PAA), income for the period corresponds to the amount of expected premium income allocated to the period, based on the passage of time.

For insurance contracts measured using the General Measurement Model (GMM) or the Variable Fee Approach (VFA), insurance contract revenues are made up of the following items:

- Release of the contractual service margin

The contractual service margin ("CSM") is a new concept introduced by IFRS 17, which seeks, as an alternative to recognising an immediate gain at the beginning of a given group of contracts, that there is a phased recognition of the profitability of contracts over time in an explicit way, based on the standard of services provided.

As the services are rendered, at each reporting time, part of the contractual service margin is released, so that the profit from a given group of contracts is recognised in gains and losses under “Revenue from insurance contracts - Release of the contractual service margin for the services transferred”.

- Release of outgoing cash flows relating to claims and attributable non-acquisition expenses estimated for the period

This item recognises as income the outflows relating to claims and expenses other than attributable acquisitions estimated by the CA Group for the year.

- Release of the risk adjustment for the period

Under this heading, the risk adjustment estimated by the Company for the year is recognised as income.

Insurance contract costs

Insurance contract costs are made up of the following items:

- Incurred claims and other costs attributable to insurance contracts

This item includes the value of amounts paid out and the change in the provision for claims during the year, as well as the costs attributable to insurance contracts which are not related to acquisition costs (namely administrative expenses, claims management and investment costs, if applicable).

- Directly attributable acquisition costs

In the case of the application of the premium allocation approach, directly attributable acquisition costs are recognised as a cost in the year to which they refer.

For groups of contracts measured using the general measurement model or variable fee approach, experience adjustments relating to attributable acquisition cash flows are deferred over the hedging period of the group of contracts and incorporated through the release of the contractual service margin.

- Changes to past services

This item includes the value of amounts paid and the change in the provision for claims in previous years, if applicable.

- Changes to future services

This heading recognises the value of the loss component and the reversal of the loss component of insurance contracts, if applicable.

Revenues from reinsurance contracts

Revenues from reinsurance contracts correspond to amounts receivable from reinsurers relating to incurred claims.

Expenses from reinsurance contracts

Reinsurance contract costs correspond to reinsurance premiums ceded net of fees and commissions received.

r) Assets and/or liabilities of insurance contracts

Life Insurance Business

Insurance contract assets or liabilities correspond to the sum of the items "Life insurance contract liabilities - Future services" and "Life insurance contract liabilities - Past services". When the sum of these two items corresponds to a negative liability at the level of IFRS 17 portfolios, then an insurance contract asset is recognised, otherwise an insurance contract liability is recognised.

Life reinsurance liabilities are also measured using the general measurement model.

- Liabilities for future services

Life insurance contract liabilities relating to future services correspond to the best estimate of the estimated liabilities for the remaining coverage of the insurance contracts.

The General Measurement Model (GMM) is the default model used to measure insurance company contracts. At the time of initial recognition, the measurement of groups of contracts according to this model is based on the following items:

- estimates of expected future cash flows over the contract coverage period;

The expected future cash flows of each insurance contract are estimated based on the following measurement principles:

- Includes all the cash flows covered by the border of each contract;
- Incorporates in an unbiased and impartial manner all reasonable and available information, so that the insurance company does not have to incur excessive costs to assess the amount, timing and uncertainty of these future cash flows;
- Reflects the CA Group's perspective (as long as the estimates of market variables are consistent with the observable prices of those same variables);
- Reflects the information existing at the measurement date;
- They are measured explicitly, i.e. separately from the effect of discounting and risk adjustment;
- An adjustment that reflects the time value of money and the financial risks related to future cash flows (discount curve)

The discount curve must (i) reflect the time value of money, the features of the cash flows and the liquidity features of the insurance contracts; (ii) be consistent with the observable market prices of instruments with cash flows whose features are consistent with those of the insurance contract (in terms of timing, currency and liquidity); and (iii) exclude the effect of factors that influence the observable market prices but do not affect the future cash flows of the insurance contracts.

In deriving the discount curve, the CA Group applies the bottom-up approach, which corresponds to the risk-free interest rate structure published monthly by EIOPA plus an illiquidity premium calculated on the basis of the CA Group's financial instruments.

With the aim of reducing the possible accounting mismatch between the accounting options taken for the measurement of liabilities (under IFRS 17) and the accounting options taken for assets to cover liabilities (under IFRS 9), in the Life business, the CA Group exercised the option to disaggregate the income and costs of the financial component between gains and losses and other comprehensive income for all insurance contract portfolios.

- a risk adjustment for non-financial risk

The risk adjustment corresponds to the compensation necessary to support the uncertainty about the amount and timing of cash flows resulting from "non-financial" risk.

The estimation technique used by the CA Group to calculate the risk adjustment for the Life business is Value at Risk, with a confidence level of 80%.

With regard to the effect of financial risk on the risk adjustment component, the CA Group opted to break down the financial component between gains and losses and other comprehensive income.

- a contractual services margin (CSM), which represents the unrealised profit of the group of contracts

At the time of initial recognition, the contractual service margin corresponds to the net difference between the present value of the incoming cash flows and the outgoing cash flows and the risk adjustment, and cannot be negative. If the contractual service margin of a given group of contracts is negative at the time of initial recognition, that same group is onerous and the losses are recognised immediately in the income statement.

The contractual service margin is constituted at the level of the IFRS 17 contract group (being the unit of account to be considered), i.e. the portfolio combination, profitability group (profitable, with no significant possibility of becoming onerous or onerous) and cohort.

In the subsequent measurement, i.e. at each reporting moment, the contractual service margin is calculated in such a way as to capture the following effects:

- New contracts added to the contract groups (new business);

- Accrued interest: the interest applied to the contractual service margin is calculated on the basis of the discount curve determined at the time of initial recognition of the group of contracts, known as the locked-in rate;

- Change in cash flows linked to the fulfilment of contracts for future services, which essentially includes (i) experience adjustments arising from premiums and acquisition cash flows; (ii) changes in estimates arising from changes in non-financial assumptions (mortality, redemptions, annulments, among others) and (iii) changes in the risk adjustment related to future services; and

- Revenue to be released to the income statement due to the transfer of services during the year. The release of the contractual service margin is determined on the basis of coverage units (insured capital in the case of risk products and mathematical reserve for financial products with participation), which reflect the quantity of benefits and the expected duration of coverage of the contracts in the group.

When measuring the contractual service margin, there are differences between the application of the general measurement model and variable fee approach, which are summarised in the following table:

	General model	VFA model
Effect of new contracts added to the group	✓	✓
Effect of interest accrual	✓	✗
Effect of changes in the fair value of underlying items	✗	✓

Changes in cash flows linked to future services	✓	✓
Revenue due to the transfer of services in the period	✓	✓

GCA recognises profits and expenses for the following changes in the book value of the liability for remaining coverage:

- Revenues from insurance contracts - for the reduction of the liability for remaining coverage according to the services rendered during the period;

- Insurance contract expenses - for losses on groups of onerous contracts and reversals of possible losses; and

- Result of the financial component - for the effect of the time value of money and the effect of financial risk (e.g. inflation)

CA Vida has defined the following accounting policies for the Simplified Model (premium allocation approach or PAA):

- Acquisition costs directly attributable to contracts are recognised as an expense as these costs are incurred. The value of the liability for remaining coverage thus corresponds to the value of the premiums received, without deduction of any attributable costs;

- It does not adjust to reflect the time value of money, since GCA does not expect the time between the provision of each part of the services and the due date of the related premium to be more than one year, and since there are no financing components associated with GCA's contracts.

- Liabilities for past services

The liabilities for life insurance contracts relating to past services correspond to the best estimate of the liability for claims made by combining two methods. The first is based on a case-by-case analysis, determining the claims that have occurred and those that have yet to be settled. The second consists of applying statistical methods that calculate the provision for claims incurred but not reported (IBNR) on the reporting date and any associated costs.

s) Investment contract liabilities

Liabilities associated with investment contracts in which the risk is borne by the borrower are valued at fair value, determined on the basis of the fair value of the assets that make up the investment portfolio allocated to each product, less the corresponding management fees, and recorded under "Financial liabilities from insurance contracts and operations considered for accounting purposes to be investment contracts".

Investment contract liabilities are recorded (i) initially at fair value less transaction costs incurred and (ii) subsequently at amortised cost, based on the effective interest rate method.

<u>Non-Life insurance business</u>

Insurance contract assets or liabilities correspond to the sum of the items "Non-Life insurance contract liabilities - Future services" and "Non-Life insurance contract liabilities - Past services". When the sum of these two items corresponds to a negative liability at the level of IFRS 17 portfolios, then an insurance contract asset is recognised, otherwise an insurance contract liability is recognised.

The main accounting policies and measurement bases for insurance contract liabilities are as follows:

- Insurance contracts liabilities relating to future services

Non-Life insurance contract liabilities relating to future services correspond to the best estimate of the estimated liabilities for the remaining coverage of the insurance contracts.

GCA recognises acquisition costs directly attributable to contracts as an expense as these costs are incurred. The value of the Liability for Remaining Coverage (LRC) thus corresponds to the value of the premiums received, without deduction of any attributable costs. The value of the liability for remaining coverage is not adjusted to reflect the time value of money, since GCA does not expect the time between the provision of each part of the services and the maturity date of the related premium to be more than one year, and since there are no financing components associated with GCA's contracts.

• Liabilities from insurance contracts relating to past services

In order to calculate liabilities for insurance contracts relating to past services or provisions for incurred claims, the general model requires that this type of liability corresponds to the sum of the following items:

• Estimates of expected future cash flows relating to the provision of the service in the past

The expected future cash flows relating to past services correspond to the costs of incurred claims but not yet settled, the estimated liability for claims that have been incurred but not yet reported (IBNR) and the direct and indirect costs associated with their settlement. The provision for IBNR claims is estimated by the Company based on past experience, available information and the application of statistical methods.

To determine this provision, an analysis is made of the claims in progress at the end of each year and the consequent estimate of the liability existing on that date. Deterministic and stochastic methods are used to calculate this provision in the accidents at work business, in the part not relating to pensions, and in the motor business.

In order to calculate the provision for IBNR claims in business lines related to vehicles, accidents at work, personal accidents, housing, trade and services, and civil liability (operations and in general), actuarial estimates were made based on triangulation of amounts paid, considering the specific features of each business. For all other business lines, a general rate of 4% was applied to the value of costs related to claims for the year of declared claims, to provision the liability related to claims declared after the closing of the year. The provision for claim management costs is calculated using the average cost method.

Under the terms required by the standard, the estimate of cash flows incorporates in an unbiased and impartial manner all reasonable and available information, and the insurance company does not have to bear excessive costs to assess the amount, timing and uncertainty of these future cash flows; reflects the perspective of GCA (provided that the estimates of market variables are consistent with the observable prices of these same variables); reflects the information existing at the measurement date; are measured explicitly, i.e. separately from the effect of discounting and risk adjustment;

In the particular case of the Accidents at Work modality, the cash flows correspond to liabilities for compulsorily redeemable and non-compulsorily redeemable pensions, as well as liabilities for lifetime assistance. These liabilities include IBNR.

• An adjustment that reflects the time value of money and the financial risks related to future cash flows (discount curve)

The discount curve must (i) reflect the time value of money, the features of the cash flows and the liquidity features of the insurance contracts; (ii) be consistent with the observable market prices of instruments with cash flows whose features are consistent with those of the insurance contract (in terms of timing, currency and liquidity); and (iii) exclude the effect of factors that influence the observable market prices but do not affect the future cash flows of the insurance contracts.

In deriving the discount curve, GCA applies the bottom-up approach, which corresponds to the risk-free interest rate structure published monthly by EIOPA plus an illiquidity premium calculated on the basis of GCA's financial instruments.

With the aim of reducing the possible accounting mismatch between the accounting options taken to measure liabilities (under IFRS 17) and the accounting options taken to hedge liabilities (under IFRS 9), GCA exercised the option to disaggregate the income and costs of the financial component between gains and losses and other comprehensive income for all insurance contract portfolios.

Based on the illiquidity features of the liabilities of the insurance contracts operated by GCA, and given the duration of the liabilities of these same contracts, GCA applies a different discount curve for the Accidents at Work modality to the one it applies for the other branches.

• A risk adjustment for non-financial risk

The risk adjustment corresponds to the compensation necessary to support the uncertainty about the amount and timing of cash flows resulting from "non-financial" risk.

GCA applied the Value at Risk (VaR) methodology to calculate the risk adjustment of the remaining hedge provision. The VaR methodology made it possible to select, *a priori*, the confidence level desired by GCA for the level of prudence to be considered when calculating the best estimate of the liabilities of the groups of contracts, thus obtaining a risk adjustment that will implicitly correspond to the defined confidence level. The confidence level of the defined risk adjustment was 80% considering an ultimate view. With regard to the level of confidence in the Motor - Third Party Liability branch, this reflects a percentile of 90% at the date of this report. GCA intends to align it with all the other branches/products.

With regard to the effect of financial risk on the risk adjustment component, GCA chose to break down the financial component between other comprehensive income and gains and losses.

• Assets from reinsurance contracts relating to future and past services

Are determined by applying the criteria described above for direct insurance, considering the percentage assignment to reinsurance as well as other clauses in the reinsurance treaties in force.

t) Assets and/or liabilities of reinsurance contracts

Assets or liabilities from reinsurance contracts correspond to the sum of the items "Assets from life reinsurance contracts - Future services" and "Assets from life reinsurance contracts - Past services". When the sum of these two items corresponds to a positive liability at the level of IFRS 17 portfolios (reinsurance treaty) then an asset from reinsurance contracts is recognised, otherwise a liability from reinsurance contracts is recognised.

u) Contingent assets

Contingent assets arise due to unexpected or unplanned events, from which the possibility of an inflow of an economic benefit arises. Contingent assets are not recognised in the financial statements unless the receipt of the economic benefit is considered practically certain. If the economic benefit is probable, it will be mentioned in the explanatory notes for the corresponding contingent asset.

Contingent assets are subject to continuous assessment to ensure that their evolution is adequately reflected in the financial statements.

v) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the acquisition/contracting date and which are not subject to risks of fluctuation of value, including cash and deposits at Central Banks and at other credit institutions.

w) Classification of cash flows

The cash flow statement reports cash flows during the period classified by operating, investment, and financing activities:

<u>Operating activities</u> – are the main activities producing revenue and other activities that are neither investment nor financing;

<u>Investment activities</u> – are the acquisition and disposal of assets in the long-term and of other investments not included in cash equivalents; and

<u>Financing activities</u> – are activities that lead to changes in the size and composition of the equity and in the loans obtained by the institution.

Cash flows related to leases are presented as follows:

a) Payments of the principal components of lease liabilities are classified as cash flows from financing activities.

b) Interest component payments are also classified as cash flows from financing activities; and

c) Short-term leases, lease payments for immaterial assets and variable lease payments that are not included in the measurement of lease liabilities are classified as cash flows from operating activities.

The Group, in its insurance business, classifies cash flows for purchase and disposal of investment assets in its operating cash flows, as the purchases originate in cash flows associated to the beginning of insurance and investment contracts, net of the cash flows for payment of insurance benefits and claims, as well as benefits of investment contracts.

x) Capital

The share capital certificates are recorded in the share capital. The Articles of Association of the Caixas de Crédito Agrícola stipulate the conditions of exoneration of the associates and the entry of new partners (see Note 22). As for the other Group companies, their capital is annulled by way of consolidation adjustments (see Note 4).

y) Fair value of financial instruments

As established in IFRS 13, the financial instruments recorded in the balance sheet at fair value are classified according to the following hierarchy:

Level 1 – Prices in active markets

This level includes financial instruments valued based on active market prices (executable bids), disclosed through trading platforms;

Level 2 – Valuation techniques based on market data

This level considers financial instruments valued by inhouse models which use observable market data, namely interest rate or exchange rate curves.

Level 3 - Valuation techniques using inputs not based on observable market data.

This level includes financial instruments valued based on in-house valuation methods essentially considering inputs not observable in markets with significant impact on the valuation of the instrument or valued based on indicative bids calculated by third parties through valuation models.

For items classified at this level, the assumptions used to obtain the fair value was the price/sales quotation of the last transaction made between unrelated parties.

z) Segmental reporting

Pursuant to IFRS 8 – Operating Segments, the financial information is disclosed by operating segments.

An operating segment is a component:

(a) that pursues business activities in which revenue can be gained or expenses may be incurred;
(b) whose operating results are regularly reviewed by the Institution's chief operating decision maker for purposes of allocating resources to the segment and assessment of its performance; and
(c) relative to which distinct financial information is available.

The CA Group opted to report information by the following segments: commercial/retail banking, investment fund and asset management, insurance activity and others (Note 51).

3. Main estimates and uncertainties associated with the application of accounting policies

The estimates and judgements with impact on the CA Group's financial statements are continually evaluated, representing the best estimate of the Executive Board of Directors at each reporting date, considering the historical performance, accumulated experience, the methodologies and models developed and approved by the Group, as well as the expectations regarding future events, which under the circumstances in question are believed to be reasonable.

The intrinsic type of the estimates may lead to the real reflection of the situations that have been estimated, for financial reporting purposes, being different from the estimated amounts.

The preparation of the financial statements requires the preparation of estimates and the adoption of assumptions by the management, which might affect the value of the assets and liabilities, income, and costs, as well as the contingent liabilities that are disclosed.

The most significant estimates and assumptions used by the management are the following:

3.1. Impairment in portfolio of loans and advances to customers and with off-balance sheet liabilities

The CA Group (SICAM) conducts a periodic assessment of its portfolio of loans and advances to customers, as well as its liabilities due to guarantees provided and irrevocable commitments, in order to assess the existence of evidence of impairment, based on the Crédito Agrícola Group's impairment model (see Notes 9 and 18).

The estimates depend on the Executive Board of Directors' professional judgement regarding the assessment of the economic and financial situation of the customers and their capacity to fulfil the financial plans, on the estimated future cash flows that the institution will generate, and on the determination of the amount of the collateral associated with the granted credit operations.

In this context, the customers identified as having loans in default and whose total liabilities are deemed to be of a significant amount, are analysed individually to assess the need to record impairment losses.

Furthermore, a collective impairment analysis is also made to all other credit operations which were not subject to individual analysis, by allocating these operations to credit segments, with similar features and risks, with collective impairment losses being estimated, whose calculation is based on the historical behaviour of losses for similar assets. Where no objective existence of impairment has been observed in credit analysed on an individual basis, this credit is grouped together based on similar risk features and assessed collectively for purposes of impairment.

The impairment quantification model is harmonised with the analytical models (e.g. rating and scoring) used in the internal management of credit risk, as well as, whenever applicable, with the respective segmentation (e.g. customer, product, type of collateral, relationship between the loan and the value of the collateral (LTV)), promoting the mores consistent estimation of the risk parameters, applied in the collective perspective. There is also a specialised procedure for exposures with financial collateral.

The expected loss model enables recognising the expected loan losses throughout the life for all financial instruments for which there has been a significant increase of credit risk, from initial derecognition, considering the entire range of information, provided that it is reasonable and substantiated, including based on future economic estimates (prospective/ forward-looking approach).

The process of evaluation of the portfolio of loans and advances to customers and off-balance sheet liabilities, used to determine whether an impairment loss should be recognised, is subject to various estimates and judgements. This process includes factors such as the frequency of default, risk ratings, loss recovery rates and the estimation of both the amount and timing of future cash flows. The models are regularly reviewed and validated, as well as the inputs included in the models, in order to reduce any differences between estimated credit losses and actual experience with credit losses.

The use of different methodologies and/or assumptions could result in different levels of impairment losses recognised and presented in Notes 9 and 18, with a consequent impact in the Group's results.

3.2. Fair value of financial instruments

Fair value of financial instruments is based on market prices, whenever available. However, in the absence of a market price, the financial instruments are valued based on indicative bids calculated by third parties using valuation models or pursuant to valuation methodologies essentially using inputs that can be observed in markets with a significant impact on the valuation of the instrument (see Notes 6, 7, 8 and 10).

The equity instruments valued at fair value through profit or loss, this being determined, necessarily, in the following order: quoted price in a market in which there is no identical asset held by another party, price of the last market transaction that occurred between unrelated institutions or price according to the net situation of the institution (see Note 7).

The use of different methodologies and/or assumptions could result in different levels of fair value of the financial instruments recognised and presented in Notes 6, 7, 8 and 10, with the consequent impact on the Group's results.

3.3. Employee benefits

Liabilities related to supplementary retirement and survivor pensions are estimated based on actuarial and financial assumptions, in particular with respect to mortality, wage and pension growth and long-term interest rates. In this sense, the actual results may differ from these estimates. The sensitivity analysis carried out by CA Group on changes in assumptions is in Note 46.

The change in the stated assumptions could have an impact on the values determined and presented in Note 46, with the consequent impact on the results of the Group.

3.4. Income tax

The determination of the overall amount of income tax requires certain interpretations and estimates. Other interpretations and estimates could result in a different level of income tax, current and deferred, recognised in the year and shown in Note 14.

This aspect is even more important in relation to the recognition of deferred tax assets, which presuppose the existence of future taxable profits from which the temporary differences can be deducted. To this end, the future taxable profit or loss of the CA Group were estimated based on economic and financial projections, despite the existing uncertainty of some of the variables incorporated in these projections. Should these estimates prove incorrect, there is a risk of adjustment to the value of deferred tax assets in future years (see Note 14).

3.5 Valuation of real estate (Non-current assets held for sale and Other assets)

The valuation of these assets, and consequently the impairment losses, is based on assessments made by independent expert valuators, which incorporate various assumptions, in particular about the evolution of the real estate market, the best use of the property, and when applicable, expectations regarding the development of real estate projects, and also considering the Bank's intentions about the marketing of these assets. The assumptions used in the valuation of these properties have impact on their valuation and consequently on the determination of impairment (see Notes 15, 16 and 18). Also considered for the fair value of the real estate properties are the selling costs estimated by Caixa Central considering the history supported. All these assets are in condition for immediate sale.

The book value of these real estate properties corresponds to the lowest between the valuation amount minus selling costs and the purchase price.

Following the provisions of Circular Letter no. 21/2023, published on 5 June 2023, the Crédito Agrícola Group defined in 2023 a table of additional haircuts to be applied to properties received in credit recovery, through which impairment may be aggravated depending on the age of the property in the GCA's portfolio.

The expected period for sale of these real estate properties varies according to local market conditions, as well as their type or segment that influence the expected demand. As such, the expected period of sale of these real estate properties, assuming favourable market circumstances, is one year. The residential segment typically shows higher sale turnover levels than assets of the commercial segment which, in turn, have greater liquidity than the “plots of land” segment, defined herein in a broad perspective as the portfolio of non-current assets held for sale includes rural, urban and plots of land. The management directs its activity based on a Real Estate Property Divestment Plan, approved by the Executive Board of Directors, which is progressing soundly. The management is endeavouring to sell the real estate properties classified as non-current assets held for sale with the time limit of 12 months. All real estate properties that are able to be sold immediately in their present condition are widely publicised with a view to their sale within that time limit.

The use of different methodologies and/or assumptions in the valuation procedures could result in different levels of fair value of the real estate assets recognised and presented in Notes 15 and 16 with the consequent impact on the Group's results.

3.6 Impairment of real estate properties for own use

Real estate properties for own use are stated at acquisition cost minus accumulated depreciation and any impairment losses. The valuations of properties for own use, used in the impairment tests, were carried out on a going concern basis and using the depreciated replacement cost approach (see Note 12).

The use of different methodologies and/or assumptions in the valuation procedures could result in different levels of impairment of the real estate assets recognised and presented in Note 12, with the consequent impact on the Group's results.

3.7 Liabilities relating to insurance and investment contracts with discretionary participation features

Future liabilities arising from insurance and investment contracts with discretionary participation features are recorded under "Life insurance contract liabilities - Future services".

Liabilities for future services relating to traditional life products are determined on the basis of various assumptions, including mortality, longevity and interest rates, applicable to each of the hedges. The assumptions used are based on the past experience of GCA and the market. These assumptions may be revised if it is determined that future experience confirms that they are not appropriate.

When there are claims, any amount paid or estimated to be paid is recognised as a loss in profit or loss. GCA establishes provisions for the payment of claims arising from insurance and investment contracts with discretionary profit-sharing.

In determining the liabilities of insurance contracts and profit-sharing investment contracts, GCA periodically assesses its liabilities using actuarial methodologies and taking into account the respective reinsurance coverage. Provisions are reviewed periodically by the actuarial function.

The use of different methodologies and/or assumptions in the measurement procedures of liabilities of insurance contracts could result in different levels of liability being recognised and presented in Note 20, with the consequent impact on the Group's results.

3.8 Measurement of Lease Liabilities

The extension and rescission options contained in the lease contracts were considered in the calculation of the lease liability of various items of equipment and real estate properties of the CA Group. These options are used to maximise operational flexibility in terms of contract management. The majority of these options may only be exercised by the CA Group, and not by the respective lessor.

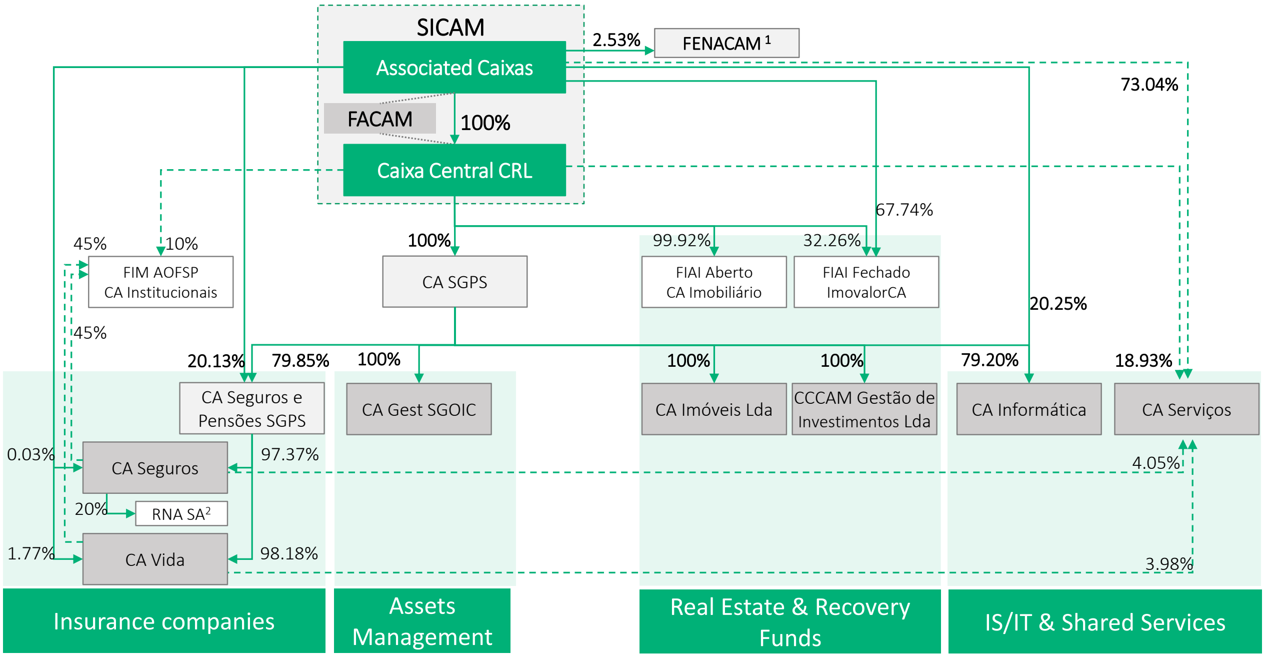
In physical terms, the CA Group does not expect any relevant impact of the application of IFRS 16, considering that it submitted an application requesting the Tax Authority for authorisation to use, during the tax period of 2019 and in future tax periods, depreciation shares higher than the maximum depreciation shares stipulated in Regulatory Decree 25/2009 (namely, in the case of the real estate properties in which it is the tenant).

3.9 Provisions

The measurement of provisions takes into account the principles defined in IAS 37 with regard to the best estimate of the expected cost, the most probable outcome of the actions in progress and taking into account the risks and uncertainties inherent in each process. Different assumptions and judgements would have an impact on determining the amount of the provisions, which are presented in Note 18.

4. Group Companies

As at 30 September 2024, the Crédito Agrícola Group is composed of the following institutions:



(1) FENACAM holds 97.45% of its own capital. (2) Consolidation by equity method (significant influence).
Date: 30/09/2024

	30-Sep-2024				(amounts in thousands of euros)	
	Equity	Net Assets	Profit/(Loss) for the year	Direct stake	Effective stake	Consolidation method
Banks						
Caixa de Crédito Agrícola Mútuo[(1)]	2,323,845	23,548,769	262,525	100.00%	100.00%	Full
Caixa Central de Crédito Agrícola Mútuo	645,853	14,097,176	61,624	100.00%	100.00%	Full
Asset management and brokerage						
Crédito Agrícola Gest – SGOIC, S.A.	1,818	3,425	245	100.00%	100.00%	Full
Crédito Agrícola Imóveis, Unipessoal, Lda.	1,156	7,079	(759)	100.00%	100.00%	Full
Services Rendered						
FENACAM - Federação Nacional das Caixa de Crédito Agrícola Mútuo FCRL	8,756	11,416	1,299	99.98%	99.98%	Full
Crédito Agrícola Informática-Serviços de Informática S.A.	9,428	14,299	308	99.45%	99.45%	Full
Investment funds						
FEIIA CA Imobiliário	95,983	98,911	(1,988)	99.92%	99.92%	Full
FEIIF ImoValorCA	7,293	7,459	(603)	100.00%	100.00%	Full
FIM Alternativo de Obrigações Fechado CA Institucionais	19,834	19,849	486	100.00%	98.79%	Full
Insurance						
Crédito Agrícola Seguros	68,899	280,488	7,206	97.40%	97.38%	Full
Crédito Agrícola Vida	154,033	848,154	7,434	99.95%	99.93%	Full
Other						
Associação – Fundo de Assistência do Crédito Agrícola Mútuo	137,413	137,848	876	100.00%	100.00%	Full
CA Serviços - Serviços Informáticos e de Gestão - ACE	12,357	111,043	12,357	100.00%	99.82%	Full
Crédito Agrícola SGPS S.A.	66,922	155,508	5,270	100.00%	100.00%	Full
Crédito Agrícola Seguros & Pensões SGPS S.A.	139,673	156,769	8,467	99.98%	99.98%	Full
CCCAM Gestão de Investimentos e Consultoria, Unipessoal Lda	851	6,752	(11)	100.00%	100.00%	Full
RNA - Rede Nacional de Assistência, S.A.	15,510	22,791	2,735	20.00%	19.48%	Eq. Method

Note: The amounts are as at 30 September 2024 (accounting balances before consolidation adjustments)

(1) These amounts correspond to the algebraic sum of the balance sheets of the Associated Caixas Agrícolas

	31-Dec-2023				(amounts in thousands of euros)	
	Equity	Net Assets	Profit/(Loss) for the year	Direct stake	Effective stake	Consolidation method
Banks						
Caixa de Crédito Agrícola Mútuo[(1)]	2,061,368	21,964,031	241,826	100.00%	100.00%	Full
Caixa Central de Crédito Agrícola Mútuo	588,160	12,882,333	66,271	100.00%	100.00%	Full
Asset management and brokerage						
Crédito Agrícola Gest– SGOIC , S.A.	2,052	3,535	481	100.00%	100.00%	Full
Crédito Agrícola Imóveis, Unipessoal, Lda.	1,916	10,165	(2,151)	100.00%	100.00%	Full
Services Rendered						
FENACAM - Federação Nacional das Caixa de Crédito Agrícola Mútuo FCRL	7,457	10,630	186	99.98%	99.98%	Full
Crédito Agrícola Informática-Serviços de Informática S.A.	9,214	14,470	512	99.45%	99.45%	Full
Capital Company						
CA Capital - Sociedade de Capital de Risco, S.A.	473	2,379	(220)	100.00%	100.00%	Full
Investment funds						
FEIIA CA Imobiliário	97,974	100,967	(14,839)	99.92%	99.92%	Full
FEIIF ImoValorCA	10,896	11,066	(23)	100.00%	100.00%	Full
FIM Alternativo de Obrigações Fechado CA Institucionais	19,348	19,363	1,183	100.00%	98.79%	Full
Insurance						
Crédito Agrícola Seguros	67,682	278,716	7,869	97.40%	97.38%	Full
Crédito Agrícola Vida	156,259	878,278	6,576	99.95%	99.93%	Full
Other						
Associação – Fundo de Assistência do Crédito Agrícola Mútuo	136,402	136,622	824	100.00%	100.00%	Full
CA Serviços - Serviços Informáticos e de Gestão - ACE	-	108,758	-	100.00%	99.82%	Full
Crédito Agrícola SGPS S.A.	61,652	156,327	3,504	100.00%	100.00%	Full
Crédito Agrícola Seguros & Pensões SGPS S.A.	137,540	154,559	6,683	99.98%	99.98%	Full
CCCAM Gestão de Investimentos e Consultoria, Unipessoal Lda	389	4,434	(874)	100.00%	100.00%	Full
RNA - Rede Nacional de Assistência, S.A.	15,615	21,942	2,841	20.00%	19.48%	Eq. Method

Note: The amounts are as at 31 December 2023 (accounting balances before consolidation adjustments)

(1) These amounts correspond to the algebraic sum of the balance sheets of the Associated Caixas Agrícolas

The head offices and business activities of the Group's institutions are as follows:

Caixa Central - Caixa Central de Crédito Agrícola Mútuo, CRL, Crédito Agrícola S.G.P.S. S.A., Crédito Agrícola Imóveis, Sociedade Imobiliária Unipessoal, Lda., CCCAM Gestão de Investimentos e Consultoria, Unipessoal Lda. and CA Capital - Sociedade de Capital de Risco S.A. have their head offices at Rua Castilho, n.º 233 - 1099-004 Lisboa.

The object of Caixa Central is to grant credit and carry out all other acts inherent to the banking business.

Crédito Agrícola Seguros, S.A., with head office in Rua de Campolide 372, 1070-040 Lisboa, is engaged in the insurance business of all non-life business (except for aviation, credit, and sureties) and life business, respectively.

Crédito Agrícola Vida, S.A., with its head office at Rua Castilho, no. 233, 1099-004 Lisboa, is dedicated to the life insurance business, with its main place of business at Rua de Campolide no. 372, Lisboa.

CA Serviços – Centro de Serviços Partilhados – ACE, with head office in Rua Teófilo Braga, Lote 63 Damaia – 2720-526 Amadora, was constituted as the unit of auxiliary services for the CA Group, for the purpose of providing information technology, operational, technical and management services in a manner complementing the individual and group activities of its Group members.

CA Informática – Serviços de Informática, S.A., whose head office is at Rua Teófilo Braga, Lote 63 Damaia – 2720- 526 Amadora, is essentially dedicated to the provision of information technology services, including consulting on matters of selection of software and hardware, the development and support to the development of applications, data processing, staff training and provision of consulting services in organisation and management, as well as the marketing and management of information technology equipment and products;

The purpose of Crédito Agrícola Imóveis Unipessoal, Lda is the holding, management and administration of real estate properties and the purchase of real estate properties for resale.

The corporate purpose of FENACAM - Federação Nacional das Caixas de Crédito Agrícola Mútuo, FCRL, whose head office is at Rua Professor Henrique Barros, Edifício Sagres, 7.º Piso - 2685-338 Prior Velho, consists of the representation and development of Crédito Agrícola Mútuo, strengthening the spirit of solidarity and cooperation between the associates, as well as the promotion, coordination and conduct of activities of common interest to them, and especially: i) representation of the Caixas Agrícolas and regional unions of their associates before any national, foreign or international institutions in the realisation and defence of the rights and interests of the associates; and ii) promotion of cooperativism within the Group.

FEIIA CA Imobiliário is a real estate investment fund, managed by Crédito Agrícola Gest - SGOIC, S.A., with its head office at Rua Tierno Galvan, Torre 3, Piso 7, Sala 706, 1070-274 Lisboa.

FEIIF Imovalor CA is a real estate investment fund whose management company is Crédito Agrícola Gest - SGOIC, S.A., with its head office at Rua de Campolide 372, 1070-040 Lisboa.

FIM CA Institucionais is a securities investment fund whose management company is Crédito Agrícola Gest - SGOIC, S.A., with its head office at Rua de Campolide 372, 1070-040 Lisboa.

The activity of CCAM Gestão de Investimentos e Consultoria, Unipessoal, Lda consists of the provision, in general, of economic and financial or specialised strategic advisory services, as well as accounting or consulting services for corporate direction or management and the preparation of economic and financial studies.

The object of Crédito Agrícola S.G.P.S., S.A. and Crédito Agrícola Seguros e Pensões S.G.P.S, with head office in Rua de Campolide 372, 1070-040 Lisboa, is the management of participations in other CA Group companies.

The main activity of Crédito Agrícola GEST - SGOIC, S.A. is the management of collective investment undertakings. It also carries out the activity of discretionary and individualised management of portfolios on behalf of others and consultancy for investments in securities.

The Associação – Fundo de Assistência do Crédito Agrícola Mútuo (FACAM) has its head office at Rua Castilho, No. 233/233-A 1099-004 Lisboa, with its purpose being to adopt and implement recovery and assistance measures for its Associates experiencing financial difficulties in terms of liquidity or solvency, as well as the other procedures set out in its Internal Regulations.

(Values in Thousands of Euros)

The head office of Rústicodivinal, Lda, liquidated at the end of 2022, was at Rua Castilho, no. 233/233-A 1099-004 Lisboa and its corporate purpose was the production of common and liqueur wines, wholesale of liqueur drinks and viticulture.

RNA Seguros de Assistência S.A. has its head office at Alameda Fernão Lopes, 16, 6º, Miraflores, 1495-190 Algés, with its core business being the provision of services, management, assistance and consulting to persons and assets in the insurance business of any claim.

5. Cash, cash balances at central banks and other demand deposits

The composition of this heading is as follows:

	30-Sep-24	31-Dec-23
Cash on hand	129,906	153,922
Cash balances at central banks (without interest)	1,915,696	1,394,437
Other demand deposits (without interest)	53,558	66,544
Interest	163	400
	2,099,323	**1,615,303**

The variation of the value of demand deposits at Banco de Portugal between 31 December 2023 and 30 September 2024 is essentially explained by the normal management of the minimum cash reserves throughout the period of maintenance of reserves and by the temporary liquidity deposits associated with movements of recomposition of the portfolio of financial assets.

The average rate of return on other demand deposits is close to 0%.

(Values in Thousands of Euros)

6. Financial assets and liabilities held for trading

As at 30 September 2024 and 31 December 2023, the breakdown of Financial assets and liabilities held for trading was as follows:

	30-Sep-24	31-Dec-23
Financial assets held for trading		
Debt instruments		
Issued by residents	1,445	14,673
Issued by non-residents	178,213	112,967
Derivative financial instruments with positive fair value		
Currency futures	2	4
Interest rate swaps	31,354	14,984
	211,014	**142,628**
Financial liabilities held for trading		
Derivative financial instruments with positive fair value		
Currency futures	5	12
Interest rate swaps	21,278	9,860
	21,283	**9,872**

The change in this heading arises from the investments that the Financial Department or CA Gest, in the case of the portfolios of Associated Caixas and Caixa Central under discretionary management, consider appropriate in view of the market situation and within the limits approved and in force. These investments are short-term and arise from the volatility of the market itself.

The exposure by country of the balances of debt instruments is as shown below:

	30-Sep-24	31-Dec-23
Public debt securities		
Portugal	-	13,351
Spain	1,273	1,560
Italy	162,167	80,160
Other (Germany, France, Belgium, Luxembourg)	3,202	19,966
Book Value - Public Debt	**166,642**	**115,036**
Other issuers		
Debt securities	13,016	12,604
Total Other issuers	**13,016**	**12,604**
Total Debt instruments held for trading	**179,658**	**127,641**

(Values in Thousands of Euros)

	30-Sep-24			
	Notional Value	Assets	Liabilities	Net
Foreign exchange forward transactions				
Currency futures				
Purchases	5,326	2	(5)	(3)
Sales	5,329	-	-	-
	10,656	2	(5)	(3)
Swaps				
Interest rate swaps	3,585,928	31,354	(21,278)	10,077
Bonds				
Debt securities	178,550	179,658	-	179,658
Total	**3,775,134**	**211,014**	**(21,283)**	**189,731**

	31-Dec-23			
	Notional Value	Assets	Liabilities	Net
Foreign exchange forward transactions				
Currency futures				
Purchases	4,928	4	(12)	(8)
Sales	4,945	-	-	-
	9,873	4	(12)	(8)
Swaps				
Interest rate swaps	1,348,623	14,984	(9,860)	5,124
Bonds				
Debt securities	128,091	127,641	-	127,641
Total	**1,486,587**	**142,629**	**(9,872)**	**132,756**

The details of the financial assets and liabilities held for trading by the fair value hierarchy of IFRS 13 are presented in Note 47.

7. Non-trading financial assets mandatorily at fair value through profit or loss

	30-Sep-24	31-Dec-23
Securities		
Debt instruments		
Issued by residents	10,213	11,595
Issued by non-residents	46,993	50,192
Equity instruments	88,534	88,068
	145,740	**149,855**

Debt instruments that do not comply with the SPPI test shall be classified under this heading, as well as equity instruments.

There are no collaterals received or mortgages constituted on the equity instruments.

(Values in Thousands of Euros)

The exposure by country of the balances of debt instruments is as shown below:

	30-Sep-24	31-Dec-23
Public debt securities		
Portugal	74	1,485
Spain	2,385	736
Italy	2,436	911
Other (Germany, France, Romania, Belgium)	2,235	1,026
Book Value - Public Debt	**7,130**	**4,158**
Other issuers		
Debt securities	50,076	57,629
Book Value - Other issuers	**50,076**	**57,629**
Total Debt securities mandatorily at FVTPL	**57,206**	**61,787**

The fair value hierarchy, provided for in IFRS 13, of non-trading financial assets mandatorily carried at fair value through profit or loss is as follows (see Note 47):

	30-Sep-24			
		Valuation Techniques		
	Stage 1	Stage 2	Stage 3	Total
Non-trading financial assets mandatorily stated at FVTPL	57,206	-	88,534	145,740

	31-Dec-23			
		Valuation Techniques		
	Stage 1	Stage 2	Stage 3	Total
Non-trading financial assets mandatorily stated at FVTPL	61,787	-	88,068	149,855

8. Financial assets at fair value through other comprehensive income

The composition of this heading is as follows:

	30-Sep-24	31-Dec-23
Debt instruments		
Issued by residents	113,105	135,955
Issued by non-residents	581,786	769,845
	694,891	**905,800**

(Values in Thousands of Euros)

The variation that occurred in this heading is primarily explained by a Spanish debt security that reached its maturity on 6 September 2024, amounting to 175 million euros. Furthermore, the heading's variation was also influenced by short-term investment proposals and the actual market volatility.

As at 30 September 2024, the impairment of securities at fair value through other comprehensive income is 379 thousand euros (31 December 2023: 537 thousand euros), as shown in Note 23. The movement of impairment occurred in the year can be seen in Note 18.

The exposure by country of the debt instruments is as shown below:

	30-Sep-24	31-Dec-23
Public debt securities		
Portugal	81,888	100,718
Spain	132,084	313,332
Italy	145,322	145,964
Other (Germany, France, Romania, etc.)	226,689	217,226
Book Value - Public Debt	**585,983**	**777,240**
Other issuers		
Debt securities	108,908	128,560
Book Value - Other issuers	**108,908**	**128,560**
Total Financial assets at FVTOCI	**694,891**	**905,800**

Impairment Reserves	30-Sep-24	31-Dec-23
Public debt	(218)	(321)
Other issuers	(161)	(216)
Total	(379)	(537)

In terms of the fair value hierarchy set out in IFRS 13, financial assets at fair value through other comprehensive income are classified according to the following levels (see Note 47):

	30-Sep-24			
		Valuation Techniques		Total
	Stage 1	Stage 2	Stage 3	
Financial assets at fair value through other comprehensive income	694,891	-	-	694,891

	31-Dec-23			
		Valuation Techniques		Total
	Stage 1	Stage 2	Stage 3	
Financial assets at fair value through other comprehensive income	905,800	-	-	905,800

The impairment of financial assets at fair value through other comprehensive income is reflected in equity. See movement in Note 18.

(Values in Thousands of Euros)

As at 30 September 2024, all debt instruments are classified in stage 1 of the ECL model. As at 31 December 2023, there are two securities classified in stage 2 of the value of 2.2 million euros, with the rest remaining in stage 1. See movement of impairment in Note 18.

The potential capital gains and capital losses of financial assets at fair value through other comprehensive income are recorded in the assets against "revaluation reserves" in equity. The impacts on equity are shown in Note 23.

There are no debt instruments at fair value through other comprehensive income given as collateral.

Realised capital gains are detailed in Note 31.

9. Financial assets at amortised cost

The composition of this heading is as follows:

	30-Sep-24	31-Dec-23
Debt securities	10,484,449	9,553,816
Investments	40,123	32,780
Loans and advances to customers	11,383,967	11,281,291
Total Financial Assets at Amortised Cost	**21,908,539**	**20,867,887**

9.1 Debt Securities

The composition of this heading is as follows:

	30-Sep-24	31-Dec-23
Debt instruments		
Issued by residents	1,947,224	2,056,777
Issued by non-residents	7,989,184	7,048,798
	9,936,408	9,105,575
Interest receivable	80,734	65,099
Accumulated impairment	(4,753)	(4,899)
	10,012,389	9,165,775
Securitised		
Commercial Paper	474,392	391,165
Commercial Paper interest	1,226	205
Deferred fees received	(3,460)	(3,171)
	472,158	388,199
Accumulated impairment	(98)	(158)
	10,484,449	**9,553,816**

The movement in debt instruments at amortised cost during the first nine months of 2024 and in the year of 2023 is as follows (excluding interest receivable and impairment):

	31-Dec-23		2024								30-Sep-24	
Nature	Opening Balance		Additions		Disposals		Maturities		Amortisation premium/Interest	Variation hedge adjustment	Closing Balance	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value			Quantity	Value
Debt instruments	9,480,090	9,105,575	1,420,768	1,418,995	(5,200)	(5,097)	(660,205)	(660,205)	(13,513)	90,653	10,235,453	9,936,408
Total - Financial assets at AC	**9,480,090**	**9,105,575**	**1,420,768**	**1,418,995**	**(5,200)**	**(5,097)**	**(660,205)**	**(660,205)**	**(13,513)**	**90,653**	**10,235,453**	**9,936,408**

(Values in Thousands of Euros)

	31-Dec-22		2023								31-Dec-23	
Nature	Opening Balance		Additions		Disposals		Maturities		Amortisation premium/Interest	Variation hedge adjustment	Closing Balance	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value			Quantity	Value
Debt instruments	9,574,350	8,945,517	317,640	311,888	-	-	(411,900)	(411,900)	(36,868)	296,939	9,480,090	9,105,575
Total - Financial assets at AC	**9,574,350**	**8,945,517**	**317,640**	**311,888**	-	-	**(411,900)**	**(411,900)**	**(36,868)**	**296,939**	**9,480,090**	**9,105,575**

The nominal value of securities at amortised cost is 10,235 million euros as at 30 September 2024, and 9,480 million euros as at 31 December 2023.

The accumulated adjustment relative to the hedge relations at fair value stands at 469 million euros as at 30 September 2024 (560 million euros as at 31 December 2023) as presented in Note 10.

In terms of the fair value hierarchy set out in IFRS 13, debt securities held at amortised cost are classified according to the following levels (see Note 47):

	30-Sep-24			
		Valuation Techniques		
	Stage 1	Stage 2	Stage 3	Total
Financial assets at amortised cost (excludes commercial paper)	10,012,389	-	-	10,012,389

	31-Dec-23			
		Valuation Techniques		
	Stage 1	Stage 2	Stage 3	Total
Financial assets at amortised cost (excludes commercial paper)	9,165,775	-	-	9,165,775

The CA Group's investment policy determines that maximum limits of 10% should be observed in the annual sales ratios in terms of amount and quantity of securities in the portfolio. During the first nine months of 2024 and in the year of 2023, the disposal of portfolio securities at amortised cost did not exceed the defined limits.

As at 30 September 2024, there are debt instruments at amortised cost given as collateral, of the value of 498,336 thousand euros (December 2023: 696,549 thousand euros). These instruments have not undergone any change in their credit risk stage and remain at stage 1.

(Values in Thousands of Euros)

The exposure by country of the main balances of debt instruments is as shown below:

	30-Sep-24	31-Dec-23
Public debt securities		
Portugal	1,789,424	1,982,107
Spain	3,858,875	4,051,165
Italy	1,056,320	1,039,720
Other	693,106	234,988
Book value (gross) without accrued interest	**7,397,725**	**7,307,980**
Interest receivable	56,816	52,639
Impairment	(2,948)	(3,706)
Total public debt	**7,451,593**	**7,356,913**
Other issuers	2,538,683	1,797,595
Interest receivable	23,918	12,460
Impairment	(1,805)	(1,193)
Total Other issuers	**2,560,796**	**1,808,862**
Total Debt instruments at amortised cost	**10,012,389**	**9,165,775**

Debt instruments issued by residents essentially refer to Portuguese public debt, of the value of 1,789,424 thousand euros.

Debt instruments issued by non-residents refer to Spanish and Italian public debt, of the value of 3,858,875 thousand euros and 1,056,320 thousand euros, respectively.

As at 30 September 2024, there is one security classified in stage 2 of the value of 0.7 million euros, with the rest remaining in stage 1. As at 31 December 2023, all debt instruments are classified in stage 1 of the ECL model. See movement of impairment in Note 18.

See also the movement of impairment in Note 18.

9.2 Investments

	30-Sep-24	31-Dec-23
Investments:		
Loans	40,000	32,500
Other investments	16	21
Interest receivable from loans	139	298
	40,155	32,819
Investment impairments	(32)	(39)
Total Investment	**40,123**	**32,780**

The variation of the heading of investments is primarily explained by new investment of a credit institution amounting to 10 million euros and the end of an investment of 2.5 million euros.

(Values in Thousands of Euros)

9.3 Loans and advances to customers

	30-Sep-24	31-Dec-23
Credit Portfolio		
Mortgage Loans	3,438,816	3,464,219
Loans with and without collateral	6,651,712	6,593,321
Financial leasing contracts		
Customers	311,880	314,236
Current account loans and advances		
Customers	534,429	487,780
Demand deposits overdrafts		
Other residents	7,498	5,518
Consumer credit	569,587	565,518
Other loans		
Credit cards	53,905	52,322
Other loans and advances to customers	5,672	7,692
Modifications	(15,489)	(8,575)
	11,558,010	11,482,031
Interest receivable	56,218	59,036
Associated fees at amortised cost		
Deferred expenses	2,013	1,895
Deferred expenses	(32,533)	(31,215)
Total loans not immediately due	11,583,708	11,511,747
Overdue loans and interest		
Overdue loans	166,185	148,189
Overdue interest	12,853	10,493
Total overdue credit and interest	179,038	158,682
Accumulated impairment	(378,779)	(389,138)
Total Credit Portfolio	**11,383,967**	**11,281,291**

This variation is essentially due to the increased asset-backed and unsecured loans by 58.4 million euros, the increased current account loans and advances by 46.7 million euros, the loans and interest overdue by 20.4 million euros; in contrast, there was a reduction in mortgage loans of 25.4 million euros.

The composition of the heading of Loans and advances to customers (due and overdue), excluding interest and commissions, according to the type of guarantee, is as follows:

(Values in Thousands of Euros)

	30-Sep-24	31-Dec-23
Loans receivable:		
Asset-backed loans	8,827,637	8,816,619
Unsecured loans	1,306,267	1,200,059
Loans with personal guarantees	1,424,106	1,465,353
	11,558,010	11,482,031
Overdue loans:		
Asset-backed loans	126,791	120,337
Unsecured loans	17,137	12,278
Loans with personal guarantees	22,257	15,574
	166,185	148,189
	11,724,196	**11,630,220**
Fair value of asset-backed guarantees	11,731,448	13,030,730

As at 30 September 2024 and 31 December 2023, there is no overdue credit without impairment, as shown in the table below:

	30-Sep-24	31-Dec-23
Overdue loans with impairment	166,185	148,189
Overdue loan with impairment	12,853	10,493
Overdue loans without impairment	-	-
Overdue loans without impairment	-	-
	179,038	**158,682**

As at 30 September 2024 and 31 December 2023, the residual maturity periods of the Loans and advances to customers (excluding interest and commissions) shows the following structure:

	30-Sep-24	31-Dec-23
Up to three months	476,387	405,582
Three months to one year	574,228	540,997
One year to three years	953,462	923,847
Three to five years	1,070,431	1,118,071
Over five years	8,589,665	8,583,279
Without term	60,023	58,444
	11,724,196	**11,630,220**

(Values in Thousands of Euros)

As at 30 September 2024 and 31 December 2023, the Loans and advances to customers was divided between fixed and variable rates, amounting to the following:

	30-Sep-24	31-Dec-23
Fixed rate	1,105,038	1,034,867
Variable rate	10,619,158	10,595,354
	11,724,196	**11,630,220**

It should be noted that most variable rate loans are indexed to Euribor.

The duration of overdue credit balances with impairment for the periods presented is as follows:

	30-Sep-24	31-Dec-23
Up to three months	12,115	11,885
Three months to one year	70,899	49,355
One year to three years	13,685	40,355
Three to five years	48,932	18,612
Over five years	33,407	38,475
	179,038	**158,682**

Up to this date, the Crédito Agrícola Group has not carried out any operation of securitisation of its credit portfolio.

As at 30 September 2024 and 31 December 2023, the CA Group has approximately 958,654 thousand euros and 956,638 thousand euros, respectively, of loan contracts written off from the assets, that, due to their recovery being considered remote, are stated under off-balance sheet items (Note 21).

The change in the heading "Impairment losses" during the periods of September 2024 and December 2023 is presented in Note 18. The remaining impact on profit or loss (interest income) is described in Note 26.

10. Derivatives - Hedge accounting

The composition of this heading is as follows:

	30-Sep-24	31-Dec-23
Swaps - Interest rate risk	606,121	686,290
Derivatives - Hedge accounting (Assets)	**606,121**	**686,290**
Swaps - Interest rate risk	(97,418)	(97,297)
Derivatives - Hedge accounting (Liabilities)	**(97,418)**	**(97,297)**
	508,703	**588,993**

(Values in Thousands of Euros)

The details of assets recorded in the Balance Sheet are as follows:

30-Sep-24		Hedging instrument			Hedged instrument		
Derivative instrument	Associated financial assets/liabilities	Notional	Fair value (1)	Fair value variation for the year	Fair value component of the hedged instrument	Fair value variation for the year	Book value
Interest rate swap	Debt instruments	5,758,468	508,703	1,701	(469,371)	90,653	5,960,894

1) Includes accrued interest

31-Dec-23		Hedging instrument			Hedged instrument		
Derivative instrument	Associated financial assets/liabilities	Notional	Fair value (1)	Fair value variation for the year	Fair value component of the hedged instrument	Fair value variation for the year	Book value
Interest rate swap	Debt instruments	5,075,880	588,993	4,658	(560,024)	296,939	5,284,257

1) Includes accrued interest

The details of the estimated notional values of effective derivatives, by their maturity in September 2024, are as follows:

	2024	2025	2026	2027	2028	2029	2030	> 2031 to 2040
Fair value hedge of interest rate risk								
Notional value	5,350	10,700	550,100	286,500	723,150	276,000	385,168	3,521,500

The details of the estimated notional values of effective derivatives, by their maturity in December 2023, are as follows:

	2024	2025	2026	2027	2028	2029	2030	> 2031 to 2040
Fair value hedge of interest rate risk								
Notional value	29,730	10,700	550,100	275,000	708,850	87,000	285,500	3,129,000

Under its interest rate risk management, the CA Group entered into a series of interest rate swap contracts aimed at mitigating the impact on the fair value of debt financial instruments arising from interest rate variations, where it is expected that the fair value of the respective interest rate swap should evolve inversely to the fair value of the hedged risk of the hedged instrument. Accordingly, and as all the requirements of IFRS 9 were met, the CA Group applied hedge accounting, namely of the "fair value hedge" type.

The exchanged interest rates of these swaps are Euribor 6 months and Euribor 1 month. The variation in this heading is essentially justified by the difference in Euribor rates. The maturities of these swaps vary between 2 months and 16 years (2023: between 1 and 17 years).

11. Investments in subsidiaries, joint ventures and associates

As at 30 September 2024 and 31 December 2023, this heading shows the following composition:

	30-Sep-24	31-Dec-23
Rede Nacional de Assistência, SA	3,021	3,041
	3,021	3,041

As at 30 September 2024, the amount recognised in the income statement as "Proportion of profit or loss (-) of investments in joint ventures and associates accounted for using the equity method" was 634 thousand euros.

The most significant data withdrawn from the financial statements of this Company is summarised in Note 4.

(Values in Thousands of Euros)

12. Tangible assets

During the first nine months of 2024, Property, plant and equipment varied by 1.2 million euros, essentially due to acquisitions and depreciation.

The movement of Tangible assets relative to 2023 can be seen in Annual Report for 2023.

13. Intangible assets

During the first nine months of 2024, Intangible assets decreased by 2.7 million euros, essentially due to acquisitions and amortisation.

The movement of Intangible assets relative to 2023 can be seen in Annual Report for 2023.

14. Income tax

The balances of income tax assets and liabilities as at 30 September 2024 and 31 December 2023 are detailed as follows:

	30-Sep-24	31-Dec-23
Deferred tax assets		
Due to temporary differences	69,246	77,425
Due to tax losses carried forward	2,243	2,911
	71,489	80,336
Deferred tax liabilities		
Due to temporary differences	(5,263)	(6,351)
	(5,263)	(6,351)
	66,226	**73,984**
Current tax assets		
Income tax recoverable	741	875
	741	875
Current tax liabilities		
Income tax payable	(29,392)	(118,368)
	(29,392)	(118,368)
	(28,651)	**(117,494)**

As at 30 September 2024, the net balance of the current tax assets and liabilities amounts to a credit balance of 28,651 thousand euros.

Current taxes were calculated based on the rates in force established in the tax legislation, more specifically (i) the general rate of corporate income tax (21%); (ii) the municipal surcharge rates (up to 1.5%); and (iii) the state surcharge rates, which vary according to the calculated taxable profit (between 3% and 9%).

(Values in Thousands of Euros)

Deferred taxes were calculated using the rates that are expected to be applicable at the time of their realisation, based on the tax rates that have been decreed or substantially decreed on the reporting date. Additionally, an average rate of 25% was calculated in 2024, for the consolidation adjustments to be made in relation to deferred tax assets and liabilities.

The table below details the amounts (costs and/or gains) associated to income taxes recorded through profit or loss as at 30 September 2024 and 31 December 2023, as well as the respective effective tax rate in each period, which is measured by the relationship between the net cost related to income tax and the earnings before tax.

	30-Sep-24	**30-Sep-23**
Current taxes		
Tax on profit for the year	102,553	74,308
Tax corrections relative to previous years	1,706	(691)
	104,259	73,617
Deferred taxes		
Recording and reversal of temporary differences	3,176	1,982
Tax losses carried forward	1,363	1,658
	4,539	3,640
Total tax recognised through profit or loss	**108,798**	**77,258**
Earnings before taxes	456,111	302,341
Effective tax rate	**23.85%**	**25.55%**

(Values in Thousands of Euros)

15. Other assets

The composition of this heading is as follows:

	30-Sep-24	31-Dec-23
Other assets		
Other cash balances	1,013	198
Gold and other precious metals	616	627
Pledged account investments	3,332	3,339
Administrative Public Sector		
VAT receivable	53	1,701
IMT - refunds requested	270	316
Other receivables	227	222
Debtors for unpaid capital	1	1
Expenses on overdue loans	3,115	3,030
Expenses on credit litigation	3,304	3,010
Subsidies receivable	3,486	2,907
Other debtors - advancements	2,284	2,271
Customers with finance lease	240	248
Other assets due to credit recovery	315,362	335,968
of which real estate properties	*312,355*	*333,330*
Other real estate properties	2,668	2,674
Life insurance contract assets	46,903	39,950
Life and non-life reinsurance contract assets	28,542	31,966
Other miscellaneous receivables	50,685	50,530
	462,101	**478,958**

(Values in Thousands of Euros)

Income receivable		
From irrevocable commitments undertaken	311	296
From banking services	3,061	3,160
Other income receivable	5,668	227
	9,040	**3,683**
Deferred expenses		
Insurance	715	916
Rentals and leasing	161	147
Other	9,385	12,787
	10,261	**13,850**
Amounts to be settled		
Transactions of securities to be settled	282	393
Multibanco (ATM clearing)	55,922	61,170
Offsetting of amounts	19	5
Margin Call	87,389	100,671
SIBS invoicing	463	259
Protocol agreements	1,372	4,672
Office supplies	570	636
Other transactions to be settled - electronic transfers	2,025	7,456
Other transactions to be settled	23,408	8,694
	171,450	**183,956**
	652,852	**680,447**
Liabilities related to pensions and other benefits (Note 46)		
Total liabilities	(112,633)	(112,633)
Pension fund assets	113,191	113,191
	558	**558**
Impairment - Other assets		
Other assets for loan recovery	(159,364)	(169,357)
of which real estate properties	*(158,535)*	*(168,649)*
Other real estate properties	(726)	(771)
Receivables and other investments	(19,988)	(20,555)
	(180,078)	**(190,683)**
	473,332	**490,322**

The value recorded under the heading of “Other assets due to credit recovery” as at 30 September 2024 and 31 December 2023, refers to real estate properties that, although there is an intention to sell cannot be classified as “Non-current assets held for sale”.

The variation of “Other assets due to credit recovery” essentially arises from disposals that took place in the first nine months of 2024.

The fair value hierarchy to which the fair value calculated for the valuation of the assets corresponds is level 3.

The balances of the heading of “Other miscellaneous receivables” are explained by the recording of outstanding amounts with debtors due to services rendered by institutions of the Group to third parties, which have not yet been settled. As at 30 September 2024, this amounted to 50,685 thousand euros (December 2023: 50,530 thousand euros).

The Crédito Agrícola Group assesses the credit risk of receivables from third parties based on an assessment of the customer's track record, such as the fulfilment of its payments to the Group, as well as an analysis of the fulfilment of future payments.

The decrease in margin call values is due to the allocation of liquidity to this specific activity, which results from two tranches. On the one hand, an initial margin, calculated according to the value transferred and the maturity of the exposures and, on the other hand, a variation margin, derived from the market value of the outstanding positions. As at 30 September 2024, the counterparties to these assets are Commerzbank (87.1 million euros) and Citibank Europe (0.3 million euros).

The heading “Multibanco automated teller machines (ATM clearing)” corresponds to the amount immobilised at ATMs, pending settlement by SIBS.

As at 30 September 2024 and 31 December 2023, the balance of the heading “Other transactions to be settled” includes the movements of the corresponding demand deposit accounts, namely in foreign currency made by customers of the Crédito Agrícola Group, which remain pending the value date of the movement. These amounts were mostly settled in early October and January 2024, respectively.

The heading of "income receivable - for banking services rendered" is mainly due to placement and marketing fees of the Funds (not belonging to the CA Group) which were only settled in early October

Impairment of debtors refers essentially to litigation, where the stage of impairment is level 3.

The amounts relating to insurance and reinsurance contract assets in the Life and Non-Life business lines can be seen in Note 48.

(Values in Thousands of Euros)

16. Non-current assets and disposal groups classified as held for sale

The composition of this heading is as follows:

	30-Sep-24	31-Dec-23
Real estate properties		
Real estate properties received in loan recovery	6,995	8,797
Equipment received in loan recovery	592	536
Other assets	680	705
	8,267	**10,037**
Impairment (Note 18)		
Impairment of real estate properties	(2,091)	(1,943)
Impairment of equipment and other assets	(667)	(607)
	(2,758)	**(2,549)**
	5,510	**7,488**

It can thus be summed up in:

	30-Sep-24	31-Dec-23
Real estate properties	4,904	6,854
Equipment and other assets	606	634
	5,510	**7,488**

The change in the heading of other real estate properties held for sale relates mainly to disposals during the first nine months of 2024.

The fair value hierarchy of IFRS 13 to which corresponds the fair value calculated for the valuation of the assets is level 3.

(Values in Thousands of Euros)

17. Financial liabilities measured at amortised cost

As at 30 September 2024 and 31 December 2023, this heading is detailed as follows:

	30-Sep-24	31-Dec-23
Deposits		
Loans - Banco de Portugal	-	18 091
Loans to Other credit institutions	24 214	205 994
Customer deposits		
Demand	9 658 964	9 459 175
Term	8 170 447	6 467 560
Savings deposits	3 332 049	4 043 537
Cheques and orders payable	18 801	11 136
Other customers' funds	46	101
Interest - Banco de Portugal	-	31
Interest payable/receivable	51 888	22 420
of which Other credit institutions	*142*	*369*
	21 256 409	20 228 045
Debt securities issued		
Debt issued	550 000	550 000
Interest	11 888	11 522
	561 888	561 522
Other financial liabilities		
Loans	25 294	20 362
Interest payable	144	383
	25 438	20 745
	21 843 735	20 810 313

17.1 Deposits

Loans - Banco de Portugal

As at 30 September 2024, there are no loans granted by Banco de Portugal. The details of the loans granted by Banco de Portugal (excluding accrued interest) as at 31 December 2023 are as follows (euros):

Institution	Original currency amount	Currency	Amount in euros	Start date	Repayment date	Rate
Banco de Portugal	20,000,000	USD	18,091,361	21-12-23	04-01-24	5.59%
Total			**18,091,361**			

(Values in Thousands of Euros)

Deposits (excluding Banco de Portugal)

The increased capture of term deposits and saving accounts among customers, with more attractive remuneration rates, essentially explain the variation of the heading of deposits.

17.2 Debt securities issued

At the end of October 2021, the CA Group placed its first debt issue in the international market, specifically senior preferred debt securities linked to Social Sustainability. The issue, amounting to 300 million euros, has a maturity of 5 years, with an early repayment option at the end of the fourth year and an issue price of 99.906%, with an annual coupon rate of 2.50% in the first 4 years, and bearing interest at the 3M Euribor rate plus a spread of 260 basis points thereafter. The settlement occurred on 5 November 2021. Moody's Investor Services assigned a rating of “Ba2”, with a stable Outlook for this issue.

In June 2023, Caixa Central made a second debt issue on the international market for 200 million euros. This issue has a term of 4 years, with an early repayment option at the end of the third year and an issue price of 99.681%, with an annual coupon rate of 8.375%, and subsequently remunerated at the 3M Euribor rate, plus a margin of 497.4 basis points. The settlement occurred on 04 July 2023. Moody's Investor Services assigned a rating of “Ba1”.

As a result of the interest of institutional investors in this debt issue, the Crédito Agrícola Group decided to increase its value by 50 million euros. This tap issue of senior preferred bonds, linked to Social Sustainability, was liquidated on 8 August 2023. Like the second issue, these bonds are listed on the international market. Moody's Investor Services assigned a rating of “Ba1”.

This tap issue is also eligible for MREL, thus enabling the Crédito Agrícola Group to exceed its binding target for the Minimum Requirement for Own Funds and Eligible Liabilities Total Risk Exposure Amount + Combined Buffer Requirement (MREL TREA + CBR) minimum requirement, which came into force on 1 January 2024 (25.28%).

Between December 2023 and September 2024 there were no changes in the debt securities issued by Caixa Central, with their details being presented below (excluding accrued interest):

Original currency amount	Currency	Amount in euros	Start date	Early repayment date	Repayment date	Coupon rate over 4 years	5th year rate
300,000,000	Euros	300,000,000	05-11-21	4 years	5 years	2.50%	3M Euribor
200,000,000	Euros	200,000,000	04-07-23	3 years	4 years	8.38%	3M Euribor
50,000,000	Euros	50,000,000	08-08-23	3 years	4 years	8.38%	3M Euribor
		550,000,000					

17.3 Other financial liabilities

The loans heading includes an amount of 10.1 million euros as at 30 September 2024 (20.7 million euros as at 31 December 2023) this operation is part of a credit line from the European Investment Bank (EIB), aimed at financing medium and long-term investments for small and medium-sized companies operating in Portugal. The average rate of this loan is 3.86% and the maturity ranges from December 2027 to April 2028. The heading’s remaining balance, amounting to 15.2 million euros, corresponds to bank overdrafts at foreign credit institutions.

18. Provisions and impairments

(Values in Thousands of Euros)

The movement in provisions and impairment of the Crédito Agrícola Group during the first nine months of 2024 and in the year of 2023 is shown in the tables below.

Description	31-Dec-23 Opening balance	2024 Top-ups	Write-backs & annulments	Uses and write-offs	Transf.	30-Sep-24 Closing balance
Impairments						
Impairment of Assets at FVTOCI (Notes 8 and 23)	537	66	(224)	-	-	379
Impairment of Assets at amortised cost (Note 9)	394,233	282,994	(276,530)	(17,035)	-	383,662
of which:						
Loans and Commercial Paper (without interest stage 3)		*273,870*	*(267,989)*			
Interest stage 3		*5,374*	*(4,637)*			
Securities (without commercial paper)		*3,694*	*(3,840)*			
Credit institutions		*55*	*(63)*			
Other impairments:						
- Non-current assets held for sale (Notes 16 and 44)	2,549	219	(107)	(123)	219	2,758
- Other assets (Note 15)	190,683	6,738	(3,432)	(13,692)	(219)	180,078
- Property, plant and equipment (Note 12)	8,970	253	(154)	(75)		8,994
	596,973	290,270	(280,446)	(30,925)	-	575,871
Provisions						
- Guarantees provided and irrevocable commitments	12,425	21,153	(20,424)	-	-	13,154
- Other provisions	37,911	1,093	(2,453)	(6,115)	-	30,436
	50,336	22,246	(22,877)	(6,115)	-	43,590
Total	**647,309**	**312,516**	**(303,324)**	**(37,040)**	**-**	**619,461**

Description	31-Dec-22 Opening balance	2023 Top-ups	Write-backs & annulments	Uses and write-offs	Transf.	31-Dec-23 Closing balance
Impairments						
Impairment of Assets at FVTOCI (Notes 8 and 23)	561	260	(285)	-	-	537
Impairment of Assets at amortised cost (Note 9)	356,181	473,187	(379,889)	(55,246)	-	394,233
of which:						
Loans and Commercial Paper (without interest stage 3)		461,153	(367,820)			
Interest stage 3		6,855	(5,470)			
Securities (without commercial paper)		4,926	(6,310)			
Credit institutions		253	(289)			
Other impairments:						
- Non-current assets held for sale (Notes 16 and 44)	119,207	55,863	(7,977)	(24,364)	(140,180)	2,549
- Other assets (Note 15)	25,796	35,390	(7,127)	(3,556)	140,180	190,683
- Property, plant and equipment (Note 12)	8,147	2,220	(1,211)	(185)	-	8,970
- Other intangible assets (Note 13)						
	509,891	566,920	(396,488)	(83,351)	-	596,973
Provisions						
- Guarantees provided and irrevocable commitments	11,492	19,369	(18,436)	-	-	12,425
- Other provisions	29,651	26,759	(11,874)	(6,624)	-	37,911
	41,143	46,128	(30,311)	(6,624)	-	50,336
Total	**551,033**	**613,049**	**(426,799)**	**(89,975)**	**-**	**647,309**

As shown in the table above, during the first nine months of 2024 there was a decrease in impairment for assets at amortised cost of approximately 10.6 million euros. Of this amount, 10.4 million euros refer to loans and advances to customers, which essentially resulted from write-offs and the evolution of the risk associated to the loan portfolio, whose valuation was based on application of the criteria of the Crédito Agrícola Group's impairment model, as described in Note 2.3 c) of this document. The remaining value, which amounts to approximately 0.2 million euros, refers to the reinforcement of impairment on debt securities. It should be noted that the top-ups and repositioning of impairment for financial assets at amortised cost relating to interest on level 3 loans are recognised in net interest income. A reversal of 0.7 million euros is recognised as at 30 September 2024 and of 1.4 million euros in 2023.

(Values in Thousands of Euros)

Furthermore, the reduction of the impairment of “other assets” is directly related to the sale of real estate properties received through credit recovery (see Note 15).

19. Share capital repayable on demand

This heading is detailed as follows:

	30-Sep-24	31-Dec-23
CCAM Nordeste Alentejano, CRL	5	5
CCAM Ribatejo Norte e Tramagal, CRL	1	1
CCAM de Trás-os-Montes e Alto Douro, CRL	50	51
CCAM Médio Ave, CRL	-	2
	56	**60**

Pursuant to IAS 32, securities representing share capital are equity instruments if the institution has the unconditional right to refuse their reimbursement. The introduction of the IAS/IFRS implied an adjustment with reference to 1 January 2006 of the value of 41,447,495 euros, derived from the classification of special securities of share capital as liabilities (Note 22). The reductions of securities representing share capital refer to repayments made to the Associates.

(Values in Thousands of Euros)

20. Other liabilities

This heading is detailed as follows:

	30-Sep-24	31-Dec-23
Payables and other funds		
Funds - captive account	2,791	2,384
Funds - escrow account	12,200	12,916
Other funds	7,030	6,117
Administrative Public Sector		
Tax withholdings at source	10,439	10,743
Social Security contributions	4,482	4,283
IVA payable	2,502	1,374
Other taxes	1,022	1,124
Collections on behalf of third parties	1,035	325
Contributions to other health systems	846	797
Financial liabilities from insurance contracts	8,058	4,544
Life insurance contract liabilities	611,581	634,699
Non-life insurance contract liabilities	166,463	163,911
Liabilities in investment funds, included in the consolidation perimeter	86	88
Miscellaneous payables		
Payables due to supply of goods and services	9,598	24,037
Payables - Credit cards	1,202	1,225
Other payables	45,707	43,356
Advancements received	5,459	6,890
Lease liabilities	19,331	19,382
	909,832	**938,195**
Charges payable		
Staff expenses		
Provisions for holidays and holiday allowance	21,427	22,803
Seniority bonus (Note 46)	15,689	15,520
Other	14,290	5,635
For other administrative expenses	49	181
Other	14,431	7,440
	65,886	**51,579**

(Values in Thousands of Euros)

Deferred expenses		
Fees on guarantees provided and irrevocable letters of credit	3,105	2,953
Rents	30	46
Other	234	479
	3,369	**3,478**
Amounts to be settled		
Foreign exchange position	17	3
Margin call	583,097	630,962
Multibanco (ATM) clearing house - real-time traffic	27,864	2,835
Transactions of securities to be settled	281	392
Offsetting of amounts	2,753	3,905
Other transactions to be settled - electronic transfers	1,059	45
Other transactions to be settled - protocol agreements	152	3,066
Other transactions to be settled	156,692	137,452
	771,915	**778,660**
	1,751,002	**1,771,912**

The variation in the heading of "Other liabilities" arises from the CA Group's normal activity in the first nine months of 2024.

The Group recognises under "Other liabilities", the participation units of investment funds which are included in the consolidation perimeter, held by institutions outside the Group, due to being a liability, pursuant to AG29A and BC68 of IAS 32, and no longer recognises them under non-controlling interests.

As at 30 September 2024, the balance of the item "Creditors and other resources - Financial liabilities from insurance contracts" refers to contracts issued by CA Vida in which there is only a transfer of financial risk, with no discretionary profit sharing, and to contracts in which the investment risk belongs to the policyholder. The evolution between 31 December 2023 and 30 September 2024 was as follows:

		Amounts		Changes in gains and losses	
	Amount managed as at 31-Dec-23	Inflow	Outflow	(technical interest)	Amount managed as at 30-Sep-24
Measured at amortised cost	55		43	-	12
Measured at fair value through profit and loss	4,489	5,490	2,195	261	8,046
Total	**4,544**	**5,490**	**2,237**	**261**	**8,058**

The fair value of the assets at amortised cost is 12 thousand euros.

The decrease in margin call values is due to the fluctuation in the allocation of liquidity for this specific activity, which is the result of two parts. On the one hand, an initial margin, calculated according to the value transferred and the maturity of the exposures and, on the other hand, a variation margin, derived from the market value of the outstanding positions. The counterparts to these credit amounts are Commerzbank (419.2 million euros), BBVA (155.8 million euros), Nomura Bank (3.8 million euros), JP Morgan (3.1 million euros), Credit Agricole (1.1 million euros) and Santander (0.1 million euros).

As at 30 September 2024 and 31 December 2023, the balance of the heading of "Other transactions to be settled" includes the Nostro accounts, namely in foreign currency, which continue awaiting the value date of the movement. The majority corresponds to transactions with value date in early October and January 2024, respectively, with the transactions being settled at that time.

(Values in Thousands of Euros)

The amount in the ATM clearing house shows a increase in relation to 31 December 2023, essentially due to transactions made with multibanco cards at the end of the year, with clearing having taken place on the following business day.

The amounts relating to liabilities from life and non-life insurance contracts can be seen in Note 48.

21. Contingent liabilities and commitments

The off-balance-sheet items associated with guarantees provided, irrevocable commitments and other liabilities due to services rendered are shown in the table below:

	30-Sep-24	31-Dec-23
Guarantees provided and any other possible liabilities		
Guarantees granted	211,058	212,500
Open documentary credits	414	815
Assets given as guarantee - securities	2,973,430	3,181,010
Other possible liabilities	5,371	5,282
Commitments to third parties		
Due to credit lines:		
Irrevocable commitments	1,444,205	1,318,090
Revocable commitments	457,680	439,811
Irrevocable commitments for buying and selling securities	62,151	-
Due to securities underwritten	86,097	92,162
Potential liability in relation to the Investor indemnity system	1,751	1,663
Liabilities due to services rendered		
Deposit and custody of securities	1,897,687	1,845,766
Securities managed by the institution	1,531,939	1,526,805
Securities received for billing	21,954	22,866
Other	649	614
	8,694,385	**8,647,384**

As at 30 September 2024 and 31 December 2023, the off-balance-sheet heading "Assets given as guarantee - securities" includes the value of the securities included in the pool of collateral at Banco de Portugal to back financing operations from the Eurosystem. This heading also includes securities given as guarantee to cover repos contracted with other non-resident financial institutions.

The entirety of the balance of the heading of “Commitments to third parties – Due to subscription of securities” corresponds to the underwriting of commercial paper.

Although this is not recorded in the off-balance sheet accounts under the legal system of Crédito Agrícola Mútuo, the Group is jointly liable for the non-financed amount of the pension funds of the Caixas Agrícolas which do not belong to

SICAM (Note 46), which comes to 6,016,080 euros. It should be noted that the process of splitting up these responsibilities regarding the Crédito Agrícola Mútuo Pension Fund is under way.

22. Capital

The statutory share capital of the Crédito Agrícola Group, divided and represented by registered securities, with unit nominal value of 5 euros is 1,656,599 thousand euros as at 30 September 2024.

Of the total amount of underwritten capital, the amount of 56 thousand euros was transferred to the liability heading “Share capital repayable on demand”, by application of IAS 32 – Financial Instruments (Note 19).

The publication of the Legal Framework for Crédito Agrícola Mútuo, in Diário da República (Decree-Law 142/2009 of 16 June), as mentioned in the Introduction implied the adaptation of the Articles of Association of the Caixas de Crédito Agrícola to this Legal Framework which, at the limit, had to be amended by the date of the first mandatory general meeting held in 2010, as stipulated in the transitory provisions in Article 5 of Decree-Law 142/2009 of 16 June. Therefore, during 2009 and in early 2010, the Articles of Association of the Associated Caixas were amended and approved at the General Meeting, in order to assure the General Meeting's decision on the exoneration of the members. This is the reason why the registered securities of the Caixas Agrícolas underwritten by their members continued under the same classification of equity, under the terms of IAS 32, with the exception of those classifiable under liabilities, also as defined in IAS 32.

Pursuant to the Articles of Association of the Caixas Agrícolas, the conditions of exoneration of the members are as follows:

- Up to 31 October of each year, the Members may either present their exoneration or request a reduction of their participation, by letter addressed to the Board of Directors, in accordance with the following conditions:

  - At least three years must have elapsed after the equity securities have been paid;

  - The reimbursement must not lead to a reduction of share capital to a figure below the minimum amount stipulated in the Articles of Association nor imply default or the worsening of default in any relationship or prudential limits established by the law or Banco de Portugal in relation to Caixa Agrícola.

- The exoneration takes effect after approval by the General Meeting that deliberates on the annual report for the year in which the request is submitted;

- Members that are exonerated or have reduced their participation are entitled to the reimbursement of their equity securities, under the terms of Article 8(7) of the Articles of Association, although the Board of Directors may order suspension of the reimbursement as established in Article 8(8);

- The reimbursement may be made in three annual instalments unless a shorter timeframe is decided by the Board of Directors.

In the first nine months of 2024, there were capital increases (incorporation of reserves, entry of new shareholders and dividends converted into capital) amounting to 140,949 thousand euros and, in the opposite direction, shareholder withdrawals amounting to -7,181 thousand euros.

Following the General Meetings held by the different Associated Caixas, share capital increases are made by incorporation of reserves, which leads to movements of transfer of balances of reserves to carry out share capital increases.

As at 30 September 2024 and 31 December 2023, the statutory capital corresponded to the members of the following Caixas Agrícolas:

(Values in Thousands of Euros)

	30-Sep-24	31-Dec-23
CCAM Centro Litoral, CRL	83,066	72,810
CCAM de Vale de Sousa e Baixo Tâmega, CRL	70,400	59,733
CCAM Costa Azul, CRL*	69,451	62,925
CCAM Alto Douro, CRL	67,915	60,838
CCAM Batalha, CRL	59,445	55,977
CCAM da Serra da Estrela, CRL	56,155	52,254
CCAM do Noroeste, CRL	55,546	55,098
CCAM Açores, CRL	53,144	46,280
CCAM Alto Cávado e Basto, CRL	44,525	39,869
CCAM Beira Douro e Lafões, CRL	42,964	38,876
CCAM do Vale do Távora e Douro, CRL	38,606	34,989
CCAM de Alcobaça, Cartaxo, Nazaré, Rio Maior e Santarém, CRL	36,794	31,083
CCAM Terras do Arade, CRL	36,033	30,547
CCAM Terras Sousa, Ave, Basto e Tâmega, CRL	35,228	35,185
CCAM C. da Rainha, Óbidos e Peniche, CRL	34,667	31,127
CCAM P. Varzim, V. Conde e Esposende, CRL	33,259	27,330
CCAM Alentejo Sul, CRL	28,163	22,265
CCAM de Trás-os-Montes e Alto Douro, CRL	27,442	24,885
CCAM de Terras de Viriato, CRL	27,336	25,117
CCAM do Baixo Mondego, CRL	26,152	23,945
CCAM Lourinhã, CRL	24,306	21,060
CCAM Vale do Dão e Alto Vouga, CRL	21,122	19,191
CCAM do Sotavento Algarvio, CRL	19,835	19,810
CCAM Vila Franca de Xira e Arruda dos Vinhos, CRL	19,023	17,571
CCAM Região do Fundão e Sabugal, CRL	18,719	11,684
CCAM Vila Verde e Terras do Bouro, CRL	18,392	16,828
CCAM Alenquer, CRL	18,349	17,059
CCAM de São Teotónio, CRL	18,327	18,271
CCAM da Beira Baixa (Sul), CRL	18,036	14,278
CCAM Albufeira, CRL	17,481	17,272
CCAM Oliveira do Bairro, Albergaria e Sever, CRL	16,940	15,715
CCAM Douro e Sabor, CRL	16,750	15,633
CCAM Ribatejo Norte e Tramagal, CRL	16,034	13,632

(Values in Thousands of Euros)

	30-Sep-24	31-Dec-23
CCAM Alentejo Central, CRL	15,701	15,282
CCAM de Cantanhede e Mira, CRL	15,331	15,265
CCAM da Terra Quente, CRL	15,294	15,145
CCAM Douro e Côa, CRL	15,174	15,172
CCAM Terras de Santa Maria, CRL	15,130	14,025
CCAM do Guadiana Interior, CRL	15,043	13,902
CCAM Área Metropolitana do Porto, CRL	14,918	13,056
CCAM de Pernes e Alcanhões, CRL	14,800	13,921
CCAM Médio Ave, CRL	14,749	11,877
CCAM Salvaterra de Magos, CRL	14,711	12,865
CCAM Coimbra, CRL	14,700	14,683
CCAM do Baixo Vouga, CRL	14,270	13,742
CCAM da Zona do Pinhal, CRL	14,143	13,643
CCAM Aljustrel e Almodovar, CRL	14,094	13,718
CCAM Elvas, Campo Maior e Borba, CRL	13,634	13,436
CCAM da Bairrada e Aguieira, CRL	13,309	13,260
CCAM Paredes, CRL	12,522	11,483
CCAM Cadaval, CRL	11,564	11,190
CCAM do Ribatejo Sul, CRL	11,352	9,993
CCAM Coruche, CRL	10,604	10,568
CCAM Loures, Sintra e Litoral, CRL	10,589	10,563
CCAM Nordeste Alentejano, CRL	10,524	9,754
CCAM Beira Centro, CRL	10,436	9,398
CCAM Costa Verde, CRL	10,216	10,231
CCAM Porto de Mós, CRL	9,555	8,393
CCAM Estremoz, Monforte e Arronches, CRL	9,202	9,191
CCAM do Norte Alentejano, CRL	9,163	8,362
CCAM Vagos, CRL	8,343	8,214
CCAM Oliveira de Azeméis e Estarreja, CRL	8,016	7,998
CCAM de Moravis, CRL	7,788	7,806
CCAM Azambuja, CRL	7,644	6,689
CCAM do Algarve, CRL	7,543	7,534
CCAM Sobral de Monte Agraço, CRL	7,058	6,696
CCAM Entre Tejo e Sado, CRL	5,656	5,652
FACAM	84,218	84,218
CCAM Alcácer-Sal e Montemor-Novo, CRL*	-	6,769
	1,656,599	1,522,831

* CCAM Alcácer-Sal e Montemor-Novo, CRL was incorporated into CCAM Costa Azul, CRL, giving rise to CCAM Costa Azul, CRL.

(Values in Thousands of Euros)

23. Other accumulated comprehensive income, retained earnings and reserves

As at 30 September 2024 and 31 December 2023, the items of other accumulated comprehensive income, retained earnings and reserves are broken down as follows:

		30-Sep-24	31-Dec-23
Reserves derived from measurement at fair value			
Fair value changes of financial assets at FVTOCI			
Potential gains		(72,811)	(86,315)
Impairment		379	537
Deferred taxes		7,857	6,274
Fair value changes of financial assets at FVTOCI		**(64,575)**	**(79,504)**
Tangible assets revaluation reserves		(224)	(310)
Reserve for the financial component of insurance contracts		41,861	59,890
Other reserves		799,462	665,059
Actuarial gains or (-) losses on defined benefit pension plans	(Note 46)	(27,924)	(27,924)
Retained earnings		21,722	(1,931)
Profit or loss attributable to owners of the parent company		347,110	297,224
		1,117,432	**912,504**

The movement of "Other accumulated comprehensive income" between 30 September 2024 and 31 December 2023 is as follows:

	31-Dec-23	Increases / (decreases) in valuations	Disposals	Impairments	Taxes	Other	30-Sep-24
Items that will not be reclassified to profit and loss							
Actuarial gains or (-) losses on defined benefit pension plans	(27,924)		-	-	-	-	(27,924)
Items that can be reclassified to profit or loss							
Fair value changes of debt instruments measured at fair value through other comprehensive income	(79,504)	(1,474)	14,978	(158)	1,583		(64,575)
Reserve for the financial component of insurance contracts	59,890	-	-	-	-	(18,029)	41,861
Other accumulated comprehensive income	**(47,538)**						**(50,637)**

	31-Dec-22	Increases / (decreases) in valuations	Disposals	Impairments	Taxes	Other	31-Dec-23
Items that will not be reclassified to profit and loss							
Actuarial gains or (-) losses on defined benefit pension plans	(27,234)	(690)	-	-	-	-	(27,924)
Items that can be reclassified to profit or loss							
Fair value changes of debt instruments measured at fair value through other comprehensive income	(120,320)	61,344	(27,989)	24	7,435	1	(79,504)
Reserve for the financial component of insurance contracts	70,187	-	-	-	-	(10,297)	59,890
Other accumulated comprehensive income	**(77,366)**						**(47,538)**

(Values in Thousands of Euros)

The value indicated in “Other reserves” is distributed among the following statutory reserves:

	30-Sep-24	31-Dec-23
Legal reserve	519,780	451,577
Statutory reserve	2,062	2,053
Special reserve	46,516	42,122
Free reserve	151,058	84,090
Reserve for cooperative training and education	9,221	7,778
Reserve for mutualism	6,330	5,745
Reserves for differences in capital reimbursement	7	7
Reserves for payment of equity securities in the following years	3,260	2,643
Reserves for associates' equity rights	936	703
Reserve for the financial component of insurance contracts	6,095	8,106
Reserve for the financial component of reinsurance contracts	(2)	(106)
Other reserves	54,199	60,341
	799,462	665,059

The heading of “Other reserves” refers to the reserves of surpluses, which do not have any restrictions concerning their use.

Legal reserve

The legal reserve is intended to cover any losses for the year. Pursuant to Article 33 of the Articles of Association of the Caixas, the legal reserve is annually credited with 20% of the net annual surplus and any other amounts paid in by the Associates to this end, until its amount is equal to the capital.

Reserve for cooperative training and education

The reserve for cooperative training and education is intended to finance expenses with technical, cultural, and cooperative training programmes for Associates, management, and employees of the CA Group, and is reinforced by a maximum of 2.5% of net annual surpluses and also with the amounts that, for any reason, are obtained for that purpose.

Reserve for mutualism

The reserve for mutualism is intended to cover the cost of mutual assistance required by Members or employees, being credited with the maximum of 2.5% of the net annual surplus.

Revaluation reserves

This heading includes the fixed assets revaluation reserve. This reserve cannot be distributed, although it may be used, in situations following the revaluation of fixed assets, to increase the share capital or cover losses, according to their use (depreciation) or disposal of the assets to which it refers.

Reserve for the financial component of insurance and reinsurance contracts

The reserve for the financial component of insurance contracts includes income or expenses from insurance and reinsurance contracts resulting from a change in the assets and/or liabilities of insurance and reinsurance contracts arising from the effect of financial risk and changes in financial risk.

24. Consolidated profit

The determination of the consolidated profit, with reference to 30 September 2024 and 2023, can be summarised as follows:

(amounts in thousands of euros)	30-Sep-24
Profit for the year of the Caixas de Crédito Agrícola Mútuo e FACAM [1]	263,401
Profit for the year of Caixa Central de Crédito Agrícola Mútuo	61,624
	325,025
Impact on net income of the reconciliation of common balances at SICAM	(6,140)
Net income of SICAM	318,885
Crédito Agrícola Vida, Companhia de Seguros S.A.	7,434
Crédito Agrícola Seguros – Companhia de Seguros de Ramos Reais, S.A.	7,206
Crédito Agrícola SGPS S.A.	5,270
Fenacam - Federação Nacional das Caixas de Crédito Agrícola Mútuo FCRL	1,299
Crédito Agrícola Informática - Serviços de Informática S.A.	308
Crédito Agrícola Serviços - ACE [2]	12,357
Crédito Agrícola Gest – SGOIC, S.A	245
CCCAM Gestão de Investimentos e Consultoria, Unipessoal, Lda	(11)
Crédito Agrícola Seguros e Pensões SGPS S.A.	8,467
FII ImoValor CA	(603)
CA Imóveis, Unipessoal Lda	(759)
FII CA Imobiliário	(1,988)
FIM CA Institucionais	486
Net income of all the other Group companies	39,710
Annulment of the devaluation of the PUs of the Real Estate Investment Funds recorded in the year	2,022
Earnings from application of the equity method to associated companies	183
	2,205
Adjustment of intergroup relations and annulment of common balances:	
Adjustment of provisions for additional paid-in capital of CA SGPS in CCCAM GI and CA Imóveis	297
Annulment of impairment on financial holdings	473
Annulment of the insurance brokerage commissions paid to the CCAMs and CCCAM	1,035
Annulment of insurance premiums charged to CA Group companies	869
Annulment of intergroup dividends	(15,527)
Annulment of invoices issued between CA Group institutions	(631)
Adjustment of properties of Real Estate Investment Funds	1,605
Adjustment of taxes in the consolidation	(553)
Multi-employment	(578)
Other consolidation adjustments	(477)
	(13,488)
	347,313
Profit or loss attributable to non-controlling interests	(203)
Consolidated profit for the year of Crédito Agrícola Group	**347,110**

[1] This amount derives from the sum of the net income of all the Caixas belonging to SICAM and FACAM.

[2] At the end of each year, the profit or loss of the ACE is divided in the invoicing to the Group's institutions, in proportion to the total invoiced in that same year.

(amounts in thousands of euros)	30-Sep-23
Profit for the year of the Caixas de Crédito Agrícola Mútuo e FACAM [1]	186,883
Profit for the year of Caixa Central de Crédito Agrícola Mútuo	44,380
	231,263
Impact on net income of the reconciliation of common balances at SICAM	(17,340)
Net income of SICAM	213,923
Crédito Agrícola Vida, Companhia de Seguros S.A.	3,639
Crédito Agrícola Seguros – Companhia de Seguros de Ramos Reais, S.A.	7,658
Crédito Agrícola SGPS S.A.	1,506
Fenacam - Federação Nacional das Caixas de Crédito Agrícola Mútuo FCRL	923
Crédito Agrícola Informática - Serviços de Informática S.A.	740
Crédito Agrícola Serviços - ACE [2]	760
Crédito Agrícola Gest – SGOIC, S.A	327
CA Capital - Sociedade de Capital de Risco S.A.	(169)
CCCAM Gestão de Investimentos e Consultoria, Unipessoal, Lda	(589)
Crédito Agrícola Seguros e Pensões SGPS S.A.	6,668
FII ImoValor CA	(129)
CA Imóveis, Unipessoal Lda	(1,727)
FII CA Imobiliário	(9,933)
FIM CA Institucionais	412
Net income of all the other Group companies	10,087
Annulment of the devaluation of the PUs of the Real Estate Investment Funds recorded in the year	9,962
Earnings from application of the equity method to associated companies	38
	10,000
Adjustment of intergroup relations and annulment of common balances:	
Adjustment of provisions for additional paid-in capital of CA SGPS in CCCAM GI and CA Imóveis	2,316
Annulment of impairment on financial holdings	169
Annulment of the insurance brokerage commissions paid to the CCAMs and CCCAM	553
Annulment of insurance premiums charged to CA Group companies	885
Annulment of intergroup dividends	(12,824)
Annulment of invoices issued between CA Group institutions	(1,807)
Adjustment to fixed assets sold intergroup - annulment of capital gains and correction of amortisations	187
Adjustment of properties of Real Estate Investment Funds	(7,072)
Adjustment of taxes in the consolidation	(1,027)
Overlay Provision IFRS 9	9,368
Multi-employment	(780)
Annulment of estimates	1,871
Impairment of insurance companies' securities portfolio	(320)
Other consolidation adjustments	(448)
	(8,927)
	225,083
Profit or loss attributable to non-controlling interests	(214)
Consolidated profit for the year of Crédito Agrícola Group	**224,869**

[1] This amount derives from the sum of the net income of all the Caixas belonging to SICAM and FACAM.

[2] At the end of each year, the profit or loss of the ACE is divided in the invoicing to the Group's institutions, in proportion to the total invoiced in that same year.

(Values in Thousands of Euros)

25. Non-controlling interests

The value of third-party stakes in companies of the Crédito Agrícola Group, in 30 September 2024 and 31 December 2023, is distributed by institution as follows:

	30-Sep-24			31-Dec-23		
	Effective %	Balance sheet	Income statement	Effective %	Balance sheet	Income statement
Crédito Agrícola Seguros	2.62%	1,805	(189)	2.62%	1,773	(206)
Alternative FIM Institutional CA	1.21%	240	(6)	1.21%	234	(14)
Crédito Agrícola Informática	0.55%	52	(2)	0.55%	51	(3)
Crédito Agrícola Vida	0.07%	107	(5)	0.07%	109	(5)
Crédito Agrícola Seguros e Pensões	0.02%	28	(2)	0.02%	28	(1)
Fenacam	0.02%	2	(0)	0.02%	2	(0)
		2,234	(203)		2,196	(229)

26. Interest income

The composition of this heading is as follows:

	30-Sep-24	30-Sep-23
Interest of financial assets held for trading		
Debt securities issued by residents	345	260
Debt securities issued by non-residents	2,553	256
Interest rate swaps	15,013	2,119
	17,911	**2,635**
Interest on non-neg. financial assets compulsorily accounted for at FVTPL		
Debt securities	1,726	2,477
	1,726	**2,477**
Interest of financial assets at fair value through other comprehensive income		
Debt securities issued by residents	8,850	9,922
Debt securities issued by non-residents	5,654	876
	14,504	**10,798**

(Values in Thousands of Euros)

	30-Sep-24	30-Sep-23
Interest of financial assets at amortised cost		
Interest of securities at amortised cost		
Debt securities issued by residents	37,100	47,512
Debt securities issued by non-residents	93,818	83,822
Interest of investments at other credit institutions		
Investments in domestic credit institutions	1,244	887
Interest on loans and advances to customers		
Loans and advances not represented by securities		
Domestic loans and advances		
Companies and general governments		
Discounts and other certified receivables	293	326
Loans	246,314	186,006
Current account loans and advances	22,274	16,167
Demand deposits overdrafts	981	1,101
Finance lease operations		
Equipment	6,735	4,754
Real estate	5,239	3,886
Credit card	129	80
Commercial paper	14,800	11,779
Individuals		
Mortgage loans	121,301	93,889
Consumer credit	34,139	29,105
Other purposes		
Loans	34,187	30,243
Current account loans and advances	1,356	1,142
Demand deposits overdrafts	388	413
Finance lease operations	833	637
Other loans	16	11
Credit abroad		
Companies and general governments		
Loans	1,096	589
Commercial paper	1,672	730
Individuals		
Mortgage loans	8,128	6,067
Consumer credit		
Credit card	63	54
Other loans	1,320	975
Other purposes		
Loans	308	265
Demand deposits overdrafts	25	4
Interest on overdue loans	7,613	5,966
	641,372	**526,410**
Interest of derivatives	132,186	85,188
Other interest and similar income	55,253	26,959
	862,952	**654,467**

(Values in Thousands of Euros)

The change in interest income is essentially explained by the increase in interest on: i) derivatives of around 47 million euros; ii) loans to companies and general governments of around 60.3 million euros; iii) mortgage loans of around 27.4 million euros; and (iv) other interest and similar income of around 28.3 million euros, which correspond to the increased interest on very short-term investments deposited at Banco de Portugal.

27. Interest expense

The composition of this heading is as follows:

	30-Sep-24	30-Sep-23
Interest of financial liabilities held for trading		
Interest of securities held for trading	13,341	2,015
	13,341	**2,015**
Interest of financial liabilities measured at amortised cost		
Interest of funds of central banks	201	14
Interest of funds of other credit institutions		
Domestic	752	837
Abroad	1,403	3,241
Interest of customer funds and other loans	158,125	23,815
Interest of bond loans	21,303	11,032
	181,784	**38,939**
Interest of hedge derivatives		
Interest rate swaps - hedge	24,704	12,941
	24,704	**12,941**
Other liabilities		
Interest of leases	298	264
Other interest and charges	20,336	18,919
	20,634	**19,183**
Interest expense on assets		
Amortisation of the premium on bond transactions in the capital market	29,679	44,832
	29,679	**44,832**
	270,142	**117,910**

The variation in the "Interest expense" item is essentially explained by the increase in interest on: (i) hedging derivatives of around 11.8 million euros; (ii) customer funds and other loans of around 134.3 million euros; and (iii) a decrease in the charge for amortising the premium on bond operations on the capital market of around 15.2 million euros.

(Values in Thousands of Euros)

28. Dividend income

The composition of this heading is as follows:

	30-Sep-24	30-Sep-23
Dividends of non-trading financial assets mandatorily stated at fair value through profit or loss		
Equity instruments issued by residents	442	337
Equity instruments issued by non-residents	870	413
	1,312	**750**

As at 30 September 2024 and 2023, the value relative to dividends receivable from securities issued by residents refers to equity instruments.

The value of dividends from securities issued by non-residents mainly refers to the securities of Corretaje e Informatión Monetária Y De Divisas, SA and Banco de Credito Social Cooperativo SA held by CA SGPS, of the value of 707 thousand euros and 142 thousand euros, respectively.

(Values in Thousands of Euros)

29. Fee and commission income

The composition of this heading is as follows:

	30-Sep-24	30-Sep-23
From guarantees		
Guarantees and sureties	2,836	2,805
Open documentary credits	30	37
	2,866	2,842
For commitments assumed before third parties		
Irrevocable commitments		
Irrevocable credit lines	7,795	7,476
Other irrevocable commitments	31	105
	7,826	7,581
For services rendered		
Deposit and custody of securities	2,628	1,752
Securities billing	454	414
Transfer of securities	5,375	4,457
Management of cards	135	161
Annuities	11,966	11,208
Assembly of operations	1,854	2,432
Credit operations		
Other credit operations	26,746	28,607
Other services rendered		
Other interbank fees	1,525	1,390
Intermediation fees	-	33
Placement	6,162	4,650
Interbank fees - cards	33,454	31,706
Other	4,230	4,232
	94,529	91,042
For transactions conducted on account of third parties		
For securities		
In Stock Exchange transactions	80	86
In transactions outside the Stock Exchange	31	18
	111	104
Other fees received	31,753	32,010
of which Account maintenance	*18,030*	*17,638*
	137,085	**133,579**

(Values in Thousands of Euros)

The variation in the heading of "Fee and commission income" is primarily explained by the increased placement and marketing fees by approximately 1.5 million euros, interbank fees - cards by approximately 1.7 million euros, and by the decrease of 1.9 million euros in other credit operations.

30. Fee and commission expenses

The composition of this heading is as follows:

	30-Sep-24	30-Sep-23
From banking services		
Deposit and custody of securities	1,194	801
Securities billing	3	3
Securities administration	94	92
Cards	16,324	15,688
Other	293	300
	17,908	16,884
For transactions by third parties	1,456	2,219
	1,456	2,219
Other fees paid		
Intermediation fees	-	25
Other	4,375	5,383
	4,375	5,408
	23,739	**24,511**

Card fee and commission expenses most contributed to the total of this heading, with the value of 16.3 million euros.

(Values in Thousands of Euros)

31. Gains or losses on financial assets and liabilities not measured at fair value through profit or loss, net

The composition of this heading is as follows:

	30-Sep-24	30-Sep-23
Financial assets at fair value through other comprehensive income		
Securities	(807)	1,053
	(807)	1,053
Financial assets at amortised cost		
Securities	(126)	-
Other	91	99
	(35)	99
	(842)	**1,152**

Portfolio securities at amortised cost were sold during the first nine months of 2024 and in 2023, within the limit defined in the CA Group's investment policy.

32. Gains or losses on financial assets and liabilities held for trading, net

The composition of this heading is as follows:

	30-Sep-24			30-Sep-23		
Description	Gains	Losses	Net	Gains	Losses	Net
Financial assets and liabilities held for trading						
Debt instruments	4,570	(629)	3,941	4,871	(1,809)	3,062
Trading derivatives	24,069	(26,074)	(2,005)	12,785	(12,493)	292
Total	**28,639**	**(26,703)**	**1,936**	**17,656**	**(14,302)**	**3,354**

Gains and losses on debt instruments refer to capital gains and losses on the sale of debt securities, the vast majority of which are foreign public issuers, as well as gains and losses resulting from fluctuations in the fair value of the instruments held.

The net value of debt instruments includes realised capital gains of 3,681 thousand euros on disposals and a potential unrealised gain of 260 thousand euros.

(Values in Thousands of Euros)

33. Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net

The composition of this heading is as follows:

Description	30-Sep-24 Gains	30-Sep-24 Losses	30-Sep-24 Net	30-Sep-23 Gains	30-Sep-23 Losses	30-Sep-23 Net
Financial assets and liabilities not held for trading						
Equity instruments and investment units	4,319	(1,845)	2,474	3,612	(2,695)	917
Debt instruments	7,239	(1,087)	6,152	-	(92)	(92)
Total	**11,558**	**(2,932)**	**8,626**	**3,612**	**(2,787)**	**825**

Gains and losses on debt instruments refer to capital gains and losses on the sale of debt securities that did not meet the Solely Payments of Principal and Interest (SPPI) test, the vast majority of which are foreign public issuers, as well as gains and losses resulting from fluctuations in the fair value of the instruments held.

34. Gains or losses from hedge accounting, net

The composition of this heading is as follows:

Description	30-Sep-24 Gains	30-Sep-24 Losses	30-Sep-24 Net	30-Sep-23 Gains	30-Sep-23 Losses	30-Sep-23 Net
						-
Swaps - Interest rate risk hedge	334,661	(332,960)	1,701	697,818	(693,160)	4,658
Total	**334,661**	**(332,960)**	**1,701**	**697,818**	**(693,160)**	**4,658**

The gains and losses recorded under this heading refer to interest rate risk swaps (see Note 10 – Derivatives and hedging).

35. Foreign exchange differences (gains or losses), net

The composition of this heading is as follows:

	30-Sep-24	30-Sep-23
Earnings from currency revaluation		
Spot foreign exchange transactions	2,112	1,481
	2,112	**1,481**

The earnings recorded in this heading refer to the currency revaluation of monetary assets and liabilities expressed in foreign currency, of foreign exchange spot transactions.

Being spot transactions, they are settled within two business days or less.

(Values in Thousands of Euros)

36. Gains or losses on derecognition of non-financial assets and liabilities, net

The composition of this heading is as follows:

	30-Sep-24	30-Sep-23
Gains or (-) losses on non-financial assets		
Other tangible assets	(100)	165
Other assets	9,790	325
	9,690	**490**

At the end of 2023, the properties derived from credit recovery that do not comply with the requirements of IFRS 5 were moved and recorded under the heading of “Other assets”. Thus, the variation is mainly explained by the disposal of properties recorded under the heading of “Other assets” in 2024.

37. Insurance contracts results

The composition of this heading is as follows:

	30-Sep-24	30-Sep-23
Insurance contracts results	71,763	70,006
	71,763	**70,006**

Income from insurance contracts (income from insurance contracts and income from the financial component of reinsurance contracts) amounted to around 71.8 million euros, 1.8 million euros more than in the previous period, with the following breakdown by line of business:

	30-Sep-2024	30-Sep-23	Variation
Life insurance business	19,228	18,375	853
Non-Life insurance business	52,535	51,631	904
	71,763	**70,006**	**1,757**

(Values in Thousands of Euros)

38. Other operating income

The composition of this heading is as follows:

	30-Sep-24	30-Sep-23
Rents	1,352	1,522
Reimbursement of expenses	657	749
Recovery of credit, interest and expenses		
Recovery of bad debts	14,947	16,054
Recovery of interest and expenses of overdue loans	1,651	1,975
Income from miscellaneous services rendered	5,199	6,062
Gains relative to previous years	1,353	701
Other	4,352	812
	29,511	**27,875**

The most relevant value under the heading of "Other operating income" refers to the recovery of irrecoverable loans amounting to 14.9 million euros (September 2023: 16 million euros).

39. Other operating expenses

The composition of this heading is as follows:

	30-Sep-24	30-Sep-23
Levies and donations	1,497	1,508
Annulment of overdue interest	635	273
Contribution of the banking sector	6,546	7,007
Additional for Solidarity of the Banking Sector	1,190	1,345
Other taxes	2,439	2,314
Other operating charges and expenses relative to previous years	1,394	923
Other operating charges and expenses	15,029	15,556
	28,730	**28,926**

The most relevant value under the heading of "Other operating costs and expenses" refers to expenses to be reimbursed to SIBS/SBE of the value of 8.5 million euros (September 2023: 7.3 million euros).

(Values in Thousands of Euros)

40. Staff expenses

The composition of this heading is as follows:

	30-Sep-24	30-Sep-23
Salaries and wages		
Management and Supervisory Bodies	23,996	20,878
Employees	134,693	124,694
	158,689	145,572
Mandatory social security charges		
Pension funds (Note 46)	2,541	4,514
Charges relative to remunerations		
Social Security	30,551	29,072
SAMS	6,375	5,129
Other	64	85
Work accident insurance	506	488
Other compulsory charges	302	336
	40,339	39,624
Other staff expenses		
Contractual indemnities	237	938
Other	1,613	1,600
	1,850	2,538
	200,878	**187,734**

Staff expenses increased year-on-year, essentially due to increased salaries and wages.

(Values in Thousands of Euros)

41. Other administrative expenses

The composition of this heading is as follows:

	30-Sep-24	30-Sep-23
Related to supplies		
Water, energy and fuel	3,745	2,166
Consumables	659	608
Hygiene and cleaning material	167	188
Publications	50	44
Material for assistance and repair	33	37
Other third party supplies	1,463	1,451
	6,117	4,494
Related to services		
Rentals and leasing	1,957	1,598
Maintenance and related services	5,422	4,416
Communications	4,937	5,058
Advertising and publishing	9,811	7,076
Travel, hotel and representation	3,511	2,654
Insurance	927	1,069
Staff training	500	365
Transportation	2,991	2,584
Specialised services:		
IT	18,565	19,228
Retainers and fees	7,299	6,784
Security, surveillance and cleaning	3,668	3,351
Information	3,562	3,707
Occasional manpower	206	244
Legal and notary expenses	1,124	1,322
Database	141	141
Other specialised services:		
Multibanco services	1,663	1,447
External valuators	2,559	2,047
Other third party services	27,434	28,649
	96,277	91,740
	102,394	**96,234**

The increased expenses in this heading in relation to the same period of the previous year are due to: (i) increased expenses related to advertising and publishing by approximately 2.7 million euros; (ii) increased expenses related to water, energy and fuel by approximately 1.6 million euros.

(Values in Thousands of Euros)

The costs related to hire and rental charges presented under this heading refer to leases with duration not exceeding 12 months (short term) or where the underlying asset has a value, as new, of less than 5,000 euros (low value).

42. Cash contributions to resolution funds and deposit guarantee schemes

The composition of this heading is as follows:

	30-Sep-24	30-Sep-23
Contributions to the Single Resolution Fund	4	3,716
Contributions to the Resolution Fund	1,452	1,334
Contributions to the Deposit Guarantee Fund	117	217
	1,573	**5,267**

The reduction of the heading is primarily explained by the lower contributions to the Single Resolution Fund by 3.7 million euros.

43. Modification gains or losses, net

The composition of this heading is detailed as follows:

	30-Sep-24	30-Sep-23
Modified		
Financial assets at amortised cost	(6,914)	(1,947)
	(6,914)	**(1,947)**

As a result of contractual modifications made to credit contracts during the first nine months of 2024 and the accrual of the amounts calculated in the previous year, an amount of 6.9 million euros was determined to be recognised as losses for the year, giving rise to a cost that is 5 million euros higher in relation to 30 September 2023.

(Values in Thousands of Euros)

44. Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations

The composition of this heading is as follows:

	30-Sep-24	30-Sep-23
Gains or losses on non-current assets held for sale		
Realised gains and losses	589	(13,434)
Impairment top-ups and reversals	(113)	(22,049)
	476	**(35,483)**

The reduction of “impairment top-ups and reversals” arises from the impairments constituted following the provisions in Banco de Portugal Circular Letter no. 21/2023, published on 5 June 2023, for which the Group defined, in 2023, a table of additional haircuts to be applied to properties received in credit recovery, through which impairment may be exacerbated according to the age of the property in the Group's portfolio, whenever applicable.

Furthermore, non-current assets held for sale were transferred to the category of “Other assets” at the end of 2023, as described in Note 16, thus explaining the reduction of impairments constituted in 2024 and the variation of “realised gains and losses”.

Additionally, see Note 18 – Provisions and Impairment, with the movement of impairment in 2024.

45. Related institutions

The institutions listed correspond to the governing bodies of the Caixas Agrícolas belonging to Crédito Agrícola Group.

As defined in IAS 24, the companies detailed in Note 4, the Pension Fund, the members of the Management, Administration and Supervisory Bodies and the key management personnel are considered related parties of Caixa Central . In addition to the members of the Management, Administration and Supervisory Bodies and the key management personnel, the persons who are close to them (family relationships) and the entities controlled by them or in whose management they exercise significant influence are also considered related parties. In view of the particularity of the Crédito Agrícola Group, it is important to highlight that there are no entities that directly or indirectly exercise control or significant influence over Caixa Central’s management and financial policy.

The benefits attributed to the Governing Bodies (executive and non-executive members) are included in the respective Remuneration Policy.

All transactions conducted between related parties are done according to market conditions.

(Values in Thousands of Euros)

As at 30 September 2024, the Group's assets, liabilities, costs and income involving related parties are analysed as follows:

	Financial assets at amortised cost - loans	Financial liabilities measured at amortised cost - Deposits	Off-balance sheet
Board of Directors	145	1,771	6
General and Supervisory Board	-	657	3
Superior Council	-	-	-
Group Employees' Pension Fund	-	9,877	-

	Interest income	Interest expense	Staff expenses
Board of Directors	4	36	1,488
General and Supervisory Board	-	15	558
Superior Council	-	-	104

46. Retirement pensions and healthcare

In order to determine the liabilities of the CA Group institutions participating in the pension fund due to past services of active and retired employees/pensioners, actuarial studies were conducted by Companhia de Seguros Crédito Agrícola Vida, S.A., the last of which was carried out with reference to December 2023.

Crédito Agrícola's Executive Board of Directors considers that the main actuarial and financial assumptions used as at 31 December 2023 remain valid as at 30 September 2024, and particularly that there were no material changes in terms of the participants in the pension fund, which was why a new actuarial study was not requested for the preparation of these interim condensed consolidated financial statements as at 30 September 2024.

(Values in Thousands of Euros)

The actuarial and financial assumptions used in the calculation of the liabilities as at 31 December 2023 were as follows:

	31-Dec-23
Demographic assumptions	
Mortality table	TV – 88/90
Disability table	EVK 80
Retirement age	**(*)**
Assessment methods	“Projected Unit Credit"
Financial assumptions	
Discount rate:	
- Active workers and Leave with actuarial age < 55 years old	4.00%
- Active workers and Leave with actuarial age ≥ 55 years old	4.00%
- Early retired, retired and pensioners	3.90%
Growth rate of wages and other benefits	2.0%
Pension growth rate	1.6%
Total wage for Social Security purposes	2.5%
Wage revaluation rate for Social Security:	
- pursuant to Decree-Law 187/2007 27(2)	2.13%
- pursuant to Decree-Law 187/2007 27(1)	2.13%

(*) Pursuant to Decree-Law 167-E/2013

The participants of pension plans financed by the pension fund are detailed below:

	31-Dec-23
Active workers and those on unpaid leave	4,056
Early retired	226
Former participants	-
Retired and pensioners	1,042
Total	**5,324**

The liabilities related to retirement pensions, healthcare and seniority bonus, as at 30 September 2024 and 31 December 2023, as well as their coverage, present the following details:

	31-Dec-23
Active and former employees	50,665
Unpaid leave	3,704
Early retired	18,381
Retired and pensioners	39,910
Total	**112,661**

(Values in Thousands of Euros)

In December 2023, liabilities related to past services of the Crédito Agrícola Pension Fund according to actuarial studies conducted and the respective assets allocated to their coverage, are detailed as follows:

	31-Dec-23
Total liabilities for past services	(112,660)
Equity of the pension fund (Note 15)	113,191
(Excess)/(Shortfall) of coverage	530
Liability funding level	100.47%

Pursuant to Banco de Portugal Notice 12/2001, which establishes the minimum solvency level (with past services of active staff financed at a minimum level of 95%, without prejudice to compliance with the minimum solvency levels determined by the Insurance and Pension Funds Supervisory Authority), the present value of liabilities for past services to be recognised as at 31 December 2023 was 99,259 thousand euros.

Banco de Portugal Notice 4/2005 determines that it is compulsory for pension funds to assure the full financing of pension liabilities under current payment and a minimum level of 95% financing of liabilities related to past service of current staff.

The SICAM Pension Fund covers the Caixas de Crédito Agrícola Mútuo of Leiria, Torres Vedras and Mafra. However, they are not part of the consolidation perimeter of the Crédito Agrícola Group. As at 30 September 2024 and 31 December 2023, the CA Group's balances do not include the amounts of these Caixas Agrícolas (Note 15).

The liabilities of these Caixas Agrícolas calculated under the terms of IAS 19, and the respective share in the value of the Fund as at 31 December 2023, are broken down as follows:

	31-Dec-23
Total liabilities for past services	(6,016)
Equity of the Pension fund	5,928
(Excess)/(Shortfall) of coverage	(88)
Liability funding level	98.53%

Pursuant to Banco de Portugal Circular Letter 106/08/DSBDR of 18 December, from 2008 onwards, the cost of current service and net interest were recorded in the heading of “Staff expenses”.

The book value of the liabilities related to the pension fund, apart from the value relative to the Crédito Agrícola Mútuo Pension Fund – FPCAM (31 December 2023: 112,661 thousand euros), includes liabilities undertaken by other institutions of the Group. These liabilities also include the net value of financing the autonomous pension fund of the insurers, corresponding to a defined contribution plan, rather than a defined benefit plan as is the case of FPCAM, comprising 31 thousand euros in 31 December 2023.

(Values in Thousands of Euros)

The value of liabilities due to past services evolved as follows during 2023:

Liabilities as at 31 December 2022	**106,607**
Cost of current service:	
Of institutions of CA Group	72
Of the contribution of the participants (employees)	2,414
Net interest	3,706
Costs due to past services (charges on pre-retirement pensions)	3,698
Remeasurement	
Change of demographic estimates and experience gains and losses; financial assumptions (discount rate)	997
Increase of liabilities arising from early retirements	1,527
Pensions paid by the pension fund	(1,743)
Contributions paid to SAMS	(1,066)
Benefits paid to early retired	(3,552)
Liabilities as at 31 December 2023	**112,661**

There were no re-measurements recognised in Equity in the first nine months of 2024 as a new actuarial study with reference to 30 September 2024 was not requested.

As at 31 December 2023, the value of the expected payment of benefits by maturity period for the entire fund is as follows:

Analysis of maturity of the expected benefits	
Benefits payment expected within the next 12 months	8,879
Benefits payment expected over a period of 1 to 3 years	12,307
Benefits payment expected over a period of 3 to 5 years	11,055
Benefits payment expected over a period above 5 years	189,487
	221,728

The estimated contributions to be made in 2024 depend on the amount of liabilities that will be calculated at the end of that year.

For the purposes of the expected contribution for 2024, the normal cost of the plan is calculated based on the actuarial method used in actuarial valuation (Projected Unit Credit method). On this basis, the value of the expected contribution for the Group in 2024 is 2,606,800 euros.

This value does not take into consideration any estimated possible actuarial deviations arising either from differences between the assumptions undertaken and the real values (for example in terms of yield of the fund) or change of assumptions.

The average duration of the liabilities related to pensions, considering the created population groups, was as follows (in years):

	2023
Average duration of the liabilities:	
Active workers and those on unpaid leave aged < 55 years old	18.3
Active workers and those on unpaid leave aged ≥ 55 years old	18.3
Early retired, Retired and Pensioners	8.7

(Values in Thousands of Euros)

The movement in the Pension Fund (assets of the plan) during 2023 was as follows:

Balance as at 31-12-2022	**108,651**
Contributions of Crédito Agrícola Group	4,453
Contributions of the employees	2,414
Insurance capital received	265
Net income from Fund assets	4,189
Insurance premiums paid	(1,816)
Profit-sharing in insurance	1,400
Retirement and survivor's pensions paid	(1,743)
Contributions paid by the pension fund to SAMS	(1,066)
Payment of ASF fee	(3)
Benefits paid to early retired	(3,552)
Balance as at 31-12-2023	**113,191**

a) Risks associated with the benefits of the plan:

The plan guarantees pensions for old age, disability, early retirement, and survivors, as defined in the Collective Labour Agreement for the Crédito Agrícola Mútuo institutions. The payment of pension refers to a supplementary scheme beyond the pensions paid by Social Security. The plan also foresees the payment of contributions for medical and social support after retirement.

Hence, the risks associated with the benefits of the plan are as follows:

- Risk of dependency on the benefits provided by the public Social Security schemes.
- Risk of mortality during the period of formation of the benefit and risk of longevity during the retirement period.
- Risk of disability of the participants. Currently, this risk is mitigated as the pension fund has taken out risk insurance to cover the increased liabilities related to the death and disability of active participants.
- Risk relative to early retirement.

b) Furthermore, the Crédito Agrícola Group is committed to the payment of seniority bonuses to its employees. As at 30 September 2024 and 31 December 2023, these liabilities are detailed as follows (see Note 20):

	30-Sep-24	**31-Dec-23**
Seniority bonus	15,689	15,520
Total liabilities related to seniority bonus	15,689	15,520

(Values in Thousands of Euros)

The reconciliation of seniority bonus movements is as follows:

	31-Dec-23	Increases	Reversals	Uses	30-Sep-2024
Seniority bonus	15,520	1,400	-	(1,230)	15,689

A sensitivity analysis was conducted as at 30 September 2024 to the discount rate with a reduction of 55 basis points in the discount rate of the group of "active employees and unpaid leave" and 60 basis points in the group of "retired, pre-retired and pensioners", in which a variation in relation to the liabilities due to past services of the Crédito Agrícola Group of 15,378 thousand euros was calculated.

47. Disclosure relative to financial instruments

47.1 Financial Risks

As a result of its activity, the CA Group is exposed to risks arising from financial assets and liabilities held in its portfolios. The main risks refer to market risks, foreign exchange risk, interest rate risks, credit risk and liquidity risk. In the first 9 months of 2024, no significant events or transactions were recorded that led to change of the risk management policy and monitoring mechanisms, or to change of the nature and extent of the identified financial risks, thus maintaining the relevance of the disclosures made in the annual report for the year ended on 31 December 2023.

47.2 Fair value of financial and non-financial assets and liabilities

As established in IFRS 13, for purposes of presentation, the financial instruments recorded in the balance sheet at fair value are classified according to the following hierarchy:

Level 1 – Prices in active markets

This level includes financial instruments valued based on active market prices (executable bids), disclosed through trading platforms;

Level 2 – Valuation techniques based on market data

This level considers financial instruments valued by inhouse models which use observable market data, namely interest rate or exchange rate curves.

These are currency forwards valued in accordance with the future cash flows method which updates the contractual flows using the interest rate curves of each currency observable in the market.

Level 3 - Valuation techniques using inputs not based on observable market data

This level includes financial instruments valued based on in-house valuation methods essentially considering inputs not observable in markets with significant impact on the valuation of the instrument or valued based on indicative bids calculated by third parties through valuation models. Internal valuation is based on the net position of the institution.

As at 30 September 2024 and 31 December 2023, the method of calculation of the fair value of the financial instruments reflected in the financial statements can be summarised as follows:

(Values in Thousands of Euros)

	30-Sep-24			
	Stage 1	Valuation Techniques		Total
		Stage 2	Stage 3	
Financial assets held for trading	179,658	31,356	-	211,014
Non-trading financial assets mandatorily stated at FVTPL	57,206	-	88,534	145,740
Financial assets at fair value through other comprehensive income	694,891	-	-	694,891
Financial assets at amortised cost (excludes commercial paper)	10,012,389	-	-	10,012,389
Non-current assets and disposal groups classified as held for sale	-	-	5,510	5,510
Other assets (real estate properties)	-	-	155,763	155,763
	10,944,144	31,356	249,807	11,225,306
Financial liabilities held for trading	-	21,283	-	21,283
	-	21,283	-	21,283

	31-Dec-23			
	Stage 1	Valuation Techniques		Total
		Stage 2	Stage 3	
Financial assets held for trading	127,641	14,988	-	142,628
Non-trading financial assets mandatorily stated at FVTPL	61,787	-	88,068	149,855
Financial assets at fair value through other comprehensive income	905,800	-	-	905,800
Financial assets at amortised cost (excludes commercial paper)	9,165,775	-	-	9,165,775
Non-current assets and disposal groups classified as held for sale	-	-	7,488	7,488
Other assets (real estate properties)	-	-	166,584	166,584
	10,261,003	14,988	262,140	10,538,130
Financial liabilities held for trading	-	9,872	-	9,872
	-	9,872	-	9,872

(1) Apart from the financial instruments listed on the stock exchange, this category includes securities valued based on active market prices, disclosed through trading platforms (Level 1).

(2) Valuation based on market interest rates, namely interest rate curves, swap curves and exchange rates (Level 2).

This category includes instruments valued using quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active, or other valuation techniques in which all inputs are directly or indirectly observable from market data;

(3) Corresponds to securities valued through indicative bids disclosed by the issuer (Level 3).

This category includes financial instruments where the valuation technique includes inputs not based on unobservable data and the unobservable inputs have a significant effect on the valuation of the instrument. This category includes instruments that are valued on the basis of similar income quotations where there is a need for significant unobservable adjustments or assumptions to reflect the differences between the instruments, such as units in funds and shares, for example:

(1) Financial instruments not admitted to trading on a regulated market, which are valued using valuation models and there is no generally accepted consensus in the market as to the criteria to be used, namely:

i. valuation prepared in accordance with the Net Asset Value of non-harmonised funds, updated and disclosed by the respective management companies;

ii. valuation prepared in accordance with the indicative prices published by the entities participating in the issue of certain financial instruments, without an active market; or

iii. valuation prepared in accordance with impairment tests, using performance indicators of the underlying operations (e.g., degree of subordination protection of the tranches held, delinquency rates of the underlying Assets evolution of ratings, etc.).

(Values in Thousands of Euros)

(2) Financial instruments valued through indicative purchase prices based on theoretical valuation models published by specialised third party entities.

The movement occurred in the financial instruments classified at Level 3 were as follows:

	31-Dec-23		2024							30-Sep-24	
Nature	Opening Balance		Additions		Disposals		Reimbursements		Changes in fair value	Closing Balance	
	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value		Quantity	Fair value
Equity instruments	17,373	88,068	2,426	12,669	(62)	(164)	(3,088)	(14,513)	2,474	16,649	88,533
Total - Non-trading financial assets mandatorily at FVTPL at Stage 3	**17,373**	**88,068**	**2,426**	**12,669**	**(62)**	**(164)**	**(3,088)**	**(14,513)**	**2,474**	**16,649**	**88,533**

	31-Dec-22		2023							31-Dec-23	
Nature	Opening Balance		Additions		Disposals		Reimbursements		Changes in fair value	Closing Balance	
	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value	Quantity	Fair value		Quantity	Fair value
Equity instruments	15,765	78,217	2,538	15,114	(694)	(9,404)	(236)	(86)	4,227	17,373	88,068
Total - Non-trading financial assets mandatorily at FVTPL at Stage 3	**15,765**	**78,217**	**2,538**	**15,114**	**(694)**	**(9,404)**	**(236)**	**(86)**	**4,227**	**17,373**	**88,068**

(3) Non-financial assets valued through valuations carried out by entities registered as "expert valuators", which incorporate various assumptions.

The following table shows the main valuation methods used for assets included in level 3 of the fair value hierarchy:

30-Sep-24

Assets classified at stage 3	Valuation model	Analysed variable	Book Value
Non-trading financial assets mandatorily stated at FVTPL			
Investment fund units	Valuation of the holding company	Net Asset Value **(b)**	58,722
Shares	Market data	**(c)**	29,812
Non-current assets and disposal groups classified as held for sale			
Real estate properties (Note 16)	Valuation by expert valuators	l State Property valuatior	4,904
Equipment and other assets	Valuation by expert valuators	**(a)**	606
Other assets			
Properties acquired through credit recovery (Note 15)	Valuation by expert valuators	l State Property valuatior	153,820
Other real estate properties (Note 15)	Valuation by expert valuators	l State Property valuatior	1,943
Total			249,806

(a) No sensitivity analysis was carried out for this category as it includes assets of an individually immaterial value.

(b) In the specific case of the participation units valued in accordance with the quotation provided by the respective management company, it is not reasonable to carry out an analysis of the impact of changes of the variables underlying the determination of the quotation by that entity.

(c) In the specific case of shares, which are measured at fair value, it is therefore not reasonable to analyse the impact of changes in shareholders' equity underlying the determination of the fair value of those entities.

(d) No sensitivity analysis was carried out of the properties included in the portfolios of (i) Non-current assets and disposal groups classified as held for sale and (ii) Other assets, as most of the properties are recorded at acquisition cost.

31-Dec-23

Assets classified at stage 3	Valuation model	Analysed variable	Book Value
Non-trading financial assets mandatorily stated at FVTPL			
Investment fund units	Valuation of the holding company	Net Asset Value **(b)**	58,729
Shares	Market data	**(c)**	29,338
Non-current assets and disposal groups classified as held for sale			
Real estate properties (Note 16)	Valuation by expert valuators	l State Property valuatior	6,854
Equipment and other assets	Valuation by expert valuators	**(a)**	634
Other assets			
Properties acquired through credit recovery (Note 15)	Valuation by expert valuators	l State Property valuatior	164,681
Other real estate properties (Note 15)	Valuation by expert valuators	l State Property valuatior	1,903
Total			262,140

(a) No sensitivity analysis was carried out for this category as it includes assets of an individually immaterial value.

(b) In the specific case of the participation units valued in accordance with the quotation provided by the respective management company, it is not reasonable to carry out an analysis of the impact of changes of the variables underlying the determination of the quotation by that entity.

(c) In the specific case of shares, which are measured at fair value, it is therefore not reasonable to analyse the impact of changes in shareholders' equity underlying the determination of the fair value of those entities.

(d) No sensitivity analysis was carried out of the properties included in the portfolios of non-current (i) Non-current assets and disposal groups classified as held for sale and (ii) Other assets, as most of the properties are recorded at acquisition cost.

Concentration Risk

Risk management is one of the priority areas for the Group, in recognition of its decisive impact in the creation of value.

The Executive Board of Directors of Caixa Central is responsible for defining the overall strategy on risk-taking, incorporating measurable goals relative to the risk that is intended to be taken and the desired profitability.

The Global Risk Department (hereafter also referred to as DRG), the Assets, Liabilities and Capital Committee (ALCCO) and since July 2022 the Risk Committee, working closely with the other areas with responsibility in the field, play a crucial role in the definition of policies and procedures for risk management, subject to the approval of the Executive Board of Directors of Caixa Central.

Specific risks of insurance activity

Insurance companies incur risks through insurance contracts, which are classified in the category of specific insurance risk.

Type of specific insurance risk

Specific insurance risk includes the risks inherent to the marketing of insurance contracts, associated to product design and pricing, the process of subscription and provisioning for liabilities, and the management of claims and reinsurance. These risks are applicable to all activity branches and can be subdivided into different sub-risks:

a) Product design risk: risk of an insurance company taking on risky exposure derived from features of products that had not been anticipated during the phase of design and definition of the price of the contract.

b) Premium risk: related to claims to occur in the future, relative to policies currently in force, whose premiums have already been charged or are fixed. The risk is that the premiums that have already been charged or are fixed may prove insufficient to cover all the future liabilities derived from these contracts (under-pricing).

c) Subscription risk: risk of exposure to financial loss related to selection and approval of the risks to be insured.

d) Provisioning risk: this is the risk that the constituted provisions for claims prove insufficient to meet costs related to claims that have already been submitted.

e) Claims rate risk: this is the risk that more claims may be submitted than expected, or that some claims have costs that are much higher than expected, leading to unexpected losses.

f) Retention risk: this is the risk that a higher retention of risks (less reinsurance protection) may cause losses due to the occurrence of catastrophic events or higher claim rate.

There is also catastrophic risk, derived from extreme events which imply the devastation of property, or the death/injury of people, generally due to natural disasters (earthquakes, hurricanes, floods). This is the risk that a single event, or series of enormous events, normally in a short period (up to 72 hours), implies a significant deviation in the number and cost of claims, in relation to what had been expected.

Management of specific insurance risk

Specific insurance risk is managed by the Companies through operating procedures with embedded preventive control and detection, highly automated, run by skilled staff and with clear responsibilities for senior management:

a) Product design (new products and changes to existing products) and pricing, which identifies the risks derived from the coverage and sums insured, defines systems to determine premiums, checks the adequacy of the reinsurance programme associated to new products, verifies compliance with legal rules and standards and in-house regulations, conducts a full test programme, and defines the training plan and outsourcing of services associated to the new product. The prices applied to risks are adjusted according to pricing factors, which enables assessing the risk level associated to each insurance contract, determined on the basis of technical actuarial studies.

(Values in Thousands of Euros)

b) Distribution and management of the risk portfolio, which includes definition of the subscription policies, levels of delegation of power in acceptance of risk, incentive schemes for sales and the subscription of new insurance, and the procedures for portfolio management and review of premiums. The rules for accepting risk are stipulated in the supporting IT systems and blocking and warning mechanisms are established whenever any of these rules are broken. In cases where there are conditions attached to risk acceptance, the subscription is made centrally, with written evidence of the conditions and the person responsible for the decision.

c) Provisioning, under which the liabilities of insurance contracts are defined and managed, assuring coverage of the Company's obligations towards insured persons and claimants, based on studies assessing the adequacy of provisions prepared regularly by the appointed actuary.

d) Claims management, under which payments are made to claimants, assuring: (i) the treatment and management of claims in a timely fashion; (ii) rigorous compliance with the law, regulations, and in-house rules; (iii) minimisation of the average cost of claims, without compromising the fair treatment of all claimants and injured persons.

e) Reinsurance management, which carries out the specification, implementation, monitoring, reporting and control of treaties and other conditions agreed with the reinsurers. The reinsurance policy plays a crucial role in mitigating specific insurance risks, enabling greater stabilisation of net income and solvency levels, the more efficient use of the available capital and an increase in the Company's capacity to take on risks.

The management of specific insurance risk is also backed by a variety of studies carried out by the technical office and by the actuaries in charge, analysing the adequacy of the pricing, identifying the types of risk and the most profitable segments, and determining suitable value for the liabilities of insurance contracts.

48. Assets and liabilities of insurance and reinsurance contracts

48.1 Assets and liabilities of life insurance contracts

Direct liabilities of insurance contracts of the Life business relating to future services are broken down as follows as at 30 September 2024 and 2023:

	30-Sep-2024								
	Insurance contracts assets					Insurance contracts liabilities			
	From future services	Loss Component (LC)	From future services - excluding equity	From past services	Total	From future services	Loss Component (LC)	From future services - excluding equity	From past services
Measured using the premium approach						**494**			
Risk (CA Pension Fund Protection)						494			
Measured using the general model approach	**53,443**	**1**	**53,444**	**(6,540)**	46,903	**531,963**	**281**	**531,595**	**6,508**
Savings						528,857	17	528,840	2,319
Risk	53,443	1	53,444	(6,540)	46,903	3,106	264	2,755	4,189
Measured using the variable fee approach						**71,054**	**-**	**71,054**	**1,562**
Savings						71,054	-	71,054	1,562
Total	**53,443**	**1**	**53,444**	**(6,540)**	**46,903**	**603,512**	**281**	**602,649**	**8,070**

Direct liabilities of insurance contracts of the Life business relating to future services are broken down as follows as at 31 December 2023 and 2023:

	31-Dec-2023							
	Insurance contracts assets				Insurance contracts liabilities			
	From future services	Loss Component (LC)	From future services - excluding equity	From past services	From future services	Loss Component (LC)	From future services - excluding equity	From past services
Measured using the premium approach	-	-	-	-	-	-	-	-
Risk (CA Pension Fund protection)	-	-	-	-	-	-	-	-
Measured using the general model approach	42,958	(90)	43,047	(11,645)	527,700	1,960	525,739	3,785
Savings	-	-	-	-	527,700	1,960	525,739	3,785
Risk	42,958	(90)	43,047	(11,645)	-	-	-	-
Measured using the variable fee approach	-	-	-	-	90,691	-	90,691	3,152
Savings	-	-	-	-	90,691	-	90,691	3,152
Total	**42,958**	**(90)**	**43,047**	**(11,645)**	**618,390**	**1,960**	**616,430**	**6,938**

(Values in Thousands of Euros)

The evolution of liabilities for future services and past services for the groups of life contracts measured using the general model, during the first nine months of 2024 and in 2023, was as follows:

	Present value of cash flows	Risk adjustment	Contractual service margin	Loss Component (LC)	From future services (excluding equity)
Balance as at 31-Dec-2023	**381,770**	**16,177**	**86,795**	**2,050**	**482,692**
Period start changes	**54,478**	**3,836**	**-**	**-**	**58,315**
Discount rate	54,478	3,836	-	-	58,315
Estimates	-	-	-	-	-
Cost assessment	-	-	-	-	-
Impact of new business	**(5,640)**	**3,658**	**4,409**	**2,427**	**-**
New business	(5,640)	3,658	4,409	2,427	-
Cost assessment	-	-	-	-	-
Cash flow roll forward	**(4,561)**	**(4,885)**	**(5,264)**	**(2,623)**	**(12,087)**
Accrued interest	107	56	6	41	128
Release of estimated cash flows	(4,726)	(4,941)	-	(2,007)	(7,660)
Experience adjustments	59	-	(5,270)	(657)	(4,555)
Period end changes	**(41,116)**	**(2,744)**	**2,099**	**(1,571)**	**(40,190)**
Estimates	(3,819)	244	(494)	(4,164)	95
Related to non-financial assumptions	(3,819)	244	(494)	(4,164)	95
Related to financial assumptions	-	-	-	-	-
Discount rate	(37,297)	(2,989)	-	-	(40,286)
Cost assessment	-	-	2,593	2,593	-
Release of the contractual service margin	-	-	(10,493)	(1)	(10,492)
Balance as at 30-Sep-2024	**384,932**	**16,041**	**77,547**	**282**	**478,238**

(Values in Thousands of Euros)

	31-Dec-2023			
	Liabilities of insurance contracts relating to future services		Liabilities of insurance contracts relating to past services	Total
	Excluding loss component	Loss component		
Opening balance of insurance contract assets	(32,573)	1	7,413	(25,158)
Opening balance of insurance contract liabilities	454,160	5,283	10,294	469,737
Opening balance as at 31-Dec-2022	421,587	5,284	17,707	444,578
Revenues from insurance contracts - Fair value approach	(47,552)			(47,552)
Contractual service margin recognised for the supply of services	(7,112)			(7,112)
Variation in risk adjustment for expired service	(1,592)			(1,592)
Release of estimated cash flows:	(38,848)			(38,848)
Claims	(38,049)			(38,049)
Expenses	(798)			(798)
Recovery of acquisition cash flows				
Adjustment of experience not related to future services				
Other variations				
Revenues from insurance contracts - Post-transition	(30,599)			(30,599)
Contractual service margin recognised for the supply of services	(4,958)			(4,958)
Variation in risk adjustment for expired service	(3,287)			(3,287)
Release of estimated cash flows:	(14,402)			(14,402)
Claims	(11,428)			(11,428)
Expenses	(2,974)			(2,974)
Recovery of acquisition cash flows	(7,952)			(7,952)
Adjustment of experience not related to future services				
Other variations				
Total revenue from insurance contracts	(78,150)			(78,150)
Insurance contract costs				
Claims incurred in the period and other expenses		(3,166)	66,816	63,650
Claims		(2,771)	58,037	55,266
Expenses		(395)	9,743	9,348
Other movements			(963)	(963)
Amortisation of acquisition cash flows	7,952			7,952
Changes in cash flows from past services				
Changes to future services		(128)		(128)
Losses recognised at the beginning of the contract		2,939		2,939
Changes in estimates relating to losses or reversal of losses on onerous contracts - subsequent measurement		(3,067)		(3,067)
Total insurance contract expenses	7,952	(3,294)	66,816	71,475
Investment components	-	-	-	-
Total result of the insurance contract	(70,198)	(3,294)	66,816	(6,675)
Result of the financial component				
Effect of changes in the time value of money and financial risk	(4,905)	59		(4,846)
Exchange rate differences				-
Total result of the financial component	(4,905)	59	-	(4,846)
Financial component reserve	10,297	-	-	10,297
Total changes in the financial statement position	(64,806)	(3,234)	66,816	(1,224)
Current cash flows for the period				
Premiums	133,863			133,863
Claims and other attributable non-acquisition expenses, including investment components	(33)		(67,648)	(67,680)
Attributable acquisition cash flows	(7,919)			(7,919)
Total cash flows	125,911		(67,648)	58,264
Closing balance	482,692	2,050	16,876	501,618
Closing balance of insurance contract assets	(48,285)	1	8,333	(39,950)
Closing balance of insurance contract liabilities	530,977	2,049	8,543	541,569
Closing balance as at 31-Dec-2023	**482,692**	**2,050**	**16,876**	**501,618**

(Values in Thousands of Euros)

The evolution of liabilities relating to future services and past services for the groups of life contracts measured using the variable fee approach during the first nine months of 2024 and in 2023, was as follows:

	Present value of cash flows	Risk adjustment	Contractual service margin	From past services	Loss Component (LC)	LRC (excluding LC)
Balance as at 31-Dec-2023	**71,586**	**144**	**18,961**	**90,691**	**-**	**90,691**
Period start changes	**18,667**	**-**	**(18,667)**	**-**	**-**	**-**
Discount rate	18,667	-	(18,667)	-	-	-
Estimates	-	-	-	-	-	-
Cost assessment	-	-	-	-	-	-
Cash flow roll forward	**(19,571)**	**(17)**	**350**	**(19,239)**	**(813)**	**(18,426)**
Accrued interest	(308)	-	99	(209)	(209)	-
Release of estimated cash flows	(19,264)	(17)	-	(19,280)	(21)	(19,260)
Experience adjustments	-	-	251	251	(583)	834
Period end changes	**(16,966)**	**(5)**	**17,783**	**813**	**813**	**-**
Estimates						
Related to non-financial assumptions	(2,273)	(5)	737	(1,540)	(1,540)	-
Related to financial assumptions	-	-	-	-	-	-
Discount rate	(14,693)	-	4,081	(10,613)	(10,613)	-
Cost assessment	-	-	12,966	12,966	12,966	-
Release of the contractual service margin			(1,211)	(1,211)		(1,211)
Balance as at 30-Sep-2024	**53,716**	**122**	**17,216**	**71,054**	**-**	**71,054**

(Values in Thousands of Euros)

	31-Dec-2023			
	Liabilities of insurance contracts relating to future services		Reinsurance contract liabilities relating to past services	Total
	Excluding loss component	Loss component		
Opening balance of insurance contract assets				
Opening balance of insurance contract liabilities	142,093		1,151	143,245
Opening balance as at 31-Dec-2022	142,093		1,151	143,245
Revenues from insurance contracts - Fair value approach	(5,033)			(5,033)
CSM recognised for providing the service	(3,926)			(3,926)
Variation in risk adjustment for expired service	(41)			(41)
Release of estimated cash flows:	(868)			(868)
Claims	(744)			(744)
Expenses	(124)			(124)
Recovery of acquisition cash flows	(198)			(198)
Experience adjustment not related to future service				
Other variations				
Revenues from insurance contracts - Post-transition				
CSM recognised for providing the service				
Variation in risk adjustment for expired service				
Release of estimated cash flows:				
Claims				
Expenses				
Recovery of acquisition cash flows				
Experience adjustment not related to future service				
Other variations				
Total revenue from insurance contracts	(5,033)			(5,033)
Insurance contract costs				
Claims incurred in the period and other expenses			54,873	54,873
Claims			54,630	54,630
Expenses			243	243
Other movements				
Amortisation of acquisition cash flows	198			
Changes in cash flows from past services				
Changes to future services				
Losses recognised at the beginning of the contract				
Changes in estimates relating to losses or reversal of losses on onerous contracts - subsequent measurement				
Total insurance contract expenses	198	-	54,873	54,873
Investment components	(52,058)	-	-	(52,058)
Total result of the insurance contract	(56,893)	-	54,873	(2,020)
Result of the financial component				
Effect of changes in the time value of money and financial risk	2,978			2,978
Exchange rate differences				
Total result of the financial component	2,978			2,978
Financial component reserve	-	-	-	-
Total changes in the financial statement position	(53,915)	-	54,873	716
Current cash flows for the period				
Premiums	2,710			2,710
Claims and other attributable expenses paid other than acquisition costs, including investment components			(52,872)	(52,872)
Attributable acquisition cash flows	(198)			(198)
Total cash flows	2,512	-	(52,872)	(50,360)
Closing balance	90,691	-	3,152	93,843
Closing balance of insurance contract assets				
Closing balance of insurance contract liabilities	90,691	-	3,152	93,843
Closing balance as at 31-Dec-2023	**90,691**	**-**	**3,152**	**93,843**

(Values in Thousands of Euros)

The evolution of liabilities for future services and past services for the groups of life contracts measured using the simplified model during the first nine months of 2024 and in 2023, was as follows:

	Insurance contracts liabilities relating to future services		Insurance contracts liabilities relating to future services		
	Excluding loss component	**Loss Component (LC)**	**Present value of cash flows**	**Risk adjustment**	**Total**
Balance as at 31-Dec-2023	-	-	-	-	-
Cash flows for the period					
Premiums	1,978				1,978
Acquisition costs	(0)				(0)
Claims and other expenses other than acquisition costs			(393)		(393)
Total cash flows	**1,977**	**-**	**(393)**	**-**	**1,584**
Revenue from insurance contracts	(1,483)				
Insurance contract costs					
Incurred claims and other costs attributable to insurance contracts			393		393
Acquisition costs attributable to insurance contracts					
Balance as at 30-Sep-2024	**494**	**-**	**-**	**-**	**494**

	31-Dec-2023				
	Assets and liabilities of insurance contracts relating to future services		Assets and liabilities of insurance contracts relating to past services		Total
	Excluding loss component	Loss component	Present value of cash flows	Risk adjustment	
Opening balance of insurance contract assets					
Opening balance of insurance contract liabilities					
Opening balance as at 31-Dec-2022					
Revenue from insurance contracts					
Fair value approach					
Post-transition	(1,831)				(1,831)
Total revenue from insurance contracts	(1,831)				(1,831)
Insurance contract costs					
Claims incurred in the period and other expenses			1,753		1,753
Claims			306		306
Expenses					
Other movements			1,447		1,447
Amortisation of acquisition cash flows	0				0
Changes in cash flows from past services					
Changes to future services					
Losses recognised at the beginning of the contract					
Changes in estimates relating to losses or reversal of losses on onerous contracts - subsequent measurement					
Total insurance contract expenses	0		1,753		1,753
Investment components	-	-	-	-	-
Total result of the insurance contract	(1,831)	-	1,753	-	(78)
Result of the financial component					
Effect of changes in the time value of money and financial risk					
Exchange rate differences					
Total result of the financial component	-	-	-	-	-
Financial component reserve	-	-	-	-	-
Total changes in the financial statement position	(1,831)	-	1,753	-	(78)
Current cash flows for the period					
Premiums	1,831				1,831
Claims and other attributable expenses paid other than acquisition costs, including investment components			(1,753)		(1,753)
Attributable acquisition cash flows	(0)				(0)
Total cash flows	1,831	-	(1,753)	-	78
Closing balance	-	-	-	-	-
Closing balance of insurance contract assets					
Closing balance of insurance contract liabilities					
Closing balance as at 31-Dec-2023	**-**	**-**	**-**	**-**	**-**

(Values in Thousands of Euros)

48.2 Non-Life insurance contract liabilities

As at 30 September 2024 and 31 December 2023, Non-Life insurance contract liabilities, by branch, are analysed as follows:

30-Sep-2024					
Technical Business Lines	Future services - Premiums	Future services - Attributable costs	Past services - Present value of cash flows	Past services - Risk adjustment	Total
Accident & health:					
Accidents at work	3,092	(757)	63,941	4,691	70,967
Personal accidents	3,870	(1,026)	1,353	162	4,359
Sickness	788	(186)	1,897	64	2,563
Fire and other damage	12,222	(2,647)	9,245	1,358	20,179
Motor:	-	-	-	-	-
Civil liability	9,305	(2,250)	37,371	2,242	46,669
Other coverage	6,398	(1,521)	4,196	352	9,426
Maritime, air and transport	48	(13)	24	2	61
General civil liability	1,821	(478)	3,072	372	4,787
Other	2,926	(656)	4,605	577	7,451
Total	**40,471**	**(9,533)**	**125,705**	**9,820**	**166,463**

31-Dec-2023					
Technical Business Lines	Future services - Premiums	Future services - Attributable costs	Past services - Present value of cash flows	Past services - Risk adjustment	Total
Accident & health:					
Accidents at work	2,249	(307)	63,390	4,698	70,030
Personal accidents	3,166	(1,496)	1,415	174	3,259
Sickness	690	(169)	2,303	78	2,902
Fire and other damage	10,867	(3,178)	10,938	1,689	20,316
Motor:					
Civil liability	8,548	(1,504)	37,574	2,179	46,796
Other coverage	5,671	(1,016)	3,323	286	8,264
Maritime, air and transport	43	(15)	27	2	58
General civil liability	1,558	(447)	2,675	332	4,117
Other	3,245	(1,055)	5,327	651	8,169
Total	**36,037**	**(9,187)**	**126,972**	**10,089**	**163,911**

Liabilities arising from non-life insurance contracts are recorded under "Other liabilities - Non-Life insurance contract liabilities". The main liability item for Non-Life insurance contracts is the liability for past services or provision for incurred claims (LIC). This provision is made up of cash flows from past services, which in 30 September 2024 amounted to 125,705 thousand euros (31 December 2023: 126,972 thousand euros); and the risk adjustment which, as at 30 September 2024, amounted to 9,820 thousand euros (31 December 2023: 10,089 thousand euros).

Actuarial studies have revealed a good level of provisioning for the liabilities assumed by the Group, in line with the conservative policy that has been followed. A provision for incurred but not reported (IBNR) and incurred but not enough reported (IBNER) claims (18,459 thousand euros) was set up for the non-life business lines with the highest volume of costs in 2024 up to date, taking into account the Group's historical experience.

The risk adjustment corresponds to the compensation necessary to support the uncertainty about the amount and timing of cash flows resulting from "non-financial" risk. CA Seguros applied the Value at Risk (VaR) methodology to calculate the risk adjustment of the remaining hedge provision. The confidence level of the defined risk adjustment was 80% considering an ultimate view. With regard to the level of confidence in the Motor - Third Party Liability branch, this reflects a percentile of 90% at the date of this report.

CA Seguros applied the simplified model to its entire portfolio of insurance and reinsurance contract liabilities, since the vast majority of these contracts have a coverage period of one year or less. The evolution of **liabilities for future services and past services** for Life Insurance business during the first nine months of 2024 and in 2023, was as follows:

(Values in Thousands of Euros)

	30-Sep-24		
Technical Business Lines	Insurance contract liabilities - Future services	Insurance contract liabilities - Past services - Present value of cash flows	Insurance contract liabilities - Past services - Risk adjustment
Balance as at 31-Dec-23	26,850	126,972	10,089
Revenue from insurance contracts			
Measured using the premium allocation approach - Revenues	(130,440)		
Insurance contract costs			
Incurred claims and other costs attributable to insurance contracts			
Present value of cash flows		71,238	
Risk adjustment			2,944
Acquisition costs attributable to insurance contracts	28,396		
Changes to past services			
Present value of cash flows		(8,325)	
Risk adjustment			(3,214)
Changes to future services			
Result of insurance contracts	(102,044)	62,913	(270)
Result of the financial component of insurance contracts		2,107	
Reserve for the financial component of insurance contracts		2,011	
Cash flows			
Premiums received from insurance contracts issued	129,439		
Claims paid		(68,298)	
Attributable acquisition cash flows paid	(23,307)		
Total cash flows	106,132	(68,298)	0
Balance as at 30-Sep-24	30,938	125,705	9,820

	31-Dec-23		
Technical Business Lines	Insurance contract liabilities - Future services	Insurance contract liabilities - Past services - Present value of cash flows	Insurance contract liabilities - Past services - Risk adjustment
Balance as at 31-Dec-22	23,766	121,676	10,250
Revenue from insurance contracts			
Measured using the premium allocation approach - Revenues	(162,227)		
Insurance contract costs			
Incurred claims and other costs attributable to insurance contracts			
Present value of cash flows		88,922	
Risk adjustment			3,141
Acquisition costs attributable to insurance contracts	35,607		
Changes to past services			
Present value of cash flows		(6,986)	
Risk adjustment			(3,301)
Changes to future services			
Result of insurance contracts	(126,621)	81,936	(161)
Result of the financial component of insurance contracts		375	
Reserve for the financial component of insurance contracts		6,650	
Cash flows			
Premiums received from insurance contracts issued	163,321		
Claims paid		(83,665)	
Attributable acquisition cash flows paid	(33,616)		
Total cash flows	129,704	(83,665)	0
Balance as at 31-Dec-23	26,850	126,972	10,089

48.3 Life and non-life reinsurance contract assets

Life insurance business

(Values in Thousands of Euros)

Direct reinsurance contract liabilities of the Life business relating to future services are broken down as follows as at 30 September 2024 and 31 December 2023:

	Ress Prop QS	Ress Prop Surplus	Global
Balance as at 31-Dec-2023	**12**	**5,061**	**5,073**
Future services (LRC)	-	-	-
Past services (LIC)	12	5,061	5,073
Balance as at 30-Sep-2024	**39**	**3,917**	**3,956**
Future services (LRC)	11	67	78
Past services (LIC)	28	3,850	3,878

Non-Life insurance business

Non-Life reinsurance contract assets as at 30 September 2024 and 31 December 2023 are analysed as follows:

	30-Sep-2024		
Technical Business Lines	Reinsurance contract assets - Future services - Premiums ceded	Reinsurance contract assets - Future services - Fees and commissions	Reinsurance contract assets - Past services
Accident & health:			
Accidents at work	-	-	-
Personal accidents	11	-	-
Sickness	787		3,181
Fire and other damage	4,626	(724)	5,342
Motor:			
Civil liability	-	-	1,585
Other coverage	-	-	-
Maritime, air and transport	2	-	-
General civil liability	285	-	303
Other	4,186	(5)	5,018
Total	**9,897**	**(729)**	**15,427**

	31-Dec-2023		
Technical Business Lines	Reinsurance contract assets - Future services - Premiums ceded	Reinsurance contract assets - Future services - Fees and commissions	Reinsurance contract assets - Past services
Accident & health:			
Accidents at work	-	-	-
Personal accidents	2	(0)	-
Sickness	690	-	4,001
Fire and other damage	4,118	(881)	7,403
Motor:			
Civil liability	4	0	1,620
Other coverage	9	0	9
Maritime, air and transport	2	(0)	0
General civil liability	142	-	81
Other	3,906	(6)	5,815
Total	**8,873**	**(887)**	**18,930**

(Values in Thousands of Euros)

49. Prudential ratios

From 1 January 2014 onwards, European banking solvency has been assessed through the Common Equity Tier 1 (CET1) ratio, under the Basel III Agreement.

As at 30 September 2024, considering the net income generated, the Common Equity Tier 1 stood at 24.24%, as did the Tier 1. Overall, the total capital ratio was at the same percentage 24.24%, clearly meeting the minimum requirements set by the regulator.

Thousand euros, except %	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Δ Jun-24/Sep-24
Total Own Funds	**2,168,930**	**2,358,532**	**2,373,701**	**2,484,829**	**2,604,636**	**4.82%**
Common Equity Tier 1	2,168,930	2,358,532	2,373,701	2,484,829	2,604,636	4.82%
Tier 1	2,168,930	2,358,532	2,373,701	2,484,829	2,604,636	4.82%
Tier 2	0	0	0	0	0	0.00%
Exposure value [(b)]	**23,931,244**	**24,206,711**	**24,394,535**	**25,149,726**	**25,521,478**	**1.48%**
Risk weighted exposure amounts	**10,030,112**	**10,569,225**	**10,420,338**	**10,704,207**	**10,743,639**	**0.37%**
Credit	9,002,492	9,255,763	9,071,744	9,344,468	9,426,124	0.87%
Market	20,558	0	35,134	46,242	4,028	-91.29%
Operational	979,282	1,288,442	1,288,442	1,288,461	1,288,461	0.00%
Credit valuation adjustment (CVA)	27,780	25,020	25,019	25,036	25,026	-0.04%
RWA Density	41.30%	43.42%	42.19%	42.06%	41.65%	**-0.97%**
Solvency ratios [(a)]						
Common Equity Tier 1	21.62%	22.32%	22.78%	23.21%	24.24%	1.03 pp
Tier 1	21.62%	22.32%	22.78%	23.21%	24.24%	1.03 pp
Total	21.62%	22.32%	22.78%	23.21%	24.24%	1.03 pp
Leverage ratio	8.93%	9.69%	9.61%	9.76%	10.09%	**0.32 pp**
Liquidity coverage ratio (LCR) [(c)]	605.93%	388.48%	403.29%	404.81%	400.61%	**-4.2 pp**
Texas Ratio [(d)]	28.20%	26.53%	26.82%	26.65%	24.14%	**-2.51 pp**
Net Income [(e)]	**224,360**	**297,597**	**106,605**	**218,441**	**336,331**	**54.0%**

Note: Unaudited information

(a) The ratios are calculated in accordance with the rules of Directive 2013/36/EU (CRD IV - Capital Requirements Directive) and Regulation (EU) 575/2013 (CRR - Capital Requirements Regulation).

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

(c) The LCR and NSFR ratios between Dec23 and Jun24 correspond to resubmissions made in Nov24 as a result of mapping revisions.

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

(e) From December 2021 it also considers results awaiting approval from previous years.

The metrics and indicators used by the Crédito Agrícola Group to monitor Capital are as follows:

Type	Indicator	Risk Profile	Alert Limit
Capital	Common Equity Tier 1	> 14%	12%
Capital	Total Own Funds	> 16%	15%
Capital	Leverage Ratio	> 6%	4%

50. Resolution Fund

Under the banking resolution mechanisms implemented over the last few years at a European level, the credit institutions of the Crédito Agrícola Group, like most of the credit institutions operating in Portugal, are participants in the Portuguese Resolution Fund and in the European Single Resolution Fund.

a) Portuguese Resolution Fund

The Resolution Fund is a legal person governed by public law with administrative and financial autonomy, created by Decree-Law 31-A/2012 of 10 February, which is ruled by the Legal Framework of Credit Institutions and Financial Companies ("RGICSF") and by its regulation. Its mission is to provide financial support to the resolution measures applied by Banco de Portugal, as the national resolution authority, and to perform all other duties entrusted by the law concerning the execution of these measures.

The Crédito Agrícola Group's credit institutions make contributions to the Resolution Fund which result from the application of a rate defined annually by Banco de Portugal based essentially on the value of their liabilities.

Under its responsibility as the supervisory and resolution authority of the Portuguese financial sector, Banco de Portugal, on 3 August 2014, decided to apply a resolution measure to Banco Espírito Santo, S.A. ("BES"), under Article 145-G(5) of the Legal Framework of Credit Institutions and Financial Companies ("RGICSF"), which consisted of the transfer of most of its assets to a transition bank, named Novo Banco, S.A. ("Novo Banco"), created especially for the purpose.

The Resolution Fund provided 4,900 million euros for the payment of the share capital of Novo Banco, of which 377 million euros corresponded to its own financial resources. A loan of 700 million euros was also granted by a banking syndicate to the Resolution Fund, with the participation of each credit institution having weighted according to various factors, including its size. The remaining amount (3,823 million euros) came from a repayable loan granted by the Portuguese State.

In December 2015, the national authorities decided to sell the majority of the assets and liabilities associated with the activity of Banif – Banco Internacional do Funchal, S.A. ("Banif") to Banco Santander Totta, S.A. ("Santander Totta"), for 150 million euros, also in the context of the application of a resolution measure. This operation involved an estimated public support of 2,255 million euros, aimed at covering future contingencies, with 489 million euros financed by the Resolution Fund and 1,766 million euros directly by the Portuguese State. In the context of this resolution measure, the assets of Banif which were identified as problematic were transferred to an asset management vehicle, created for the purpose – Oitante, S.A., with the Resolution Fund being the sole holder of its share capital, through the issue of bonds representing the debt of this vehicle, of the value of 746 million euros, backed by the Resolution Fund and counter-backed by the Portuguese State.

The resolution measures applied in 2014 to BES (a process that gave rise to the creation of Novo Banco) and in 2015 to Banif generated uncertainties related to the risk of litigation involving the Resolution Fund, which is significant, as well as the risk of a possible insufficiency of funds to ensure compliance with the liabilities, in particular the repayment in the short-term of the contracted loans.

It was in this scenario that, in the second semester of 2016, the Portuguese Government reached an agreement with the European Commission to change the conditions of the loans granted by the Portuguese State and banks participating in the Resolution Fund, so as to preserve financial stability via the promotion of conditions conferring predictability and stability to the effort of contributing to the Resolution Fund. To this end, a formal amendment was made to the financing contracts of the Resolution Fund which introduced a series of alterations to the repayment plans, remuneration rates and other terms and conditions associated with these loans so that they should be adjusted to the Resolution Fund's capacity to fully comply with its obligations based on its own regular income. This means, without requiring that the banks participating in the Resolution Fund should be charged special contributions or any other type of exceptional contribution.

According to the press release of the Resolution Fund dated 31 March 2017, the review of the conditions of the loans granted by the Portuguese State and participant banks sought to ensure the sustainability and financial balance of the Resolution Fund, based on a stable, predictable, and affordable charge for the banking sector. Based on this review, the Resolution Fund assumed that the full payment of the Resolution Fund's liabilities is assured, as well as the respective remuneration, without requiring special contributions or any other type of exceptional contributions by the banking sector.

On 31 March 2017, Banco de Portugal also disclosed that the Lone Star Fund had been selected to purchase Novo Banco. This purchase was completed on 17 October 2017, with the new shareholder having injected 750 million euros, which will be followed by a new capital entry of 250 million euros, to be paid up over the next three years. The Lone Star Fund now holds 75% of the share capital of Novo Banco and the Resolution Fund holds the remaining 25%. Moreover, the approved conditions include a contingent capitalisation mechanism, under the terms of which the Resolution Fund, as shareholder, can be called upon to inject capital in the event of certain cumulative conditions materialising, related to: (i) the performance of a restrictive set of assets of Novo Banco, and (ii) the evolution of the bank's capitalisation levels, namely the foreseen issue on the market of 400 million euros of Tier 2 equity instruments. Any capital injections that may be made pursuant to this contingent mechanism are subject to an absolute maximum limit.

On 31 May 2021, the banks granted a loan to the Resolution Fund, in the form of a simple loan opening, up to the maximum amount of 475 million euros, exclusively intended to endow the Fund with the necessary financial resources to comply with obligations arising from the Contingent Capitalisation Agreement during 2021 and 2022. Caixa Central granted 4,275 million euros.

Notwithstanding the possibility established in the applicable legislation of charging special contributions, in view of the renegotiation of the conditions of the loans granted by the Portuguese State and by a banking syndicate, in which Caixa Central is included, and the press releases made by the Resolution Fund and by the Office of the Minister of Finance which refer to this possibility not being used, the present financial statements reflect the Executive Board of Directors' expectation that the CA Group (SICAM) will not be required to make special contributions or any other type of exceptional contributions to finance the Resolution Fund. Any significant changes in relation to this matter could have relevant implications for the CA Group's financial statements.

b) European Single Resolution Fund

In addition to the Portuguese Resolution Fund, as mentioned above, Crédito Agrícola also participates in the European Single Resolution Fund.

(Values in Thousands of Euros)

The European Single Resolution Fund, financed by the European banking sector, is intended to support the resolution of banks at risk or situations of insolvency, after having depleted other options such as the internal recapitalisation of the institutions.

The European Single Resolution Fund is an integral part of the Single Resolution Mechanism, which is the European system for resolution of non-viable banks. In the Single Resolution Mechanism, the responsibility for the resolution of credit institutions is shared between the Single Resolution Board and the national resolution authorities of the Member States of the eurozone, which includes Banco de Portugal and other countries of the European Union that decide to join the Banking Union. The Single Resolution Mechanism seeks to ensure the orderly resolution of banks in situations of insolvency at minimum costs for taxpayers and the real economy.

The Single Resolution Mechanism became fully operational on 1 January 2016.

51. Segmental reporting

The CA Group conducted an analysis of its business lines, having identified the materially relevant segments, as described below:

	30-Sep-24					
			Insurance business			
	Commercial/ retail banking	Investment fund and wealth management	Life insurance business	Non-life Insurance business	Other	Total
Net interest income	583,021	3	7,370	2,006	410	592,809
Dividend income	275	-	153	-	884	1,312
Net fees and commission income	115,489	(403)	1,383	(3,100)	(22)	113,346
Net trading income	15,831	464	5,991	542	394	23,222
Technical margin of insurance activity	-	-	19,228	52,535	-	71,763
Other operating earnings and expenses	7,024	522	(98)	(1,107)	(5,560)	781
TOTAL OPERATING INCOME, NET	721,640	585	34,027	50,875	(3,894)	803,234
Staff costs and general administrative expenses	(189,688)	(2,331)	(7,466)	(14,054)	(89,733)	(303,271)
Cash contributions to resolution funds and deposit guarantee schemes	(1,573)	-	-	-	-	(1,573)
Amortisations and depreciations for the year	(13,070)	(163)	(1,271)	(2,489)	(11,139)	(28,133)
Modification Gains or (-) Losses	(6,914)	-	-	-	-	(6,914)
Provisions and impairment	(7,086)	(1,230)	82	7	(116)	(8,343)
Share of the profit or (-) loss of investments in joint ventures and associates accounted for using the equity method	-	-	-	-	634	634
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	476	-	-	-	-	476
PROFIT OR (-) LOSS BEFORE TAXES	503,785	(3,139)	25,373	34,338	(104,248)	456,111
(Tax expenses or income (-))	(102,921)	(58)	(2,545)	(3,088)	(187)	(108,798)
PROFIT OR (-) LOSS AFTER TAX DEDUCTION	400,865	(3,197)	22,828	31,250	(104,434)	347,313
Attributable to non-controlling interests	-	-	-	-	(203)	(203)
Attributable to owners of the parent company	400,865	(3,197)	22,828	31,250	(104,638)	347,110

(Values in Thousands of Euros)

	30-Sep-24					
			Insurance business			
	Commercial/ retail banking	Investment fund and wealth management	Life insurance business	Non-life Insurance business	Other	Total
Cash, cash balances at central banks and other demand deposits	2,099,242	1	-	2	77	2,099,323
Financial assets held for trading	190,377	-	-	-	20,637	211,014
Non-trading financial assets mandatorily stated at fair value through profit or loss	29,165	12,334	76,991	10,817	16,434	145,740
Financial assets at fair value through other comprehensive income	144,611	24	360,328	189,927	1	694,891
Financial assets at amortised cost	21,600,350	-	308,189	-	-	21,908,539
Derivatives - Hedge accounting	606,121	-	-	-	-	606,121
Investments in subsidiaries, joint ventures and associates	-	-	-	3,021	-	3,021
Non-current assets and disposal groups classified as held for sale	852	4,033	-	-	624	5,510
Other	579,392	57,019	69,281	66,469	121,686	893,847
Total assets	**25,250,110**	**73,411**	**814,790**	**270,236**	**159,458**	**26,568,005**
Financial liabilities held for trading	21,283	-	-	-	-	21,283
Financial liabilities measured at amortised cost	21,843,735	-	-	-	-	21,843,735
Derivatives - Hedge accounting	97,418	-	-	-	-	97,418
Provisions	42,661	259	-	-	671	43,590
Other	915,781	3,295	621,665	217,364	27,609	1,785,713
Total liabilities	**22,920,878**	**3,554**	**621,665**	**217,364**	**28,280**	**23,791,740**

	30-Sep-23					
			Insurance business			
	Commercial/ retail banking	Investment fund and wealth management	Life insurance business	Non-life Insurance business	Other	Total
Net interest income	526,383	(6)	8,137	2,594	(549)	536,558
Dividend income	205	-	152	-	394	750
Net fees and commission income	111,895	(313)	991	(3,453)	(52)	109,068
Net trading income	10,489	10	922	384	152	11,957
Technical margin of insurance activity	-	-	18,375	51,631	-	70,006
Other operating earnings and expenses	7,949	694	3,273	(4,301)	(8,668)	(1,052)
TOTAL OPERATING INCOME, NET	656,920	386	31,850	46,856	(8,724)	727,287
Staff costs and general administrative expenses	(179,473)	(2,134)	(7,586)	(11,411)	(83,364)	(283,968)
Cash contributions to resolution funds and deposit guarantee schemes	(5,267)	-	-	-	-	(5,267)
Amortisations and depreciations for the year	(12,864)	(153)	(782)	(2,083)	(10,885)	(26,766)
Modification Gains or (-) Losses	(1,947)	-	-	-	-	(1,947)
Provisions and impairment	(72,000)	618	(215)	39	5	(71,553)
Share of the profit or (-) loss of investments in joint ventures and associates accounted for using the equity method	-	-	-	38	-	38
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	(19,689)	(14,661)	-	-	(1,134)	(35,483)
PROFIT OR (-) LOSS BEFORE TAXES	365,680	(15,943)	23,268	33,439	(104,102)	302,340
(Tax expenses or income (-))	(72,234)	(103)	(1,558)	(3,281)	(82)	(77,258)
PROFIT OR (-) LOSS AFTER TAX DEDUCTION	293,446	(16,046)	21,710	30,158	(104,184)	225,083
Attributable to non-controlling interests	-	-	(3)	(201)	(11)	(214)
Attributable to owners of the parent company	293,446	(16,046)	21,708	29,958	(104,195)	224,869

(Values in Thousands of Euros)

	31-Dec-23					
			Insurance business			
	Commercial/ retail banking	Investment fund and wealth management	Life insurance business	Non-life Insurance business	Other	Total
Cash, cash balances at central banks and other demand deposits	1,615,279	1	0	2	20	1,615,303
Financial assets held for trading	122,189	-	-	-	20,439	142,628
Non-trading financial assets mandatorily stated at fair value through profit or loss	28,835	13,311	81,182	10,284	16,243	149,855
Financial assets at fair value through other comprehensive income	311,976	23	401,411	192,390	-	905,800
Financial assets at amortised cost	20,559,951	-	307,936	-	-	20,867,887
Derivatives - Hedge accounting	686,290	-	-	-	-	686,290
Investments in subsidiaries, joint ventures and associates	-	-	-	3,041	-	3,041
Non-current assets and disposal groups classified as held for sale	3,083	3,781	-	-	624	7,488
Other	607,970	60,917	63,015	64,170	127,676	923,749
Total assets	**23,935,573**	**78,033**	**853,544**	**269,888**	**165,002**	**25,302,041**
Financial liabilities held for trading	9,872	-	-	-	-	9,872
Financial liabilities measured at amortised cost	20,810,313	-	-	-	-	20,810,313
Derivatives - Hedge accounting	97,297	-	-	-	-	97,297
Provisions	47,984	161	-	-	2,191	50,336
Other	1,012,480	2,998	648,071	206,532	26,610	1,896,691
Total liabilities	**21,977,946**	**3,159**	**648,071**	**206,532**	**28,801**	**22,864,509**

52. Environmental Matters

Awareness of the impact of exposure to environmental, social and governance risks on the business viability of companies in general (i.e. from the impact on the financial performance reported in the accounts to the opportunity costs/benefits incurred or not taken advantage of) and, consequently, on the performance and robustness of the financial sector itself has been reinforced by pressure from regulators, legislators and other institutional actors (e.g. investors, rating agencies and global forums, among others).

It is important to mention that in the latest annual report of the World Economic Forum[1], on risk perception, of the 10 risks identified for the next 10 years, regarding the severity of the potential impact on the world economy and on humanity, 6 of them are environmental (namely: 1. failure to combat climate change, 2. failure to adapt to climate change, 3. natural disasters and extreme weather events, 4. biodiversity loss and ecosystem collapse, 6. crisis in natural resources, and 10. large-scale environmental accidents and damage), two are social (namely: 5. large-scale involuntary migration and 7. erosion of social cohesion and social polarisation) and of the remaining two one is technological (namely: 8. increased crime and cyber insecurity) and one is geopolitical (namely: 9. geo-economic confrontations) with potential and relevant social and environmental impacts.

The analysis / assessment of asset exposure to physical risks arising from extreme climate events (e.g. droughts, fires, floods) or medium-long term climate trends (e.g. coastal erosion, scarcity of drinking water, soil degradation) and to transition risks related to the weak/ineffective monitoring of the transformation process of the economy and society, driven by institutional actors (e.g. regulatory fines, need to reinforce capital) and by society itself (e.g. difficulty in attracting new customers, new business opportunities and new talent), are relevant to the Risk Management Strategy of the Crédito Agrícola Group and, consequently, to the adaptation of its own offer and business model.

In this sense, the Crédito Agrícola Group presents a management of environmental matters based on:

i) Existence of a Sustainability Office, reporting directly to the Chairman of the Executive Board of Directors, responsible for planning and supporting the implementation of the Sustainability Strategy, as well as conceptual and technical support to the structures whose activity is impacted by it, namely the risk, marketing and product areas;

[1] World Economic Forum, Global Risks Perception Survey 2022-2023.

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

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

iv) Inclusion of a series of environmental, social and governance risks in the risk matrix;

v) Collection and processing of environmental and social information from corporate customers and sole proprietorships when opening credit operations, in accordance with the guidelines of the European Banking Authority (EBA) on the inclusion of ESG issues in the granting and monitoring of loans, with 10 questionnaires available to date that assign a rating to the customer-company and/or the credit operation in sectors such as agriculture, real estate, tourism and restaurants;

vi) Anticipation, albeit vaguely, of regulatory exercises such as climate stress testing and/or the inclusion of ESG risks in ICAAP reporting;

vii) There is an ESG Risk Policy which formalises the general framework for managing the CA Group's environmental, social and governance risks and which was prepared taking into account Banco de Portugal's guidelines, namely Circular Letter no. CC/2021/00000010 and the European Central Bank's "Guide on climate and environmental risks (prudential expectations related to risk management and disclosure)". In addition to the applicable prudential regulations, the ESG Risk Policy also takes into account accepted and internationally recognised risk management practices, such as the OECD guidelines for multinational companies, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the information on climate scenarios disclosed by the Network for Greening the Financial System (NGFS);

viii) Updating the Regulatory Reference on loan origination, including the principles of exclusion and/or restriction of bank financing, including to sectors such as mining and energy production based on coal, hard coal and lignite, uranium or oil extraction, among various other sectors, activities or institutions that are not aligned with the values of a more sustainable and inclusive society.

53. Subsequent events

On the date of preparation and conclusion of these Financial Statements of the Crédito Agrícola Group, events subsequent to 30 September 2024, the reference date for these Financial Statements, did not require adjustments or changes to the values of assets and liabilities, under the terms of IAS 10 - Events after the reporting date.

Review Report on the Condensed Consolidated Interim Financial Statements

Review Report on the Condensed Consolidated Interim Financial Statements

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

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Crédito Agrícola Group (composed by Caixa Central – Caixa Central de Crédito Agrícola Mútuo, CRL (Caixa Central), associated Caixas de Crédito Agrícola Mútuo and subsidiaries), which comprise the condensed consolidated interim balance sheet as at 30 September 2024 (which shows total assets of Euros 26.568.005 thousand and total shareholders' equity of Euros 2.776.265 thousand, including a net profit attributable to owners of the parent company of Euros 347.110 thousand), the condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended, and the accompanying explanatory notes to these condensed consolidated interim financial statements.

Management's responsibility

The Management is responsible for the preparation of the condensed consolidated interim financial statements in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union, as well as to create and maintain appropriate systems of internal control to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying condensed consolidated interim financial statements. We conducted our review in accordance with ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Those standards require that we conduct the review in order to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

A review of financial statements is a limited assurance engagement. The procedures performed mainly consist of making inquiries and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISAs). Accordingly, we do not express an opinion on these consolidated financial statements.

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.
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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that accompanying condensed consolidated interim financial statements of Crédito Agrícola Group as at 30 September 2024 are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

13 December 2024

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

[Original in Portuguese signed by]

Carlos José Figueiredo Rodrigues, ROC no. 1737
Registered with the Portuguese Securities Market Commission under no. 20161347

CA
Crédito Agrícola