

Lisbon, 23 November 2021

Unaudited Earnings Release as at 30 September 2021

■ Grupo Crédito Agrícola performance in the first nine months of 2021

Main highlights

- **Grupo Crédito Agrícola's consolidated results in the first nine months of 2021 stood at 129.0 million euros**, representing year-on-year growth of 85.6%, with the banking business contributing 115.1 million euros, corresponding to a year-on-year growth of 103.5%.
- Grupo Crédito Agrícola's **portfolio of (gross) loans and advances to customers grew 5.8%** over the last 12 months to 11.7 billion euros, demonstrating the continued commitment to support economic recovery in these challenging times.
- The quality of Grupo Crédito Agrícola's credit portfolio remains a priority and, in September 2021, **gross Non Performing Loans (NPL) ratio stood at 7.6%**, a favourable evolution compared with 8.1% at the end of 2020.
- After the end of the legal period of moratoria at the end of September, **the amount in moratoria was reduced by 86.8% from 2,767 million euros to 365 million euros**. Out of the total moratoria expired, in the amount of 2,679 million euros, **98.95% are back on the original payment plan, while 87.7% are performing** (stages 1 and 2).
- Grupo Crédito Agrícola has a **comfortable solvency level**, as evidenced by **CET1 and total own funds ratios of 17.6%** (excluding net income for the period), **a leverage ratio of 8.2% and a LCR ratio of 397.6%**, all with considerable leeway in relation to the minimum recommended levels.
- Recently, Grupo Crédito Agrícola carried out its first bond issuance in the international market, through **senior preferred debt securities linked to Social Sustainability**. The **300 million euros** issue was rated "Ba2" (stable Outlook) by Moody's Investor Services and enables the **Group to exceed the binding intermediate target of the MREL TREA requirement to be met on 1 January 2022**, with an estimated 175 bp surplus.
- Crédito Agrícola was considered, by **The Banker's** magazine in October 2021, the **Best Performer Bank in Portugal**, particularly in parameters such as growth, profitability, asset quality and liquidity.

- Caixa Central de Crédito Agrícola received a Baseline Credit Assessment (BCA) rating of Ba1 from Moody's. The BCA rating is complemented by the following ratings: Baa3 Stable Outlook / P-3 deposits, Counterparty Risk Rating (CRR) of Baa2/P-2, Counterparty Risk Assessment of Baa1(cr)/P-2(cr).

GRUPO CRÉDITO AGRÍCOLA RESULTS AND ACTIVITY

Amounts in million euros, except for percentages

Consolidated indicators of Grupo CA	sep/20	sep/21	Δ Abs. sep-21/sep-20	Δ % sep-21/sep-20
<i>Income statement</i>				
Net interest income	236.4	237.9	1.4	0.6%
Technical margin of insurance activity	35.2	50.0	14.7	41.9%
Net fees and commissions	77.4	80.5	3.1	4.0%
Net trading income	66.4	55.4	-11.0	-16.6%
Other results	-6.4	5.9	12.3	n.a.
Operating income	409.1	429.6	20.6	5.0%
Operating costs	272.2	273.8	1.6	0.6%
Impairment and provisions for the year	41.2	-3.3	-44.5	n.a.
Consolidated net income	69.5	129.0	59.5	85.6%

- In the first nine months of 2021, **Grupo Crédito Agrícola's Net Income stood at 129.0 million euros**, which represents a remarkable growth of 85.6% year-on-year (69.5 million euros) and of 23.0% compared to the same period of 2019, when a Net Income of 104.8 million euros was recorded (in a pre-pandemic context). The banking business contributed with 115.1 million euros to this result, which compares with 56.6 million euros in the same period of 2020, a year-on-year growth of 103.5%.
- **Operating income** continued to show a positive performance, up by 20.6 million euros, or 5.0%, year-on-year, to 429.6 million euros.
- Contributing to this growth were increases in **net interest income** and **net fees and commissions** of 1.4 million euros (+0.6%) and 3.1 million euros (+4.0%) respectively, as well as increases in the **technical margin of the insurance business** which improved 41.9% (+14.7 million euros) and in **other income** (+12.3 million euros). These effects more than offset the decrease in **net trading income**, which fell 11.0 million euros from 9M20 to 55.4 million euros.
- **Operating costs** remained relatively stable, increasing by 1.6 million euros, or 0.6%, year-on-year, to 273.8 million euros in 9M21, with the increase in staff costs being explained by the increase in bancassurance activity.
- The growth in operating income, together with the previously mentioned stability of operating costs, led to an **improvement of 2.8 p.p. in the cost-to-income ratio** compared to 9M20, which currently stands at 63.7% and compares to 66.5% at the end of September 2020.

- In the first nine months of 2021, impairments and provisions for the year resulted in a net reversal amounting to 3.3 million euros, which compares with impairments and provisions of 41.2 million euros in 9M20, a favourable evolution of 44.5 million euros that is mainly explained by: (i) a 17.5 million euros decrease in general provisions set up in 2020 to cover risks relating to the recovery of credit portfolio at Caixa Central and foreclosed assets; (ii) a 6.7 million euros decrease in impairments in the securities portfolio resulting from the update of macroeconomic scenarios and consequent easing of risk parameters compared to September 2020, (iii) a 21.7 million euros decrease in specific credit impairments justified by the reduction of the weight of non-performing loans (stage 3), which decreased from 7.4% in September 2020 to 6.6% in September 2021, also observing the write-offs of unrecoverable loans; and (iv) in the opposite direction, impairments of other assets in the amount of 1.3 million euros.
- In the first nine months of 2021, the **cost of credit risk** reached -0.01%. The decrease of 20 b.p. in this indicator resulted from reversals recorded during the year.

Amounts in million euros, except for percentages

Breakdown of Grupo CA's Profit	sep/20	sep/21	Δ Abs. sep-21/sep-20	Δ % sep-21/sep-20
Consolidated net income	69.5	129.0	59.5	85.6%
Net income from banking business	56.6	115.1	58.5	103.5%
Insurance Companies (CA Vida and CA Seguros)	9.4	9.2	-0.1	-1.5%
Real estate investment vehicles ¹	-5.9	-6.1	-0.2	4.1%
Other	9.5	10.8	1.3	14.2%

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

- In 9M21, the **return on equity (ROE) of Grupo Crédito Agrícola reached 8.8%** (compared to 5.2% in 9M20), reflecting the results achieved in the different components of the Group (Caixas Agrícolas, Caixa Central, life and non-life insurance companies and asset management and investment funds), including the profit from the insurance business (5.7 million euros from CA Vida and 3.5 million euros from CA Seguros).
- The results recorded in the **real estate divestment segment** (namely via investment funds) penalised consolidated net income by -6.1 million euros, a figure roughly in line with the one booked in the same period of the previous year (-5.9 million euros).

BALANCE SHEET OF GRUPO CRÉDITO AGRÍCOLA

Amounts in million euros, except for percentages

Consolidated indicators of Grupo CA Balance Sheet	dec/20	sep/21	Δ Abs. sep-21/dec-20	Δ % sep-21/dec-20
Balance sheet				
Total net assets	23,451	25,041	1,590	6.8%
Total loans and advances to customers (gross)	11,189	11,681	492	4.4%
of which: Credit to companies and public administration (gross)	6,344	6,670	326	5.1%
Total loans and advances to customers (net)	10,804	11,308	504	4.7%
Accumulated impairment and provisions	579	560	-20	-3.4%
Customer funds on the balance sheet	17,046	18,551	1,505	8.8%
Equity	1,889	2,003	114	6.0%

- At the end of September 2021, total assets of Grupo Crédito Agrícola stood at 25.0 billion euros, of which 11.7 billion euros correspond to the **(gross) loans and advances to customers portfolio**, representing a **growth of 5.8% over the last 12 months** and of 4.4% compared to December 2020, reflecting the continued support provided to customers.

Amounts in million euros, except for percentages

Gross Credit of Grupo CA	dec/20	sep/21	Δ Abs. sep-21/dec-20	Δ % sep-21/dec-20
Credit to individuals	4,846	5,011	165	3.4%
Mortgage	3,235	3,382	148	4.6%
Consumer and other purposes	1,611	1,628	17	1.1%
Credit to companies and public administration	6,344	6,670	326	5.1%
Total gross credit	11,189	11,681	492	4.4%

- Customer resources in the form of bank deposits** totalled approximately **18.6 billion euros**, maintaining the pace of growth of 13.5% year-on-year, corresponding to **2.2 billion euros**. In a period characterised by uncertainty, this growth fully demonstrates the trust customers place in Grupo Crédito Agrícola. This increase in customer funds (+2,202 million euros), higher than in (net) loans and advances to customers (+668 million euros), contributed to the reduction of the **loan-to-deposit ratio, which, at the end of the period**, stood at 61.0%, lower than the 65.1% in September 2020 and 61.9% in June 2021.

QUALITY OF THE GROUP'S CREDIT PORTFOLIO

- Despite the difficult social and economic context arising from the pandemic, at the end of the third quarter of 2021, Grupo Crédito Agrícola recorded a general improvement on its credit portfolio quality and coverage indicators, as compared to the previous year-end.
- The **gross ratio of Non-Performing Loans (NPL)**, according to Instruction 20/2019, was lower at **7.6%** in September 2021, registering a favourable evolution compared to the 8.1% registered at the end of 2020.

- The **accumulated Non-Performing Loans impairments** with reference to the end of September 2021, amounted to 289 million euros, which equates to a level of **NPL coverage by impairments of 33.6%** and a **NPL coverage by NPL impairments and collateral (FINREP)¹ of 86.9%** (or a ratio of 130.8%, not considering the exposure limit per contract). The **Texas ratio**, determined by the ratio between the NPL stock and the sum of the tangible common equity with the stock of impairments (loss reserves) recorded a good performance, **reaching 39.8%** at the end of September 2021.

Amounts in million euros, except for percentages

Quality of Grupo CA's Credit Portfolio	dec/20	sep/21	Δ Abs. sep-21/dec-20	Δ % sep-21/dec-20
Non-Performing Loans (NPL)	880.7	860.4	-20	-2.3%
Non-Performing Loans (NPL) ratio ¹	8.1%	7.6%	-0.5 p.p.	
NPL coverage by NPL impairments	35.3%	33.6%	-1.7 p.p.	
NPL coverage by NPL impairments and collateral	128.1%	130.8%	2.6 p.p.	
NPL coverage by NPL impairments and collateral ²	86.8%	86.9%	0.1 p.p.	
Texas ratio ³	40.8%	39.8%	-1.0 p.p.	
Restructured Credit Ratio	7.4%	6.2%	-1.1 p.p.	

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

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

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

ISSUANCE OF 300 MILLION EUROS OF SUSTAINABLE DEBT TO MEET MREL TARGETS

- Through Caixa Central de Crédito Agrícola Mútuo, Grupo Crédito Agrícola executed its **first debt issue in the international market**, specifically through 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 "Ba2" rating with stable Outlook to these new Caixa Central senior unsecured notes.
- The senior unsecured notes were issued in order to comply with the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) requirements issued by the Portuguese Resolution authority, with the notes explicitly designated as senior unsecured obligations of the issuer. This inaugural issue of senior preferred social debt allows Grupo Crédito Agrícola to exceed the binding intermediate target of the MREL TREA requirement to be met on 1 January 2022 (19.09%), with an estimated leeway of 175 basis points.
- As cooperative values and sustainability are intrinsic to Grupo Crédito Agrícola's DNA, this issue is aimed at financing and/or refinancing Eligible Social Assets under the Green,

¹ Applying haircuts and recovery costs, limited by the exposure of each contract.

Social and Sustainable Framework. The success of this debt issue, evidenced by the interest of more than 50 institutional investors, reflects the market's recognition of Grupo Crédito Agrícola's profitability, robustness, liquidity and resilience, but also its commitment to support and sustainably finance and promote the socio-economic development of Portuguese local communities.

GROUP SOLVENCY, LEVERAGE AND LIQUIDITY

- According to CRD IV/CRR rules, Grupo Crédito Agrícola has a comfortable level of solvency as evidenced by the **common equity tier 1 (CET1) and total own funds ratios of 17.6%** (excluding net income for the period), a **leverage ratio of 8.2%** and a **liquidity coverage ratio (LCR ratio) of 397.6%**, all well above the recommended minimum thresholds.

Amounts in million euros, except for percentages

Solvency of Grupo CA	dec/20	sep/21	Δ Abs. sep-21/dec-20	Δ % sep-21/dec-20
Total Own Funds	1,735.5	1,787.9	52	3.0%
Common equity tier 1	1,734.7	1,787.9	53	3.1%
Tier 1	1,734.7	1,787.9	53	3.1%
Tier 2	0.9	0.0	-1	-100.0%
Exposure value ⁽¹⁾	23,329.2	25,180.0	1,851	7.9%
Risk weighted exposure amounts	9,809.3	10,171.0	362	3.7%
RWA Density	42.1%	46.7%	4.6 p.p.	
Solvency ratios				
Common equity tier 1	17.7%	17.6%	-0.1 p.p.	
Total own funds	17.7%	17.6%	-0.1 p.p.	
Leverage ratio	7.4%	8.2%	0.8 p.p.	
Liquidity coverage ratio (LCR)	433.5%	397.6%	-35.8 p.p.	

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

(2) Fully implemented ratios. The ratios are calculated in accordance with the rules of Directive 2013/36/EU (CRD IV - Capital Requirements Directive) and Regulation (EU) 575/2013 (CRR - Capital Requirements Regulation).

Note: Information based on reported values.

SUPPORT AND PROTECTION IN THE CONTEXT OF A PANDEMIC CAUSED BY COVID-19

- Crédito Agrícola supported 4,510 companies by granting 335.2 million euros loans**, mainly to micro and SME, under State-guaranteed COVID-19 credit lines agreed with the European Investment Fund.
- As a consequence of the intense activity in support of the economy, as of September 2021 **Crédito Agrícola has granted 2,767 million euros in credit moratoria**. Out of this figure, 80% corresponded to credit granted to enterprises and 20% to private individuals. After the end of the legal period of moratoria at the end of September, **the amount in moratoria was reduced by 86.8% from 2,767 million euros to 365 million euros**. Out of total the moratoria expired, in the amount of 2,679 million euros, **98.95% are back on the original payment plan, while 87.7% are performing** (stages 1 and 2).



CORPORATE SOCIAL RESPONSIBILITY

- Crédito Agrícola is the **sole bank** operating in Portugal affiliated in the European **cooperative** banking sector (which includes some of the largest banks in the world), is a reference group in the Portuguese banking system, with **capital exclusively held by national members**, which includes a set of financial companies, namely both insurance companies CA Vida and CA Seguros, presenting a universal offer of financial and protection products and services.
- Grupo Crédito Agrícola, through the implementation of a coordinated strategy among the **75 Caixas de Crédito Agrícola Mútuo**, continues to be committed to boosting the economy of Portuguese regions, cities and villages and to contribute to the **social and territorial cohesion** of Portugal.
- Crédito Agrícola's **Sustainability Policy** embodies the commitment, assumed in 2020, to promote the sustainable development of the communities in which it operates, reflecting social, environmental and governance concerns, as well as to present a set of commitments related to sustainable finance which, bearing in mind the well-being of populations, give added importance to the management of ecosystems, efficient use of resources, urgency in fighting climate change and inequality.

EXTERNAL RECOGNITION

- Crédito Agrícola is included in the "**Top 250 European Banks**", according to the ranking published by the British magazine **The Banker's** in October 2021, one of the most prestigious publications in the financial sector, **and was considered the Bank with the best performance in Portugal**, outperforming the competition in parameters such as growth, profitability, asset quality and liquidity.
- Caixa Central de Crédito Agrícola received a **Baseline Credit Assessment (BCA) rating of Ba1 from Moody's**. The BCA rating is complemented by the Baa3 Stable Outlook/ P-3 deposit rating, Counterparty Risk Rating (CRR) of Baa2/P-2, Counterparty Risk Assessment of Baa1(cr)/P-2(cr), all investment grade.
- During the first half of 2021, Crédito Agrícola also stood out in the **ranking of the institutions with fewest complaints** in the Behavioural Supervision Report, carried out by Banco de Portugal, as the Portuguese bank with the **fewest complaints in demand deposits** (9 complaints per 100,000 demand deposit accounts, which compares with the banking system average: 34 complaints per 100 thousand accounts) **and consumer credit** (18 complaints per 100 thousand consumer credit contracts versus the system average with 40 complaints per 100 thousand contracts). Crédito Agrícola was also **ranked second in the number of fewest complaints in mortgage loans**, with 52 complaints per 100 thousand mortgage loan contracts (below the average of the banking system: 119 complaints per 100,000 credit contracts).



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MAIN CONSOLIDATED INDICATORS OF GRUPO CRÉDITO AGRÍCOLA

Amounts in million euros, except for percentages

Consolidated indicators of Grupo CA	dec/20	sep/20	sep/21	Δ Abs. sep-21/sep-20	Δ % sep-21/sep-20
Balance sheet					
Total net assets	23 451	22 785	25 041	2 257	9.9%
Total loans and advances to customers (gross)	11 189	11 043	11 681	637	5.8%
of which: Credit to companies and public administration (gross)	6 344	6 247	6 670	423	6.8%
Total loans and advances to customers (net)	10 804	10 639	11 308	668	6.3%
Total customer funds	18 767	18 005	20 296	2 291	12.7%
Customer funds on the balance sheet	17 046	16 350	18 551	2 202	13.5%
Off-balance sheet funds	1 720	1 655	1 745	90	5.4%
Accumulated impairment and provisions	579	600	560	-40	-6.7%
of which: Accumulated impairment of credit	386	404	373	-31	-7.7%
Insurance contract technical provisions	726	730	671	-60	-8.2%
Equity	1 889	1 876	2 003	128	6.8%
Results					
Net interest income	318.5	236.4	237.9	1.4	0.6%
Technical margin of insurance activity	37.3	35.2	50.0	14.7	41.9%
Net fees and commissions	125.9	77.4	80.5	3.1	4.0%
Net trading income	92.4	66.4	55.4	-11.0	-16.6%
Other results	-4.9	-6.4	5.9	12.3	n.a.
Operating income	569.2	409.1	429.6	20.6	5.0%
Operating costs	364.8	272.2	273.8	1.6	0.6%
Impairment and provisions for the year	72.9	41.2	-3.3	-44.5	n.a.
Consolidated net income	86.8	69.5	129.0	59.5	85.6%
Cost-to-income and return-on ratios					
Cost-to-income ratio	64.1%	66.5%	63.7%	-2.8 p.p.	
Return on assets (ROA)	0.4%	0.4%	0.7%	0.3 p.p.	
Return on equity (ROE)	4.9%	5.2%	8.8%	3.6 p.p.	
Capital and liquidity ratios					
Common equity tier 1 ¹ ratio	17.7%	17.0%	17.6%	0.6 p.p.	
Total own funds ¹	17.7%	17.0%	17.6%	0.6 p.p.	
Leverage ratio	7.4%	7.4%	8.2%	0.9 p.p.	
Loan to deposit Ratio ²	63.4%	65.1%	61.0%	-4.1 p.p.	
Liquidity coverage ratio (LCR)	433.5%	402.1%	397.6%	-4.5 p.p.	
Quality of assets ratios					
NPL ratio ³	8.1%	8.4%	7.6%	-0.8 p.p.	
NPL coverage by NPL impairments	35.3%	36.8%	33.6%	-3.1 p.p.	
NPL coverage by NPL impairments and collateral	128.1%	134.7%	130.8%	-3.9 p.p.	
NPL coverage by NPL impairments and collateral ⁴	86.8%	87.1%	86.9%	-0.2 p.p.	
Texas ratio ⁵	40.8%	42.6%	39.8%	-2.8 p.p.	
Cost of risk	0.48%	0.19%	-0.01%	-0.20 p.p.	
Other Indicators					
# of employees	4 092	4 109	4 116	7	0.2%
# of bank branches	637	638	624	-14	-2.2%
Rating - Moody's (September 2021)					
Baseline Credit Assessment (BCA)	ba1, Stable Outlook				
Counterparty Risk Rating (CRR)	Baa2/Prime-2				
Counterparty Risk Assessment (CR)	Baa1(cr)/Prime-2(cr)				
Long Term Deposit Rating	Baa3, Stable Outlook				

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

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

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

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

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

Note: Information based on reported values.

CONSOLIDATED FINANCIAL STATEMENTS

In thousand euros

Balance sheet	Dec.2020	Sep.2021	Δ Abs.	Δ %
Cash, cash balances at central banks and other demand deposits	3,798,213	3,607,051	-191,162	-5.0%
Financial assets held for trading	19,278	70,738	51,459	266.9%
Non-trading financial assets mandatorily at fair value through profit or loss	44,913	44,017	-896	-2.0%
Financial assets designated at fair value through profit or loss	31,194	9,648	-21,546	-69.1%
Financial assets at fair value through other comprehensive income	1,294,477	1,802,655	508,178	39.3%
Financial assets at amortised cost	16,724,720	18,104,374	1,379,653	8.2%
Derivatives - Hedge accounting	211,768	197,904	-13,863	-6.5%
Investments in subsidiaries, joint ventures and associates	1,830	2,355	526	28.7%
Tangible assets	302,893	291,810	-11,083	-3.7%
Intangible assets	92,978	101,736	8,758	9.4%
Tax assets	84,663	74,676	-9,987	-11.8%
Non-current assets and disposal groups classified as held for sale	360,394	338,987	-21,407	-5.9%
Other assets	484,039	395,379	-88,660	-18.3%
Total Assets	23,451,362	25,041,331	1,589,970	6.8%
Financial liabilities held for trading	416	352	-65	-15.5%
Financial liabilities measured at amortised cost	20,287,941	21,778,360	1,490,418	7.3%
Derivatives - Hedge accounting	214,991	204,903	-10,088	-4.7%
Provisions	765,972	705,605	-60,367	-7.9%
Tax liabilities	19,726	5,088	-14,638	-74.2%
Share capital repayable on demand	796	737	-59	-7.4%
Other liabilities	272,195	342,924	70,728	26.0%
Total Liabilities	21,562,038	23,037,968	1,475,930	6.8%
Equity	1,889,324	2,003,363	114,040	6.0%
Total Equity + Liabilities	23,451,362	25,041,331	1,589,970	6.8%

In thousand euros

INCOME STATEMENT	Sep.2020	Sep.2021	Abs. Δ	% Δ
Interest income	317,592	329,789	12,197	3.8%
Interest expenses	-81,145	-91,895	10,750	13.2%
Net Interest Income	236,447	237,894	1,447	0.6%
Technical margin of insurance activity	35,221	49,967	14,746	41.9%
Net fees and commissions	77,396	80,480	3,084	4.0%
Net trading income	66,371	55,383	-10,988	-16.6%
Other net operating income	-6,365	5,902	12,267	n.a.
Operating Income	409,069	429,625	20,556	5.0%
Operating Costs	-272,170	-273,816	1,646	0.6%
Staff expenses	-163,041	-167,546	4,505	2.8%
Other operating costs	-84,651	-81,573	-3,078	-3.6%
Depreciation	-24,478	-24,697	219	0.9%
Gains/losses in modifications	0	0	0	n.a.
Provisions and impairments	-41,216	3,320	44,536	n.a.
Earnings from holdings in associates (equity method)	372	507	135	36.2%
Earnings before taxes	96,056	159,636	63,581	66.2%
Taxes	-26,471	-30,557	4,086	15.4%
Non-controlling interests	-100	-99	-1	-0.8%
Net Income	69,485	128,980	59,495	85.6%

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