Millennium
bcp

# BANCO COMERCIAL PORTUGUÊS, S. A.
# MACAU BRANCH

## DISCLOSURE OF FINANCIAL INFORMATION
## 31 DECEMBER 2024
(Circular No. 004/B/2024-DSB/AMCM)

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## DISCLOSURE OF INFORMATION

The information presented hereinafter concerning Banco Comercial Português, S. A. Macau Branch (the Branch) and its Banking Group to which it belongs is disclosed under and is in compliance with Circular No. 004/B/2024-DSB/AMCM of the Monetary Authority of Macau ('AMCM') (Guideline on Disclosure of Financial Information).

The Branch's policy on this matter is available and can also be consulted.

The information enclosed on pages 1 to 51 of this document hereby has been reviewed by the Branch's external auditors. is consistent with our audited "Report and Financial Statements for the year ended 31 December 2024" and the relative information otherwise published or in any way supplied to the AMCM and, in what concerns the Group information, other regulators.

The Financial Statements provided hereby has been reviewed by the Branch's external auditors.

The information or any other remarks belonging to the Branch's books or practices are duly marked along these pages with the tag '*Macau Branch*'.

**The Management of the Branch**

**Summary of the Activity Report for the year between 1 January 2024 and 31 December 2024**

According to the International Monetary Fund (IMF), global economic growth remained solid in 2024 (3.2%). However, this development reflects divergent performances among the main economies, with the strong expansion of the United States (US) economy (2.8%) contrasting with the weakness of the euro area, whose GDP grew by only 0.7%. In turn, China recorded a GDP growth rate of 5.0%, in line with the target set by local authorities. In terms of prices, 2024 was marked by a continued downward trajectory of inflation rates to levels closer to the targets of central banks. In this sense, global monetary policy has become less restrictive, with the US Federal Reserve reducing its reference rate from 5.50% to 4.50%, and the European Central Bank lowering the deposit facility rate from 4.0% to 3.0%. In 2025, the IMF expects a moderate acceleration in global GDP, from 3.2% to 3.3%, driven by the dynamism of the US economy, which is expected to grow by 2.7%. However, this projection is associated with important downside risks, mainly related to rising trade tensions and heightened of geopolitical uncertainty.

Macao recorded a robust GDP growth in 2024 (8.8%) supported by the evolution of domestic consumption and exports of services. For 2025, the IMF expects a GDP growth of 7.3%.

In 2024, the branch worked primarily to increase the credit portfolio and build a platform to support the business of Portuguese companies in Macau and mainland China, namely through trade finance operations and the development of new relationships with trading companies, particularly those operating in the Portuguese-speaking countries.

In addition, we sought to identify Chinese clients, individuals, or companies, interested in investing in Portugal and to promote contacts between Millennium bcp's investment banking area and Chinese companies to identify investment opportunities in the Portuguese-speaking countries.

Net profit reached 71.7 million Patacas in 2024, showing a decrease of 12.1% compared to the previous year, mainly due to the drop in net interest income, impacted from the lower average loan portfolio, partially offset by the increase in income from commissions and the decrease in impairments for credit risk.

For 2025, BCP Macao Branch will continue its prudent growth strategy, focused on offering its customers superior products and services.
We would like to conclude by thanking all our customers, employees, Macao SAR Authorities and other stakeholders for the continued trust and confidence in our work.

The Management of
Banco Comercial Português, Macao Branch

Constantino Mousinho
General Manager

KPMG

# Independent auditor's report to the branch management of Banco Comercial Português, S.A. Macau Branch

*(Branch of a commercial bank with limited liability incorporated in The Portuguese Republic)*

We have audited the financial statements of Banco Comercial Português, S.A. Macau Branch (the "Branch") set out on pages 3 to 51, which comprise the statement of financial position as at 31 December 2024, statement of profit or loss and other comprehensive income, the statement of changes in reserves and head office account and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Branch management's responsibility for the financial statements

The Branch management is responsible for the preparation of financial statements that give a fair view in accordance with the Financial Reporting Standards issued by the Macau Special Administrative Region, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Macau Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

KPMG

# Independent auditor's report to the branch management of Banco Comercial Português, S.A. Macau Branch (continued)

*(Branch of a commercial bank with limited liability incorporated in The Portuguese Republic)*

## Audit Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Branch as at 31 December 2024, and of the Brach's financial performance and cash flows for the year then ended in accordance with the Financial Reporting Standards issued by the Macau Special Administrative Region.

楊麗娟
Ieong Lai Kun, CPA
KPMG

Certified Public Accountants
Unit B&C, 12th Floor
Finance and IT Center of Macau
320 Avenida Doutor Mario Soares
Macau

17 April 2025

# Statement of profit or loss and other comprehensive income for the year ended 31 December 2024

*(Expressed in Macau Patacas)*

| | Notes | 2024 MOP | 2023 MOP |
|---|---|---|---|
| Interest income | 5 | 340,746,670 | 432,562,774 |
| Interest expense | 5 | (202,043,822) | (228,134,595) |
| Net interest income | | 138,702,848 | 204,428,179 |
| Net fee and commission income | 6 | 4,679,322 | 2,148,082 |
| Net foreign exchange gains | | 7,148,110 | 7,391,065 |
| Other operating income | 8 | 1,095,292 | 14,470,096 |
| Total operating income | | 151,625,572 | 228,437,422 |
| Staff costs | 7 | (22,311,038) | (21,325,700) |
| Other administrative costs | 8 | (10,536,760) | (9,261,625) |
| Depreciation and amortisation | 9 | (1,027,885) | (1,392,814) |
| Other operating expenses | | (621,870) | (591,056) |
| Operating profit before impairment losses | | 117,128,019 | 195,866,227 |
| Net charge for impairment losses on financial instruments | | (35,725,214) | (103,166,076) |
| Profit before income tax | | 81,402,805 | 92,700,151 |
| Income tax | 10 | (9,696,337) | (11,052,019) |
| Profit and total other comprehensive income for the year | | 71,706,468 | 81,648,132 |

The notes on pages 8 to 51 form part of these financial statements.

# Statement of financial position as at 31 December 2024

*(Expressed in Macau Patacas)*

| | Notes | 2024 MOP | 2023 MOP |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and balances with the Monetary Authority of Macau | 11 | 91,433,781 | 82,695,461 |
| Balances with credit institutions repayable on demand | 12 | 118,733,238 | 86,901,144 |
| Other loans and advances to credit institutions | 13 | 1,510,566,430 | 2,171,044,468 |
| Financial assets measured at fair value through profit or loss | | - | 723,740 |
| Loans and advances to customers | 14 | 4,197,815,449 | 4,281,625,584 |
| Property and equipment | 15 | 1,543,452 | 2,118,964 |
| Intangible assets | 16 | 726,790 | 1,045,882 |
| Other assets | 17 | 3,873,272 | 8,438,074 |
| **Total assets** | | 5,924,692,412 | 6,634,593,317 |
| **LIABILITIES** | | | |
| Financial liabilities measured at fair value through profit or loss | | 509,602 | - |
| Deposits from credit institutions | 19 | 1,730,834,975 | 2,310,471,493 |
| Deposits from customers | 20 | 3,895,612,447 | 4,130,734,158 |
| Income tax liabilities | 10 | 10,027,281 | 11,458,494 |
| Other liabilities | 21 | 45,782,223 | 62,013,809 |
| **Total liabilities** | | 5,682,766,528 | 6,514,677,954 |
| **EQUITY** | | | |
| Working Capital | 22 | 150,000,000 | - |
| Regulatory reserve | 22 | | |
| - General | | - | - |
| - Specific | | 167,406 | - |
| Retained earnings | | 91,758,478 | 119,915,363 |
| **Total equity** | | 241,925,884 | 119,915,363 |
| **Total equity and liabilities** | | 5,924,692,412 | 6,634,593,317 |

Approved and authorised for issue by the management on 17 April 2025.

DEPUTY GENERAL MANAGER

GENERAL MANAGER

The notes on pages 8 to 51 form part of these financial statements.

# Statement of changes in reserves and head office account for the year ended 31 December 2024

| | *Working Capital* MOP | *Retained earnings* MOP | *Regulatory reserves* MOP | *Total* MOP |
|---|---|---|---|---|
| At 1 January 2023 | - | 123,015,821 | 38,267,231 | 161,283,052 |
| Profit transferred to Head Office | - | (123,015,821) | - | (123,015,821) |
| Profit for the year | - | 81,648,132 | - | 81,648,132 |
| Transfer from regulatory reserves to retained earnings (Note) | - | 38,267,231 | (38,267,231) | - |
| At 31 December 2023 and 1 January 2024 | - | 119,915,363 | - | 119,915,363 |
| Working Capital Contribution | 131,952,185 | - | - | 131,952,185 |
| Transfer from retained earnings to Working Capital | 18,047,815 | (18,047,815) | | - |
| Profit transferred to Head Office | - | (81,648,132) | - | (81,648,132) |
| Profit for the year | - | 71,706,468 | - | 71,706,468 |
| Transfer from retained earnings to regulatory reserves (Note) | - | (167,406) | 167,406 | - |
| At 31 December 2024 | 150,000,000 | 91,758,478 | 167,406 | 241,925,884 |

Note: The Branch follows the requirement of Monetary Authority of Macau ("AMCM") to maintain regulatory reserve in excess of the Branch's impairment allowance for loans and advances to customers and financial guarantee contracts estimated through the transfer of retained profits to regulatory reserves. As at 31 December 2024, MOP 167,406 (31 December 2023: zero) was included in regulatory reserves which is not distributable under AMCM's requirement.

The notes on pages 8 to 51 form part of these financial statements.

# Statement of cash flows for the year ended 31 December 2024

| | *Notes* | *2024* MOP | *2023* MOP |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before income tax | | 81,402,805 | 92,700,151 |
| Adjustments for: | | | |
| Depreciation and amortisation | 9 | 1,027,885 | 1,392,814 |
| Net charge for impairment losses on financial instruments | | 35,725,214 | 103,166,076 |
| Interest income | 5 | (340,746,670) | (432,562,774) |
| Interest expense | 5 | 202,043,822 | 228,134,595 |
| Net loss (gain) on FVTPL | | 509,602 | (723,740) |
| Loss on fixed assets disposal | | 5,603 | - |
| | | (20,031,739) | (7,892,878) |
| (Increase)/decrease in operating assets: | | | |
| Minimum statutory deposits with AMCM | | (2,582,000) | 4,248,000 |
| Other loans and advances to credit institutions (more than 3 months) | | (88,475,774) | (5,246,867) |
| Loans and advances to customers | | 30,983,448 | 3,595,051,211 |
| Other assets | | 5,192,490 | (4,293,951) |
| (Decrease)/ increase in operating liabilities: | | | |
| Deposits from credit institutions | | (577,918,133) | (2,926,731,831) |
| Deposits from customers | | (229,024,470) | (25,754,966) |
| Other liabilities | | (13,442,505) | 6,768,928 |
| **Cash (used in)/generated from operations** | | (875,266,944) | 644,040,524 |
| Interest paid | | (209,859,448) | (204,072,802) |
| Interest received | | 357,492,747 | 404,462,635 |
| Tax paid | 10 | (11,127,550) | (16,851,300) |
| **Net cash (used in)/generated from operating activities** | | (758,792,934) | 819,686,179 |

The notes on pages 8 to 51 form part of these financial statements.

# Statement of cash flows for the year ended 31 December 2024 (continued)

| | Notes | 2024 MOP | 2023 MOP |
|---|---|---|---|
| **Cash flows from investing activities** | | | |
| Acquisition of property and equipment | 15 | (138,884) | (92,572) |
| Acquisition of intangible assets | 16 | - | (227,626) |
| **Net cash used in investing activities** | | (138,884) | (320,198) |
| **Cash flows from financing activities** | | | |
| Working Capital Contribution | | 131,952,185 | - |
| Distribution to the Head office | | (81,648,132) | (123,015,821) |
| **Net cash generated from/(used in) financing activities** | | 50,304,053 | (123,015,821) |
| **Net (decrease)/Increase in cash and cash equivalents** | | (708,627,765) | 696,350,160 |
| **Cash and cash equivalents at 1 January** | | 2,177,737,185 | 1,481,387,025 |
| **Cash and cash equivalents at 31 December** | | 1,469,109,420 | 2,177,737,185 |
| **Components of cash and cash equivalents in the cash flow statement** | | | |
| Cash and balances with the Monetary Authority of Macau | 11 | 91,433,781 | 82,695,461 |
| Balances with credit institutions repayable on demand | 12 | 118,733,238 | 86,901,144 |
| Other loans and advances to credit institutions | | 1,311,967,401 | 2,058,583,580 |
| Less: Minimum statutory deposits with the Monetary Authority of Macau | 11 | (53,025,000) | (50,443,000) |
| **Cash and cash equivalents at 31 December** | | 1,469,109,420 | 2,177,737,185 |

The notes on pages 8 to 51 form part of these financial statements.

# Notes to the financial statements

*(Expressed in Macau Patacas unless otherwise indicated)*

## 1. Status of the branch

Banco Comercial Português, S.A. Macau Branch (the "Branch"), is a branch of Banco Comercial Português, S.A. (the "Head Office") established in Macau on 11 May 2010 and has its registered office and principal place of business at Avenida Comercial de Macau, FIT Centre, 19th Floor, G-I, Macau. The Head Office, Banco Comercial Português, S.A., is incorporated in Portugal.

The Branch provides banking and related financial services.

## 2. Significant accounting policies

### *2.1 Statement of compliance*

These financial statements have been prepared in accordance with the requirements as set out in the Law No.13/2023 "Macau Financial System Act" and the Financial Reporting Standards approved by the Dispatch No. 44/2020, ("FRSs") issued by the Secretary of Economy and Finance of the Macao Special Administrative Region ("Macao SAR"). The FRSs are consistent with the suite of International Financial Reporting Standards, as issued by the International Accounting Standards Board and incorporated in its 2015 edition of the Bound Volume of International Financial Reporting Standards, which includes the individual International Financial Reporting Standards, International Accounting Standards and Interpretations. Significant accounting policies adopted by the Branch are disclosed below.

### *2.2 Basis of preparation of the financial statements*

The Branch is part of the Banco Comercial Português, S.A.. It is registered as a branch under the Financial System Act under the Supervision of the Monetary Authority of Macau ("AMCM"), accordingly, it is not a separate legal entity. These financial statements have been prepared from the books and records of the Branch, which contain evidence of all transactions entered into locally.

The financial statements are prepared in Macau Patacas ("MOP"), which is the same as the functional currency of the Branch.

The measurement basis used in the preparation of the financial statements is historical cost, except for derivative financial instruments which have been measured at fair value.

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## 2. Significant accounting policies (continued)

Judgements made by management in the application of FRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

The Branch does not have changes in significant accounting policies in the current annual reporting period.

## 3. Summary of significant accounting policies

### *3.1 Financial instruments*

(i) Initial recognition

The Branch initially recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. Regular way purchases or sales of financial instruments are classified as financial assets measured at fair value through profit or loss (FVTPL), amortised cost, debt investments measured at fair value through other comprehensive income (FVOCI), derivatives assets and derivatives liabilities at FVTPL or debts issued are recognised using trade date accounting. Other financial assets and financial liabilities are recognised using settlement date accounting.

Financial instruments are measured initially at fair value, which normally will be equal to the transaction price plus, in case of a financial asset or financial liability not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or issue of the financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

From the date of initial recognition, any gains and losses arising from changes in fair value of the financial assets or financial liabilities measured at fair value are recorded.

Accrued contractual interests from financial assets and liabilities are presented as accrued interest receivables and payables separately in the financial statements.

(ii) Classification

***Financial assets and liabilities***

*Financial assets*

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## 3 Summary of significant accounting policies (continued)

A debt investment is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Branch may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Branch may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Business model assessment*

The Branch makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Branch's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how management of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Branch's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

## 3. Summary of significant accounting policies (continued)

*Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Branch considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Branch considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Branch's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

*Reclassifications*

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Branch changes its business model for managing financial assets. When (and only when) the Branch changes its business model for managing financial assets, it reclassifies all affected financial assets in accordance with the new business model. The reclassification should be applied prospectively from the 'reclassification date', which is defined as, 'the first day of the first reporting period following the change in business model that results in reclassifying financial assets'. Accordingly, any previously recognised gains, losses or interest will not be restated.

If a financial asset is reclassified out of the amortised cost measurement category and into the FVTPL or FVOCI measurement category, its fair value is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortised cost of the financial asset and fair value is recognised in profit or loss (if reclassification as FVTPL measurement category) or is recognised in other comprehensive income (if reclassification as FVOCI measurement category).

If a financial asset is reclassified out of the FVOCI measurement category and into the amortised cost measurement category, the financial asset is reclassified at its fair value at the reclassification date. However, the cumulative gain or loss previously recognised in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. As a result, the financial asset is measured at the reclassification date as if it had always been measured at amortised cost.

## 3. Summary of significant accounting policies (continued)

If a financial asset is reclassified out of the FVOCI measurement category and into the FVTPL measurement category, the financial asset continues to be measured at fair value. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

If a financial asset is reclassified out of the FVTPL measurement category and into the amortised cost measurement category, its fair value at the reclassification date becomes its new gross carrying amount.

If an entity reclassifies a financial asset out of the FVTPL measurement category and into the FVOCI measurement category, the financial asset continues to be measured at fair value and subsequent changes in fair value will be recognised in other comprehensive income.

*Financial liabilities*

The Branch classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

The Branch has designated certain financial liabilities as at FVTPL in either of the following circumstances:

- the liabilities are managed, evaluated and reported internally on a fair value basis; or

- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(iii) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker/dealer for non-exchange-traded financial instruments or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the end of the reporting period.

## 3. Summary of significant accounting policies (continued)

(iv) Derecognition

The Branch derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership, have been transferred.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any accumulated gain or loss recognised in other comprehensive income is recognised in the profit or loss.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

The Branch uses the weighted average method to determine realised gains and losses to be recognised in the profit and loss account on derecognition.

(v) Modifications of financial assets and financial liabilities

If the terms of a financial asset are modified, the Branch evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (Note 3.1(iv)) and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Branch recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the income statement. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

The Branch derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the income statement.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

## 3. Summary of significant accounting policies (continued)

(vii) Derivative financial instrument

The Branch uses derivative financial instruments to hedge its exposure to currency risks arising from operational, financing and investment activities, or as part of the management of asset and liability portfolios.

Derivative financial instruments are recognised initially and are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. These amounts are included as net investment gain or loss.

The Branch does not have derivative financial instruments that qualify for hedge accounting.

(viii) Measurement of Expected Credit Loss ("ECL")

The Branch recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 – Financial Instruments ("IFRS 9") (including loans and advances, loan commitments and financial guarantee contracts). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

The application of the ECL model will result in three stages of financial assets:

- Stage 1: the operations in which there is no significant increase in credit risk since its initial recognition are classified in this stage. Impairment losses associated with operations classified in this stage correspond to expected credit losses resulting from a default event that may occur within 12 months after the reporting date (12-month ECL);

- Stage 2: the operations in which there is a significant increase in credit risk since its initial recognition but are not impaired are classified in this stage.

  Significant increase in credit risk (SICR) is determined according to a set of mostly quantitative, but also qualitative criteria. These criteria are mainly based on the risk grade of customers, according to the BCP Group's Rating Master Scale, and on its evolution in order to detect significant increases in credit risk/Probability of Default (PD), complemented by other information regarding the customers' behaviour towards the financial system.

  Impairment losses associated with operations classified in this stage correspond to the expected credit losses resulting from default events that may occur over the expected residual life of the operations (lifetime ECL).

- Stage 3: impaired operations are classified in this stage. Impairment losses associated with operations classified in this stage correspond to lifetime ECL.

## 3. Summary of significant accounting policies (continued)

(ix) Definition of financial assets in default and impaired

All customers who meet at least one of the following conditions are marked as default and, consequently, as Non-performing ("NPE"):

a) Delay over 90 days of material payment:

Amounts of principal, interest or fees not paid on the due date that, cumulatively, represent:

i) more than Euros 100 equivalent (retail) or more than Euros 500 equivalent (non-retail); and,
ii) more than 1% of the total debt (direct liabilities).

After these two conditions are met, and if the client remains in this situation for more than 90 consecutive days, it is classified as default (or Risk Grade 15 (GR15)).

The existence of a material payment delay gives rise to a default classification (GR15) of all holders of the operation (or operations).

b) Signs of low probability of payment:

i. Credit restructuring due to financial difficulties with loss of value;
ii. Delay after restructuring due to financial difficulties;
iii. Recurrence of restructuring due to financial difficulties;
iv. Credit with signs of impairment (or stage 3 of IFRS 9);
v. Insolvency or equivalent proceedings;
vi. Litigation;
vii. Obligors that are guarantors of a defaulted exposure
viii. Credit sales with losses;
ix. Credit fraud;
x. Obligors under a non-accrual status;
xi. Breach of covenants in a credit agreement;
xii. Contagion of default in an economic group;
xiii. Cross default in BCP Group.

Customers representing high risk and exposure for which objective signs of impairment exist (Stage 3) are submitted to an individual impairment analysis. That individual analysis is a regular process of assigning a recovery expectation concerning all the exposures, as well as of a term expected for the recovery. The impairment amount for each client is based, essentially, in the prospects of repayment and repayment term, concerning monetary, financial or physical assets.

This process is based on the elements that are relevant for the impairment assessment, namely:

- Financial and economic data based on the client's most recent accounting statements.
- Qualitative data that characterizes the client's situation in what concerns the economic viability of the business.
- Projected cash-flows for clients that are analysed in a 'going concern' perspective.
- Creditworthiness track-record of the client within the BCP Group and the financial system.

## 3. Summary of significant accounting policies (continued)

Collateral and guarantees data are of particular importance, especially in real estate companies and in cases for which economic viability is reduced ("gone concern" approach). The BCP Group has a conservative approach towards the treatment of collateral, materialized in the use of haircuts, aiming at incorporating the assets' devaluation risk, the costs inherent to the disposal and the maintenance costs and term until the sale completion.

For each client, the impairment is calculated as the difference between the respective exposure and the sum of the expected cash-flows for the various operations, discounted at the effective interest rate of each operation.

The credits that are not subject to individual impairment analysis are grouped, taking into consideration their risk features and impairment assessment is based on homogeneous populations (collective analysis), defined in accordance with the client's risk grade and segment.

Expected credit losses (ECL) are determined as follows:

- financial assets with no signs of impairment at the reporting date: the present value of the difference between the contractual cash flows and the cash flows that the BCP Group expects to receive;
- financial assets with impairment at the reporting date: the difference between the gross book value and the present value of the estimated cash flows;
- unused credit commitments: the present value of the difference between the resulting contractual cash flows if the commitment is made and the cash flows that the BCP Group expects to receive;
- financial guarantees: the current value of the expected repayments less the amounts that the BCP Group expects to recover.

The main inputs used to measure ECLs on a collective basis include the following variables:

- Probability of Default – PD;
- Loss Given Default – LGD; and,
- Exposure at Default – EAD.

These parameters are obtained through internal statistical models and other relevant historical data, similar to the data used in the exiting regulatory models but adapted according to the requirements of IFRS 9.

- PDs are estimated based on a certain historical period and are calculated based on statistical models. These models are based on the BCP Group's internal data including both quantitative and qualitative factors. If there is a change in the risk of the counterparty or exposure, the associated PD will also vary.

The risk grades are a relevant input for determining the PD associated with each exposure.

## 3. Summary of significant accounting policies (continued)

The BCP Group collects performance and default indicators about their credit risk exposures by types of customers and products.

- LGD is the magnitude of the loss that is expected to occur if an exposure goes into default. The BCP Group estimates the LGD parameters based on the historical recovery rates after entry into default. The LGD models consider the associated collaterals, the counterparty activity sector, the time since default, as well as the recovery costs. In the case of contracts secured by real estate, it is expected that the LTV (loan-to-value) ratios are a parameter of high relevance in the determination of LGD.

- The EAD represents the expected exposure in case the customer defaults. The BCP Group obtains the EAD values from the counterparty's current exposure and potential changes to its current value as a result of the contractual conditions. For commitments and financial guarantees, the value of the EAD will consider both the amount of credit used and the expectation of future amounts that may be used in accordance with the agreement.

As described above, except for financial assets that consider a 12-month PD as a result of not presenting a significant increase in credit risk, the BCP Group will calculate the ECL value considering the risk of default during the maximum contractual maturity period of the contract, even if, for the purpose of risk management, it is considered to be a longer period. The maximum contractual period shall be considered as the period up to the date on which the BCP Group has the right to require payment or terminate the commitment or guarantee.

The BCP Group adopted as a residual term criterion for renewable operations, when in stage 2, a term of 5 years. This term was determined based on the behavioural models of this type of product. According to these models, the maximum period of repayment of these operations is the 5 years considered conservatively in the scope of the calculation of credit impairment.

The BCP Group uses models to forecast the evolution of the most relevant parameters for the expected credit losses, namely probability of default, which incorporate forward-looking information. The incorporation of forward-looking information is carried out in the relevant elements considered for the calculation of expected credit losses (ECL).

In particular, the PD point-in-time (PDpit) considered for the determination of the probability of performing exposures at the reference date becoming defaulted exposures considers the expected values for a set of macroeconomic variables.

(x) Write-off

Financial assets are written off with related impairment allowances (either partially or in full) when there is no realistic prospect of recovery. This is the case when the Branch determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Financial assets written off may still be subject to enforcement activities under the Branch's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

## 3. Summary of significant accounting policies (continued)

(xi) Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

### *3.2 Revenue recognition*

***Income and Revenue***

Income is classified by the Branch as revenue when it arises from the provision of services in the ordinary course of the Branch's business. Revenue is recognised when service is provided to the customer at the amount of promised consideration to which the Branch is expected to be entitled, excluding those amounts collected on behalf of third parties.

**Interest income**

Interest income for all interest-bearing financial instruments are recognised in the income statement on an accruals basis using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

When calculating the effective interest rate for financial instruments other than credit impaired assets, the Branch estimates future cash flows considering all contractual terms of the financial instrument but not expected credit losses. For financial assets that were purchased or originated credit-impaired on initial recognition, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses (i.e. no expected credit loss provision is required at initial recognition).

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. The transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset.

*Amortised cost and gross carrying amount*

The amortised cost of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any expected credit loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

## 3. Summary of significant accounting policies (continued)

*Calculation of interest income*

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were purchased or originated credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For information on when financial assets are credit-impaired, please refer to Note 3.1 (viii).

**Fee and commission income**

Fee and commission income that are integral to the effective interest rate on a financial asset are included in the effective interest rate calculation. Other fee and commission income is recognised in the income statement when the corresponding service is provided.

Origination or commitment fees received/ paid by the Branch which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate. If it is uncertain that a loan commitment will result in draw-down of a loan, then the related loan commitment fee is recognised as revenue on a straight-line basis over the commitment period.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed when the services are received.

**Presentation of contract assets and liabilities**

When revenue is recognised by transferring goods or services to a customer before the consideration is received or before payment is due, the Branch presents the contract as a contract asset, excluding any amounts presented as a receivable. A contract asset is recognised in balance sheet when there is a right to consideration that is conditional on factors other than the passage of time. The contract asset is transferred to receivables when the right to consideration becomes unconditional. Impairment of a contract asset is measured on the same basis as a financial asset.

As a practical expedient, the Branch does not adjust the promised amount of consideration for the effects of a significant financing component if the Branch expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. The Branch may recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the Branch otherwise would have recognised is one year or less.

## 3. Summary of significant accounting policies (continued)

Similarly, a contract liability, rather than a payable, is recognised when a customer pays non-refundable consideration, or is contractually required to pay non-refundable consideration and the amount is already due, before the Branch recognises the related revenue.

**Net trading profit**

Net trading profit comprises all gains and losses from changes in fair value (net of accrued interests) of such financial assets and financial liabilities, together with foreign exchange differences and dividend income attributable to these financial instruments. Coupon interest from these financial assets and financial liabilities measured at FVTPL is accrued and presented as interest income or interest expense.

**Other revenue**

Other revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that economic benefits will flow to the Branch and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the profit or loss.

### *3.3 Property, plant and equipment*

Property and equipment are stated at acquisition cost net of the accumulated depreciation and impairment losses, if any.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

| | |
|---|---|
| Improvements to leasehold buildings | 10 years |
| Equipment | 4 to 10 years |

The useful life of an asset and its residual value, if any, are reviewed annually.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

### *3.4 Intangible assets*

The Branch records the costs associated with software acquired from external entities as intangible assets. These assets are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is calculated on straight-line basis over an estimated useful life of three years. The Branch does not capitalise internal costs arising from software development.

## 3. Summary of significant accounting policies (continued)

### *3.5 Impairment of non-financial assets*

At each reporting date, the Branch reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss.

For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### *3.6 Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand and deposits with credit institutions having less than three months of maturity at acquisition.

Cash and cash equivalents include the Branch's deposit maintained in AMCM Fast Payment System (FPS) Platform, mandatory deposits and monetary bills with the AMCM having less than three months of maturity at acquisition.

Monetary bills are measured at amortised cost using the effective interest method.

### *3.7 Operating leases*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment that has to be made to the lessor is recognised as an expense in the period the termination takes place.

## 3. Summary of significant accounting policies (continued)

### *3.8 Foreign currency transactions*

Foreign currency transactions during the year are translated into Macau Patacas at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Macau Patacas at the foreign exchange rates ruling at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies measured at historical cost are translated into Macau Patacas at the foreign exchange rates ruling at the transaction dates, which are the dates when the Branch initially recognises such non-monetary assets and liabilities. Non-monetary assets and liabilities denominated in foreign currencies measured at fair value are translated into Macau Patacas at the foreign exchange rates ruling at the fair value measurement dates. Exchange gains and losses are recognised in profit or loss.

### *3.9 Provisions and contingent liabilities*

Provisions are recognised when the Branch has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

### *3.10 Off-balance sheet financial instruments*

Off-balance sheet financial instruments include mainly derivatives arising from forward, swap and option transactions undertaken by the Branch in the foreign exchange and interest rate markets. Realised gain or loss on derivatives is recognised as net foreign exchange gains or losses in the statement of profit or loss and other comprehensive income upon the settlement of forward, swap and option transactions.

### *3.11 Employee benefits*

(i) Defined contribution retirement plan

The Branch defines pension fund contribution plan to its employees. Each employee within the plan contributes 4% of salary, whereas the Branch contributes 6% contributions, according to the years of services of individual employee. The contribution made by the Branch is recorded in the income statement of the year of contribution.

## 3. Summary of significant accounting policies (continued)

(ii) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are recognised in the period when the employees render the related service.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

### *3.12 Related parties*

(a) A person, or a close member of that person's family, is related to the group if that person:

- (i) has control or joint control over the group;
- (ii) has significant influence over the group; or
- (iii) is a member of the key management personnel of the group or the group's parent.

(b) An entity is related to the group if any of the following conditions applies:

- (i) The entity and the group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

## 3. Summary of significant accounting policies (continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## 4. Accounting estimates and judgments

The preparation of the Branch's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

### a Key sources of estimation uncertainty

*Impairment losses - loans and advances to customers*

Loan portfolios are reviewed periodically to assess whether impairment losses exist. The Branch makes judgements as to whether there is any objective evidence that a loan portfolio is impaired, i.e. whether there is a decrease in estimated future cash flows. Objective evidence for impairment includes observable data that the payment status of borrowers in a Branch has adversely changed. It may also include observable data that correlate with defaults on the assets in the Branch. Impairment of financial instruments involves determining inputs into the ECL measurement model, including incorporation of forward-looking information. Management reviews the methodology and assumptions used in estimating future cash flows regularly to reduce any difference between loss estimates and actual loss experience.

*Impairment losses - financial assets at amortised cost.*

Investment portfolios are reviewed periodically to assess whether impairment losses exist.

Assessment includes the risk indicators and performance of the investments, such as external credit rating, market value etc. The Branch evaluates the possibility of impairment by taking into consideration the market performance, repayment behaviour of the bond issuers and related assets performance. Impairment of financial instruments involves determining inputs into the ECL measurement model, including incorporation of forward-looking information. Management reviews the methodology and assumptions used in estimating future cash flows regularly to reduce any difference between loss estimates and actual loss experience.

## 4. Accounting estimates and judgments(continued)

## b Critical accounting judgements in applying the Branch's accounting policies

*Classification of financial assets*

Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

*Measurement of ECL*

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection of models used to measure ECL.

*Income taxes*

The Branch is subject to income tax in Macau. Significant judgement is required in determining the amount of the provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provisions in the period in which such determination are made.

## 5. Net interest income

| | *2024* MOP | *2023* MOP |
|---|---:|---:|
| Interest income | | |
| Interest on loans and advances to customers | 251,928,342 | 365,751,333 |
| Interest on other loans and advances to credit institutions | 88,818,328 | 66,811,441 |
| | 340,746,670 | 432,562,774 |
| Interest expense | | |
| Interest on deposits from customers | (120,534,342) | (100,416,749) |
| Interest on deposits from credit institutions | (81,509,480) | (127,717,846) |
| | (202,043,822) | (228,134,595) |
| Net interest income | 138,702,848 | 204,428,179 |

## 6. Net fee and commission income

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Fee and commission income | | |
| From financial guarantees and documentary credits issued | 1,738,730 | 827,221 |
| From banking services rendered | 4,228,048 | 2,581,341 |
| | 5,966,778 | 3,408,562 |
| Fee and commission expenses | | |
| From banking services rendered to third parties | (1,287,456) | (1,260,480) |
| Net fee and commission income | 4,679,322 | 2,148,082 |

## 7. Staff costs

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Remuneration | 22,064,250 | 20,610,761 |
| Mandatory social security charges | 231,532 | 700,424 |
| Voluntary social security charges | 15,256 | 14,515 |
| | 22,311,038 | 21,325,700 |

## 8. Other operating income and other administrative costs

### a. *Other operating income*

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Other operating income | 1,095,292 | 14,470,096 |

Other operating income mainly comprise of other income MOP 601,922 (2023: MOP 14,136,867) from the recognition of residual unamortised fee for loan, which are early repaid during the year.

### b. *Other administrative costs*

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Rental expenses | 4,773,943 | 4,249,806 |
| Professional and consulting services | 1,389,910 | 833,936 |
| System services and maintenance | 756,731 | 717,930 |
| Office management and supplies | 747,352 | 727,521 |
| Telecommunications and postages | 660,315 | 474,688 |
| Auditor's remuneration | 627,785 | 596,702 |
| Insurance | 310,045 | 257,374 |
| Water, electricity and fuel | 115,456 | 110,496 |
| Equipment maintenance and repair | 110,643 | 123,016 |
| Others | 1,044,580 | 1,170,156 |
| | 10,536,760 | 9,261,625 |

## 9. Depreciation and amortisation

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Intangible assets (note 16) | | |
| - software | 319,092 | 516,480 |
| Property and equipment (note 15) | | |
| Improvements to leasehold buildings | 228,512 | 341,468 |
| Equipment | | |
| - Furniture and equipment | 51,252 | 38,019 |
| - Computer equipment | 240,430 | 244,884 |
| - Interior installations | 29,839 | 30,133 |
| - Motor vehicles | 136,599 | 201,626 |
| - Security equipment | 22,161 | 20,204 |
| | 708,793 | 876,334 |
| | 1,027,885 | 1,392,814 |

## 10. Income tax

### a *Income tax liabilities*

| | *2024* MOP | *2023* MOP |
|---|---|---|
| As at 1 January | 11,458,494 | 17,257,775 |
| Tax paid during the year | (11,127,550) | (16,851,300) |
| Provision during the year | 9,696,337 | 11,052,019 |
| As at 31 December | 10,027,281 | 11,458,494 |

In accordance with Article 23 of Decree Law No. 25/2024, provision for Macau Complementary Tax for the assessable year of 2024 is calculated at the tax rate of 12% (2023: 12%) for taxable profits in excess of MOP600,000 (2023: MOP600,000)

### b *Income tax expense*

Taxation charged to profit or loss:

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Macau complementary tax provision for the year | 9,696,337 | 11,052,019 |

Reconciliation between tax expense charged to profit or loss and accounting profit at applicable tax rates:

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Profit before income tax | 81,402,805 | 92,700,151 |
| Notional tax on profit before taxation | 9,768,337 | 11,124,019 |
| Tax exemption | (72,000) | (72,000) |
| Actual tax expense charged to profit or loss | 9,696,337 | 11,052,019 |

## 11. Cash and balances with the Monetary Authority of Macau

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Cash | 563,627 | 744,776 |
| Deposits at the Monetary Authority of Macau | 90,870,154 | 81,950,685 |
| | 91,433,781 | 82,695,461 |

According to the statutory requirement, the Branch is required to maintain a minimum deposit balance with AMCM for liquidity purpose. The required weekly average of the MOP current deposit balance should not be less than 70% of the aggregate of the following amounts:

(a) 3% on all liabilities which are repayable on demand;
(b) 2% on all liabilities which are repayable within 3 months (3 months inclusive) except for those already counted in (a);
(c) 1% on all liabilities which are repayable beyond 3 months.

At December 31, 2024, the minimum deposit requirement was MOP 53,025,000 (2023: MOP 50,443,000).

## 12. Balances with credit institutions repayable on demand

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Credit institutions in Macau | 30,691,194 | 26,915,320 |
| Credit institutions abroad | 88,042,044 | 59,985,824 |
| | 118,733,238 | 86,901,144 |

## 13. Other loans and advances to credit institutions

| | *2024* MOP | *2023* MOP |
|---|---|---|
| To credit institutions abroad (gross) | 1,510,643,998 | 2,171,072,265 |
| Impairment allowances | (77,568) | (27,797) |
| | 1,510,566,430 | 2,171,044,468 |

## 14. Loans and advances to customers

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Loans and advances to customers (gross) | 4,425,470,940 | 4,471,654,148 |
| Impairment allowances | (227,655,491) | (190,028,564) |
| | 4,197,815,449 | 4,281,625,584 |

## 15. Property and equipment

The movements of property and equipment are analysed as follows:

| | *Balance on 1 January 2024* MOP | *Acquisitions/ charges* MOP | *Disposal/ write-offs* MOP | *Balance on 31 December 2024* MOP |
|---|---|---|---|---|
| Cost | | | | |
| Improvements to leasehold buildings | 6,027,048 | - | - | 6,027,048 |
| Equipment | | | | - |
| - Furniture and equipment | 1,587,350 | 15,948 | (4,250) | 1,599,048 |
| - Computer equipment | 1,293,136 | 66,322 | (34,167) | 1,325,291 |
| - Interior installations | 363,227 | 204 | - | 363,431 |
| - Motor vehicles | 1,008,133 | - | - | 1,008,133 |
| - Security equipment | 211,730 | 56,410 | - | 268,140 |
| Works of art | 94,408 | - | - | 94,408 |
| | 10,585,032 | 138,884 | (38,417) | 10,685,499 |
| Accumulated depreciation | | | | |
| Improvements to leasehold buildings | 5,389,502 | 228,512 | - | 5,618,014 |
| Equipment | | | | |
| - Furniture and equipment | 1,416,578 | 51,252 | (4,250) | 1,463,580 |
| - Computer equipment | 852,007 | 240,430 | (28,564) | 1,063,873 |
| - Interior installations | 129,274 | 29,839 | - | 159,113 |
| - Motor vehicles | 603,747 | 136,599 | - | 740,346 |
| - Security equipment | 74,960 | 22,161 | - | 97,121 |
| | 8,466,068 | 708,793 (note9) | (32,814) | 9,142,047 |
| Net book value | | | | 1,543,452 |

| | *Balance on 1 January 2023* MOP | *Acquisitions/ charges* MOP | *Disposal/ write-offs* MOP | *Balance on 31 December 2023* MOP |
|---|---|---|---|---|
| Cost | | | | |
| Improvements to leasehold buildings | 6,027,048 | - | - | 6,027,048 |
| Equipment | | | | |
| - Furniture and equipment | 1,575,790 | 84,711 | (73,151) | 1,587,350 |
| - Computer equipment | 1,827,426 | - | (534,290) | 1,293,136 |
| - Interior installations | 357,205 | 7,861 | (1,839) | 363,227 |
| - Motor vehicles | 1,008,133 | - | - | 1,008,133 |
| - Security equipment | 349,788 | - | (138,058) | 211,730 |
| Works of art | 94,408 | - | - | 94,408 |
| | 11,239,798 | 92,572 | (747,338) | 10,585,032 |
| Accumulated depreciation | | | | |
| Improvements to leasehold buildings | 5,048,034 | 341,468 | - | 5,389,502 |
| Equipment | | | | |
| - Furniture and equipment | 1,451,710 | 38,019 | (73,151) | 1,416,578 |
| - Computer equipment | 1,141,413 | 244,884 | (534,290) | 852,007 |
| - Interior installations | 100,980 | 30,133 | (1,839) | 129,274 |
| - Motor vehicles | 402,121 | 201,626 | - | 603,747 |
| - Security equipment | 192,814 | 20,204 | (138,058) | 74,960 |
| | 8,337,072 | 876,334 (note9) | (747,338) | 8,466,068 |
| Net book value | | | | 2,118,964 |

## 16. Intangible assets

The movements of intangible assets are analysed as follows:

| | *Balance on 1 January 2024* MOP | *Acquisitions/ charges* MOP | *Write-offs* MOP | *Balance on 31 December 2024* MOP |
|---|---|---|---|---|
| Cost | | | | |
| Software | 5,046,632 | - | - | 5,046,632 |
| Accumulated amortisation | | | | |
| Software | 4,000,750 | 319,092 (note9) | - | 4,319,842 |
| Net book value | | | | 726,790 |

| | *Balance on 1 January 2023* MOP | *Acquisitions / Charges* MOP | *Write-offs* MOP | *Balance on 31 December 2023* MOP |
|---|---|---|---|---|
| Cost | | | | |
| Software | 4,981,081 | 227,626 | (162,075) | 5,046,632 |
| Accumulated amortisation | | | | |
| Software | 3,646,345 | 516,480 (note9) | (162,075) | 4,000,750 |
| Net book value | | | | 1,045,882 |

## 17. Other assets

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Commitment fee receivable | 1,724,062 | 1,820,113 |
| Other receivables | 1,241,595 | 1,128,547 |
| Cheque receivables | 599,735 | 5,249,735 |
| Other prepayments | 307,880 | 239,679 |
| | 3,873,272 | 8,438,074 |

## 18. Impairment losses on financial instruments

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Movements in impairment allowances on financial instruments: | | |
| **Other loans and advances to credit institutions** | | |
| At 1 January | (27,797) | - |
| Impairment losses charged to profit or loss | (49,771) | (27,797) |
| At 31 December | (77,568) | (27,797) |
| **Loans and advances to customers** | | |
| At 1 January | (190,028,564) | (86,536,045) |
| Impairment losses charged to profit or loss | (37,626,927) | (103,492,519) |
| At 31 December | (227,655,491) | (190,028,564) |
| **Direct credit substitutes and undrawn loan commitments** | | |
| At 1 January | (3,073,619) | (843,354) |
| Impairment losses reversed /(charged to) in profit or loss | 1,579,505 | (2,230,265) |
| At 31 December | (1,494,114) | (3,073,619) |

In both 2024 and 2023, the carrying amount of the Branch's Other loans and advances to credit institutions and Direct credit substitutes and undrawn loan commitments were in Stage 1. Allowance for impairment losses were measured at an amount equal to 12-month ECL. Neither the carrying amount nor the allowance for impairment losses related to transfers between stages.

## 19. Deposits from credit institutions

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Deposits from credit institutions abroad | 1,730,834,975 | 2,310,471,493 |

## 20. Deposits from customers

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Repayable on demand | 849,767,719 | 878,976,966 |
| Term deposits | 3,045,844,728 | 3,251,757,192 |
| | 3,895,612,447 | 4,130,734,158 |

## 21. Other liabilities

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Items in the process of clearance and settlement | 37,769,158 | 50,781,306 |
| Deferred income | 3,134,240 | 4,251,607 |
| Provisions | 1,494,114 | 3,073,619 |
| Other accounts payable | 845,862 | 751,162 |
| Others | 2,538,849 | 3,156,115 |
| | 45,782,223 | 62,013,809 |

*Analysed by movements in provisions for loan commitments and financial guarantee contracts:*

| | *2024* | | | |
|---|---|---|---|---|
| | *12-month ECL* MOP | *Lifetime ECL not credit-impaired* MOP | *Lifetime ECL credit-impaired* MOP | *Total* MOP |
| Movement in impairment allowances: | | | | |
| At 1 January 2024 | 3,072,496 | 1,123 | - | 3,073,619 |
| Transfer to 12-month ECL | - | - | - | - |
| Transfer to Lifetime ECL not credit-impaired | (206,726) | 206,726 | - | - |
| Transfer to Lifetime ECL credit-impaired | - | - | - | - |
| Net movement for the year | (1,536,881) | (42,624) | - | (1,579,505) |
| At 31 December 2024 | 1,328,889 | 165,225 | - | 1,494,114 |

| | *2023* | | | |
|---|---|---|---|---|
| | *12-month ECL* MOP | *Lifetime ECL not credit-impaired* MOP | *Lifetime ECL credit-impaired* MOP | *Total* MOP |
| Movement in impairment allowances: | | | | |
| At 1 January 2023 | 624,756 | 218,598 | - | 843,354 |
| Transfer to 12-month ECL | 143,176 | (143,176) | - | - |
| Transfer to Lifetime ECL not credit-impaired | - | - | - | - |
| Transfer to Lifetime ECL credit-impaired | - | - | - | - |
| Net movement for the year | 2,304,564 | (74,299) | - | 2,230,265 |
| At 31 December 2023 | 3,072,496 | 1,123 | - | 3,073,619 |

## 22. Working Capital and reserves

### a Working Capital

The amount was contributed by the head office for the Branch's operating fund, equivalent to MOP 150,000,000.

### b *Regulatory reserve*

In accordance with Aviso n.°012/2021-AMCM, credit institutions are required to maintain a minimum level of specific provision for those loans with "Substandard", "Doubtful" and "Loss" grade at a percentage depending on the 5-Grade Asset classification, and a general provision at a minimum of 1% of the total balance of loans with "Pass" and "Special Mention" grade and certain credit-related off-balance sheet exposures. Where the allowance for impairment losses made by the Branch is lower than the minimum level as required by the AMCM, the Branch will set aside an amount, which is equal to the difference between the minimum level and the impairment losses on loans, from its retained profits to the regulatory reserve.

## 23. Financial risk management

### a *Credit Risk*

Credit risk arises from the possibility that a customer or counterparty in a transaction may default or fail to meet their contractual obligations

The Branch has established policies and procedures to identity, measure, monitor and control credit risk. In this connection, guidelines for management of credit risk have been laid down. These guidelines stipulate delegated lending authorities, credit extension criteria, credit monitoring process, loan classification system, credit recovery and provisioning policy. They are reviewed and enhanced on an on-going basis to cater for the market change, statutory requirement and best practice risk management processes.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance and adjustment of mark to market value if applicable.

The Branch's credit risk is primarily attributable to loans and advances to customers and financial instruments, respectively.

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the year-end. Loans repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at year-end. Loans repayable on demand are classified as overdue either when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the demand notice, and/or when the loans have remained continuously outside the approved limit advised to the borrower for more than the overdue period in question.

Loans and advances are classified as impaired when the principal or interest is overdue for more than 90 days or if objective evidence of impairment exists.

## 23 Financial risk management (continued)

At the reporting date, all of the Branch's debt investments were exposed to credit risk and there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

### (1) *Maximum exposure to credit risk before collateral held or other credit enhancements*

The table below shows the maximum exposure to credit risk for the components at the end of the reporting period. The maximum exposure is based on the carrying amounts net of offset and losses allowance.

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Cash and balances with the Monetary Authority of Macau | 91,433,781 | 82,695,461 |
| Balances with credit institutions repayable on demand | 118,733,238 | 86,901,144 |
| Other loans and advances to credit institutions | 1,510,566,430 | 2,171,044,468 |
| Loans and advances to customers | 4,197,815,449 | 4,281,625,584 |
| Loan commitments | 2,483,839,023 | 2,696,815,531 |
| Guarantees granted | 118,199,200 | 41,439,852 |
| | 8,520,587,121 | 9,360,522,040 |

### (2) *Loans and advances to customers (gross)*

| | | *2024* | | |
|---|---|---|---|---|
| | *Stage 1* MOP | *Stage 2* MOP | *Stage 3* MOP | *Total* MOP |
| Movement in loans and advances to customers (gross): | | | | |
| At 1 January 2024 | 3,682,216,191 | 608,402,134 | 181,035,823 | 4,471,654,148 |
| Transfer to Stage 1 | - | - | - | - |
| Transfer to Stage 2 | - | - | - | - |
| Transfer to Stage 3 | - | - | - | - |
| Net change on exposure (including exchange adjustments) | (125,290,482) | (4,283,189) | 479,281 | (129,094,390) |
| New loans and advances originated or purchased | 1,713,428,615 | 82,578,493 | - | 1,796,007,108 |
| Loans and advances that have been derecognised | (1,350,975,754) | (361,953,810) | (166,362) | (1,713,095,926) |
| At 31 December 2024 | 3,919,378,570 | 324,743,628 | 181,348,742 | 4,425,470,940 |

| | | *2023* | | |
|---|---|---|---|---|
| | *Stage 1* MOP | *Stage 2* MOP | *Stage 3* MOP | *Total* MOP |
| Movement in loans and advances to customers (gross): | | | | |
| At 1 January 2023 | 7,620,192,450 | 324,500,117 | 90,551,801 | 8,035,244,368 |
| Transfer to Stage 1 | - | - | - | - |
| Transfer to Stage 2 | (323,706,931) | 323,706,931 | - | - |
| Transfer to Stage 3 | (88,143,456) | - | 88,143,456 | - |
| Net change on exposure (including exchange adjustments) | 43,342,707 | 610,721 | 4,239,253 | 48,192,681 |
| New loans and advances originated or purchased | 716,392,760 | - | - | 716,392,760 |
| Loans and advances that have been derecognised | (4,285,861,339) | (40,415,635) | (1,898,687) | (4,328,175,661) |
| At 31 December 2023 | 3,682,216,191 | 608,402,134 | 181,035,823 | 4,471,654,148 |

## 23. Financial risk management (continued)

### *(3) Amounts arising from ECL for Loans and advances to customers*

| | 2024 | | | |
|---|---|---|---|---|
| | *12-month ECL* MOP | *Lifetime ECL not credit-impaired* MOP | *Lifetime ECL credit-impaired* MOP | *Total* MOP |
| Movement in impairment allowances: | | | | |
| At 1 January 2024 | 21,032,853 | 36,920,701 | 132,075,010 | 190,028,564 |
| Transfer to 12-month ECL | - | - | - | - |
| Transfer to Lifetime ECL not credit-impaired | - | - | - | - |
| Transfer to Lifetime ECL credit-impaired | - | - | - | - |
| Net remeasurement of loss allowance (including exchange adjustments) | (1,506,696) | (2,794,503) | 49,394,830 | 45,093,631 |
| New financial assets originated or purchased | 21,379,512 | 1,439,375 | - | 22,818,887 |
| Financial assets that have been derecognised | (9,314,569) | (20,878,475) | (92,547) | (30,285,591) |
| At 31 December 2024 | 31,591,100 | 14,687,098 | 181,377,293 | 227,655,491 |

| | 2023 | | | |
|---|---|---|---|---|
| | *12-month ECL* MOP | *Lifetime ECL not credit-impaired* MOP | *Lifetime ECL credit-impaired* MOP | *Total* MOP |
| Movement in impairment allowances: | | | | |
| At 1 January 2023 | 18,753,705 | 22,286,214 | 45,496,126 | 86,536,045 |
| Transfer to 12-month ECL | - | - | - | - |
| Transfer to Lifetime ECL not credit-impaired | (10,687,226) | 10,687,226 | - | - |
| Transfer to Lifetime ECL credit-impaired | (728,101) | - | 728,101 | - |
| Net remeasurement of loss allowance (including exchange adjustments) | 2,395,897 | 6,573,170 | 85,850,783 | 94,819,850 |
| New financial assets originated or purchased | 14,752,292 | - | - | 14,752,292 |
| Financial assets that have been derecognised | (3,453,714) | (2,625,909) | - | (6,079,623) |
| At 31 December 2023 | 21,032,853 | 36,920,701 | 132,075,010 | 190,028,564 |

### *(4) Analysis of loans and advances to customers by security type:*

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Amount | % of total(%) | Amount | % of total(%) |
| Secured by mortgage | 461,794,047 | 10.44% | 346,511,968 | 7.75% |
| Secured by other real guarantees | 1,071,988,455 | 24.22% | 1,904,669,741 | 42.59% |
| Guaranteed by personal or corporate | 1,811,285,094 | 40.93% | 2,152,167,922 | 48.13% |
| Unsecured | 1,080,403,344 | 24.41% | 68,304,517 | 1.53% |
| Total | 4,425,470,940 | 100.00% | 4,471,654,148 | 100.00% |

## 23. Financial risk management (continued)

### *(5) Credit quality*

Loan and advances to customers

The following table sets out information about the overdue status of loans and advances to customers.

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Current | 4,244,122,198 | 4,290,618,325 |
| Past due up to 30 days | - | - |
| Past due 31-60 days | - | 410,603 |
| Past due 61-90 days | - | 86,366,592 |
| Past due over 90 days | 181,348,742 | 94,258,628 |
| | 4,425,470,940 | 4,471,654,148 |

### *(6) Geographic analysis of loans and advances*

| | *2024 Gross Amount* | | *2024 ECL* | |
|---|---|---|---|---|
| | Stage1&2 MOP | Stage3 MOP | Stage1&2 MOP | Stage3 MOP |
| British Virgin Islands | 80,013,975 | - | 18,209 | - |
| Cayman Islands | 82,396,530 | - | 2,821,470 | - |
| China | 320,955,819 | - | 6,779,462 | - |
| Hong Kong | 1,745,070,836 | 181,101,098 | 25,671,086 | 181,021,438 |
| Korea | 120,003,982 | - | 1,023,271 | - |
| Macau | 366,506,907 | 247,644 | 7,971,260 | 355,855 |
| Netherlands | 1,486,996,315 | - | 1,268,942 | - |
| Portugal | 10,375,918 | - | 592,036 | - |
| United States | 31,801,916 | - | 132,462 | - |
| Total | 4,244,122,198 | 181,348,742 | 46,278,198 | 181,377,293 |

| | *2023 Gross Amount* | | *2023 ECL* | |
|---|---|---|---|---|
| | Stage1&2 MOP | Stage3 MOP | Stage1&2 MOP | Stage3 MOP |
| British Virgin Islands | 80,540,860 | - | 15,390 | - |
| China | 357,608,767 | - | 8,559,182 | - |
| Germany | 207,798,680 | - | 15,035,807 | - |
| Hong Kong | 1,732,564,161 | 180,625,220 | 21,776,465 | 131,849,274 |
| Macau | 268,487,062 | 410,603 | 9,435,715 | 225,736 |
| Netherlands | 1,603,545,087 | - | 2,102,456 | - |
| Portugal | 11,269,012 | - | 672,637 | - |
| United States | 28,804,696 | - | 355,902 | - |
| Total | 4,290,618,325 | 181,035,823 | 57,953,554 | 132,075,010 |

## 23. Financial risk management (continued)

### (7) *Industry distribution of exposures*

| | 2024 Gross Amount | | 2024 ECL | |
|---|---|---|---|---|
| | Stage 1&2 MOP | Stage 3 MOP | Stage 1&2 MOP | Stage 3 MOP |
| Manufacturing industries | 292,640,817 | - | 3,069,614 | - |
| Electricity, gas and water | 121,045,781 | - | 370,754 | - |
| Construction and public works | 252,926,492 | 181,101,098 | 1,053,444 | 181,021,438 |
| Wholesale and retail trade | 439,910,584 | - | 7,458,186 | - |
| Transport, warehousing and communications | 64,100,024 | - | 14,614 | - |
| Non-monetary financial institutions | 531,712,362 | - | 7,005,686 | - |
| Other industries | 2,523,520,348 | - | 23,644,803 | - |
| Personal loans | 18,265,790 | 247,644 | 3,661,097 | 355,855 |
| Total | 4,244,122,198 | 181,348,742 | 46,278,198 | 181,377,293 |

| | 2023 Gross Amount | | 2023 ECL | |
|---|---|---|---|---|
| | Stage 1&2 MOP | Stage 3 MOP | Stage 1&2 MOP | Stage 3 MOP |
| Mining industries | 57,876,866 | - | 70,516 | - |
| Manufacturing industries | 359,194,596 | - | 1,450,266 | - |
| Electricity, gas and water | 51,282,044 | - | 229,475 | - |
| Construction and public works | 89,303,056 | 180,625,220 | 17,059 | 131,849,274 |
| Wholesale and retail trade | 316,850,197 | - | 6,883,211 | - |
| Non-monetary financial institutions | 807,992,646 | - | 18,655,666 | - |
| Other industries | 2,587,923,390 | - | 26,628,551 | - |
| Personal loans | 20,195,530 | 410,603 | 4,018,810 | 225,736 |
| Total | 4,290,618,325 | 181,035,823 | 57,953,554 | 132,075,010 |

### b *Market Risk*

Market risks consist of the potential losses that might occur in a given portfolio as a result of changes in exchange rates and/or in the prices of the various financial instruments of portfolio, considering not only the correlations between those instruments but also their volatility.

*Market risk assessment and management*

In the course of its operations, the Branch is primarily exposed to fluctuations in foreign exchange and interest rates.

Complementarily to the monitoring performed by the Head Office risk function on an integrated global basis, the Branch also monitors its market risk, including interest rate risk by using the banking returns related to risks submitted to the AMCM. Through this model, computed at least once every quarter, the Branch is able to determine the sensitivity of its positions to changes in interest rates as well as the amount of capital that would be necessary to cover such scope of risk.

At the Head Office level, BCP's market risk management policy establishes a framework for identifying, measuring, limiting, and monitoring market risks from both trading and non-trading activities. This includes clear segregation of risk functions, robust risk measurement systems, and alignment with the Group's Risk Appetite Statement.

## 23. Financial risk management (continued)

New products and activities are submitted to and reviewed by Capital, Asset and Liabilities Management Commission (CALCO) of Head Office, with prudential limits set for various market conditions, and within the limits set in the Risk Appetite Statement of the Group.

At Group level, market risk is monitored using Value at Risk (VaR), calculated daily with a ten-day holding period, based on a one-tail confidence level of 99% and a minimum of one year of historical data.

At the Head Office, the operations of Macau branch are included in the Head Office's interest rate risk management framework: variations of market interest rates influence the net interest income (NII) and the economic value of the Group, both in the short term – affecting the Bank's NII – and in the medium/long term, affecting the balance sheet economic value (EVE).

The main risk factors arise from the repricing mismatch of the portfolio positions which may cause direct or indirect financial losses in the banking book, due to changes in interest rates that have different impacts over assets and liabilities' classes, making the Head Office vulnerable to variations of the yield curve. Also, in interest rates may alter the behavioural profile of clients, inducing pre-payments/withdrawals in assets and liabilities. Additionally, there is the risk of unequal variations in different reference rates with the same repricing period.

The Head Office's monitoring of the interest rate risk takes into consideration the financial characteristics of each of the relevant contracts, with the respective expected cash-flows being projected according to the repricing dates, thus calculating the impact on economic value resulting from alternative scenarios of change of market interest rate curves. For non-remunerated demand deposits the Bank assumes the following repricing profile: 30% in one month, 30% in three months and 40% in one year. For remunerated demand deposits the behavioural assumptions is the 50% repricing in one month and 50% in three months.

## 23. Financial risk management (continued)

### *(1) Interest rate risk*

At 31 December 2024

| | *Up to 1 month* MOP'000 | *1-3 months* MOP'000 | *3-12 months* MOP'000 | *1-5 years* MOP'000 | *Over 5 years* MOP'000 | *Non-interest bearing* MOP'000 | *Total* MOP'000 |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Cash and balances with the Monetary Authority of Macau | 37,625 | - | - | - | - | 53,809 | 91,434 |
| Balances with credit institutions repayable on demand | 74,801 | - | - | - | - | 43,932 | 118,733 |
| Other loans and advances to credit institutions | 467,732 | 913,379 | 129,455 | | | - | 1,510,566 |
| Loans and advances to customers | 2,224,247 | 1,036,063 | 730,283 | 207,222 | - | - | 4,197,815 |
| Other assets | - | - | - | - | - | 6,144 | 6,144 |
| **Total assets** | **2,804,405** | **1,949,442** | **859,738** | **207,222** | **-** | **103,885** | **5,924,692** |
| **Liabilities** | | | | | | | |
| Deposits from credit institutions | 527,517 | 360,312 | 827,316 | - | - | 15,690 | 1,730,835 |
| Deposits from customers | 842,128 | 886,090 | 1,288,063 | - | - | 879,331 | 3,895,612 |
| Other liabilities | - | - | - | - | - | 56,319 | 56,319 |
| **Total liabilities** | **1,369,645** | **1,246,402** | **2,115,379** | **-** | **-** | **951,340** | **5,682,766** |
| **Total interest sensitivity gap** | **1,434,760** | **703,040** | **(1,255,641)** | **207,222** | **-** | **(847,455)** | **241,926** |

At 31 December 2023

| | *Up to 1 month* MOP'000 | *1-3 months* MOP'000 | *3-12 months* MOP'000 | *1-5 years* MOP'000 | *Over 5 years* MOP'000 | *Non-interest bearing* MOP'000 | *Total* MOP'000 |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Cash and balances with the Monetary Authority of Macau | 31,205 | - | - | - | - | 51,490 | 82,695 |
| Balances with credit institutions repayable on demand | 22,163 | - | - | - | - | 64,738 | 86,901 |
| Other loans and advances to credit institutions | 488,837 | 1,611,082 | 71,125 | - | - | - | 2,171,044 |
| Loans and advances to customers | 1,562,625 | 1,460,851 | 981,005 | 277,145 | - | - | 4,281,626 |
| Other assets | - | - | - | - | - | 12,327 | 12,327 |
| **Total assets** | **2,104,830** | **3,071,933** | **1,052,130** | **277,145** | **-** | **128,555** | **6,634,593** |
| **Liabilities** | | | | | | | |
| Deposits from credit institutions | 912,877 | 444,843 | 950,267 | - | - | 2,485 | 2,310,472 |
| Deposits from customers | 649,785 | 682,727 | 1,919,250 | - | - | 878,972 | 4,130,734 |
| Other liabilities | - | - | - | - | - | 73,472 | 73,472 |
| **Total liabilities** | **1,562,662** | **1,127,570** | **2,869,517** | **-** | **-** | **954,929** | **6,514,678** |
| **Total interest sensitivity gap** | **542,168** | **1,944,363** | **(1,817,387)** | **277,145** | **-** | **(826,374)** | **119,915** |

The Branch's interest rate risk is mainly caused by the time difference when the interest rate is re-set due to holdings of interest-bearing assets, liabilities and other off-balance sheet financial items. On 31 December 2024, if the interest rate increases by 100 pips on that day (2023: 100 pips), and other factors remain unchanged, the Branch's after-tax profit will decrease relatively by MOP 9,586,552 (2023: increase by MOP 8,327,343).

# 23. Financial risk management (continued)

## *(2) Foreign currency risk*

### At 31 December 2024

| | *MOP* MOP'000 | *HKD* MOP'000 | *USD* MOP'000 | *EUR* MOP'000 | *Others* MOP'000 | *Total* MOP'000 |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash and balances with the Monetary Authority of Macau | 91,140 | 259 | 27 | - | 8 | 91,434 |
| Balances with credit institutions repayable on demand | 6,871 | 32,281 | 708 | 52,886 | 25,987 | 118,733 |
| Other loans and advances to credit institutions | - | 87,045 | 878,955 | 326,944 | 217,622 | 1,510,566 |
| Loans and advances to customers | 214,083 | 965,206 | 828,464 | 2,038,538 | 151,524 | 4,197,815 |
| Other assets | 3,178 | 926 | 444 | 1,298 | 298 | 6,144 |
| **Total assets** | **315,272** | **1,085,717** | **1,708,598** | **2,419,666** | **395,439** | **5,924,692** |
| **Liabilities** | | | | | | |
| Deposits from credit institutions | 73,100 | - | 2,699 | 1,478,519 | 176,517 | 1,730,835 |
| Deposits from customers | 73,273 | 486,071 | 2,187,358 | 923,968 | 224,942 | 3,895,612 |
| Other liabilities | 16,174 | 130 | 14,309 | 24,953 | 753 | 56,319 |
| **Total liabilities** | **162,547** | **486,201** | **2,204,366** | **2,427,440** | **402,212** | **5,682,766** |
| **Net currency exposure** | **152,725** | **599,516** | **(495,768)** | **(7,774)** | **(6,773)** | **241,926** |

### At 31 December 2023

| | *MOP* MOP'000 | *HKD* MOP'000 | *USD* MOP'000 | *EUR* MOP'000 | *Others* MOP'000 | *Total* MOP'000 |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash and balances with the Monetary Authority of Macau | 82,307 | 354 | 27 | - | 7 | 82,695 |
| Balances with credit institutions repayable on demand | 10,859 | 24,793 | 4,854 | 4,614 | 41,781 | 86,901 |
| Other loans and advances to credit institutions | - | 257,600 | 963,788 | 722,402 | 227,254 | 2,171,044 |
| Loans and advances to customers | 110,311 | 865,017 | 780,605 | 2,394,495 | 131,198 | 4,281,626 |
| Other assets | 4,232 | 5,986 | 541 | 1,463 | 105 | 12,327 |
| **Total assets** | **207,709** | **1,153,750** | **1,749,815** | **3,122,974** | **400,345** | **6,634,593** |
| **Liabilities** | | | | | | |
| Deposits from credit institutions | 124,315 | - | - | 2,049,494 | 136,663 | 2,310,472 |
| Deposits from customers | 82,939 | 481,822 | 2,217,434 | 1,079,645 | 268,894 | 4,130,734 |
| Other liabilities | 19,477 | 54 | 45,484 | 8,284 | 173 | 73,472 |
| **Total liabilities** | **226,731** | **481,876** | **2,262,918** | **3,137,423** | **405,730** | **6,514,678** |
| **Net currency exposure** | **(19,022)** | **671,874** | **(513,103)** | **(14,449)** | **(5,385)** | **119,915** |

## 23. Financial risk management (continued)

### *(3) Sensitivity analysis*

The currencies to which the Branch had significant exposure at the reporting dates on its monetary financial assets and liabilities included Hong Kong Dollars ("HKD"), United States Dollars ("USD") and Euro Dollar ("EUR"). Since MOP is pegged to the HKD and HKD is pegged to the USD, management considered the Branch's exposure to HKD and USD is minimal. As such, no sensitivity analysis is presented.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the EUR exchange rate, with all other variable held constant, on the Branch's profit after tax.

(Equivalent in MOP)

***Increase/(decrease) in profit after taxation***

| Change in EUR Exchange rate | *2024* MOP'000 | *2023* MOP'000 |
|---|---|---|
| 5% | (342) | (636) |
| (5%) | 342 | 636 |

### c *Liquidity risk*

Liquidity risk reflects the Branch's inability to meet its obligations at maturity without incurring in significant losses resulting from the deterioration of the funding conditions (funding risk) and/or from the sale of its assets below market value (market liquidity risks).

*Liquidity risk assessment and management*

Evaluation of the Branch's liquidity risk is carried out using indicators defined by the supervisory authorities on a regular basis and other internal metrics for which exposure limits are also defined.

Aside from being monitored by the BCP Group risk function on an integrated global basis, and the support given by the Head-Office in this particular aspect by providing the liquidity as needed, the Branch has also its own liquidity risk management policy. Under this policy, the Branch manages its liquidity needs namely through maturity mismatch analysis over a series of time-bands as determined by the local regulator (AMCM).

## 23. Financial risk management (continued)

The following maturity profile is based on the remaining period at the statement of financial position date to the contractual maturity date.

At 31 December 2024

| | *Repayable on demand* MOP'000 | *3 months or less* MOP'000 | *3 months to 1 year* MOP'000 | *1 year to 5 years* MOP'000 | *Over 5 years* MOP'000 | *Undated or overdue* MOP'000 | *Total* MOP'000 |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Cash and balances with the Monetary Authority of Macau | 38,409 | - | - | - | - | 53,025 | 91,434 |
| Balances with credit institutions repayable on demand | 118,733 | - | - | - | - | - | 118,733 |
| Other loans and advances to credit institutions | 16 | 1,381,095 | 129,455 | - | - | - | 1,510,566 |
| Loans and advances to customers | - | 344,646 | 353,958 | 3,391,814 | 107,317 | 80 | 4,197,815 |
| Other assets | 297 | 2,010 | 712 | - | - | 3,125 | 6,144 |
| **Total assets** | **157,455** | **1,727,751** | **484,125** | **3,391,814** | **107,317** | **56,230** | **5,924,692** |
| **Liabilities** | | | | | | | |
| Deposits from credit institutions | 4,748 | 82,268 | 207,008 | 1,436,811 | - | - | 1,730,835 |
| Deposits from customers | 849,767 | 1,746,609 | 1,299,236 | - | - | - | 3,895,612 |
| Other liabilities | 6 | 39,502 | 13,397 | 3,414 | - | - | 56,319 |
| **Total liabilities** | **854,521** | **1,868,379** | **1,519,641** | **1,440,225** | **-** | **-** | **5,682,766** |
| **Asset-liability gap** | **(697,066)** | **(140,628)** | **(1,035,516)** | **1,951,589** | **107,317** | **56,230** | **241,926** |

At 31 December 2023

| | *Repayable on demand* MOP'000 | *3 months or less* MOP'000 | *3 months to 1 year* MOP'000 | *1 year to 5 years* MOP'000 | *Over 5 years* MOP'000 | *Undated or overdue* MOP'000 | *Total* MOP'000 |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Cash and balances with the Monetary Authority of Macau | 32,252 | - | - | - | - | 50,443 | 82,695 |
| Balances with credit institutions repayable on demand | 86,901 | - | - | - | - | - | 86,901 |
| Other loans and advances to credit institutions | - | 2,099,919 | 71,125 | - | - | - | 2,171,044 |
| Loans and advances to customers | - | 85,804 | 1,317,895 | 2,745,927 | 113,449 | 18,551 | 4,281,626 |
| Other assets | 105 | 6,952 | 1,066 | - | - | 4,204 | 12,327 |
| **Total assets** | **119,258** | **2,192,675** | **1,390,086** | **2,745,927** | **113,449** | **73,198** | **6,634,593** |
| **Liabilities** | | | | | | | |
| Deposits from credit institutions | 2,485 | 258,493 | 1,278,312 | 771,182 | - | - | 2,310,472 |
| Deposits from customers | 878,977 | 1,332,507 | 1,919,250 | - | - | - | 4,130,734 |
| Other liabilities | - | 51,066 | 13,494 | - | - | 8,912 | 73,472 |
| **Total liabilities** | **881,462** | **1,642,066** | **3,211,056** | **771,182** | **-** | **8,912** | **6,514,678** |
| **Asset-liability gap** | **(762,204)** | **550,609** | **(1,820,970)** | **1,974,745** | **113,449** | **64,286** | **119,915** |

## 23. Financial risk management (continued)

The tables below summarise the maturity profile, which is based on the remaining period of the Branch's financial liabilities based on the contractual undiscounted cash flows. The balances of some items in the tables below are different from the balances on the consolidated statement of financial position as the tables incorporate all cash flows relating to both principal and interest.

At 31 December 2024

| | Repayable on demand MOP'000 | 3 months or less MOP'000 | 3 months to 1 year MOP'000 | 1 year to 5 years MOP'000 | Over 5 years MOP'000 | Undated or overdue MOP'000 | Total MOP'000 |
|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | |
| Deposits from credit institutions | 2,048 | 82,493 | 209,110 | 1,445,728 | - | - | 1,739,379 |
| Deposits from customers | 849,768 | 1,752,804 | 1,318,481 | - | - | - | 3,921,053 |
| Other liabilities | 6 | 39,159 | 13,740 | 3,414 | - | - | 56,319 |
| **Total liabilities** | **851,822** | **1,874,456** | **1,541,331** | **1,449,142** | **-** | **-** | **5,716,751** |

At 31 December 2023

| | Repayable on demand MOP'000 | 3 months or less MOP'000 | 3 months to 1 year MOP'000 | 1 year to 5 years MOP'000 | Over 5 years MOP'000 | Undated or overdue MOP'000 | Total MOP'000 |
|---|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | | |
| Deposits from credit institutions | 2,485 | 270,184 | 1,372,303 | 762,973 | - | - | 2,407,945 |
| Deposits from customers | 878,977 | 1,337,006 | 1,961,808 | - | - | - | 4,177,791 |
| Other liabilities | - | 51,066 | 13,495 | - | - | - | 64,561 |
| **Total liabilities** | **881,462** | **1,658,256** | **3,347,606** | **762,973** | **-** | **-** | **6,650,297** |

*Off-balance sheet items*

| | *At 31 December 2024* | | | | |
|---|---|---|---|---|---|
| | No later than 1 year MOP'000 | 1-5 years MOP'000 | Over 5 years MOP'000 | Undated MOP'000 | Total MOP'000 |
| Loan commitments | 919,751 | 1,564,088 | - | - | 2,483,839 |
| Guarantees, acceptances and other financial facilities | 81,991 | - | - | 36,208 | 118,199 |
| **Total** | **1,001,742** | **1,564,088** | **-** | **36,208** | **2,602,038** |

| | *At 31 December 2023* | | | | |
|---|---|---|---|---|---|
| | No later than 1 year MOP'000 | 1-5 years MOP'000 | Over 5 years MOP'000 | Undated MOP'000 | Total MOP'000 |
| Loan commitments | 1,036,398 | 1,660,418 | - | - | 2,696,816 |
| Guarantees, acceptances and other financial facilities | 5,350 | - | - | 36,090 | 41,440 |
| **Total** | **1,041,748** | **1,660,418** | **-** | **36,090** | **2,738,256** |

## 23. Financial risk management (continued)

### d *Fair value and fair value hierarchy*

*Fair value*

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques.

Valuation techniques include net present value, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other parameters used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price of the financial instrument that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the reporting date.

Observable prices or model inputs are usually available in the market for listed debt securities and derivatives. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

*Fair value hierarchy*

The following table presents the fair value of the Branch's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 valuations: Fair value measured using level 2 inputs i.e. observable inputs which fail to meet level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

- Level 3 valuations: Fair value measured using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

## 23. Financial risk management (continued)

| | *At 31 December 2024* | | | |
|---|---|---|---|---|
| | *Level 1* MOP'000 | *Level 2* MOP'000 | *Level 3* MOP'000 | *Total* MOP'000 |
| **Financial liabilities** | | | | |
| Financial liabilities measured at fair value through profit or loss | - | 510 | - | 510 |

| | *At 31 December 2023* | | | |
|---|---|---|---|---|
| | *Level 1* MOP'000 | *Level 2* MOP'000 | *Level 3* MOP'000 | *Total* MOP'000 |
| **Financial assets** | | | | |
| Financial assets measured at fair value through profit or loss | - | 724 | - | 724 |

There was no transfer between level 1, level 2 and level 3 of the fair value hierarchy for financial assets and liabilities which are recorded at fair value during 2024 and 2023.

The carrying amounts of the Branch's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2024 and 31 December 2023.

### e *Operational Risk*

Operational risk is understood to be the potential loss resulting from the failures or inadequacies in internal procedures, persons or systems and also the potential losses resulting from external events.

*Operational risk assessment and management*

The approach to operational risk management is based on the business and support 'end-to-end' processes. Process management is the responsibility of the Process Owners, who are the first parties responsible for evaluation of the risks and for strengthening the performance within the scope of their processes. The Process Owners are responsible for keeping up to date all the relevant documentation concerning the processes, for ensuring the real adequacy of all the existing controls through direct supervision or by delegation on the departments responsible for the controls in question, for coordinating and taking part in the 'risk self-assessment' exercises, and for detecting and implementing improvement opportunities, including mitigating measures for the more significant exposures.

In the operational risk management implemented in the Head Office, there is a systematic process of gathering information on operational losses, which defines on a systematic form, the causes and the effects associated to an eventual detected loss. From the analysis of the historical information and its relationships, processes involving greater risk are identified and mitigation measures are launched to reduce the critical exposures.

## 23. Financial risk management (continued)

The Bank has duly documented principles and practices, promoting the continued improvement of the operational risk control environment including: functions segregation, definitions for lines of responsibility and respective authorization levels, tolerance limits for exposure to risks, appropriate internal regulations' framework (including ethical codes and codes of conduct), risks self-assessment exercises, assessment and monitoring of the risks over technological assets, information security and outsourcing, key risk indicators (KRI), access controls (physical and logical), reconciliation activities, exception reports, loss events data capture, a structured process for new products and services approval, contingency plans, contracting of insurance (for the total or partial transfer of risk), follow-up of the Bank's outsourcing contracts and internal training on processes, products and systems.

## 24. Non-cancellable operating lease commitments

As at 31 December 2024, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Up to 1 year | 3,957,241 | 4,142,847 |
| Over 1 year | 4,243,435 | 8,198,676 |
| Total | 8,200,676 | 12,341,523 |

## 25. Related party transactions

The significant transactions and balances with the Head Office and parties stated in the corresponding notes, arising from the Branch's course of business, are disclosed as follows:

During the year, the Branch entered into transactions with its Head Office and other related parties in the ordinary course of its banking business. In the opinion of management, the transactions were conducted on an arm's length basis.

The amount of related-party transactions during the year and outstanding balances at the end of the year are set out below:

### a *Balances and transactions with Head Office*

Statement of financial position

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Assets | | |
| Balances with credit institutions repayable on demand | 80,630,659 | 54,216,101 |
| Other loans and advances to credit institutions | 1,423,872,630 | 2,119,030,637 |
| Other assets | - | 723,870 |
| Total | 1,504,503,289 | 2,173,970,608 |
| Liabilities | | |
| Deposits from credit institutions | 1,730,834,975 | 2,310,471,493 |
| Other liabilities | 509,602 | - |
| Total | 1,731,344,577 | 2,310,471,493 |

Statement of profit or loss and other comprehensive income

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Interest income | 75,526,127 | 57,147,421 |
| Interest expense | (81,509,479) | (127,717,846) |
| Exchange gain | 3,234,063 | 5,225,845 |

Off- Balance sheet exposures

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Exchange rate contracts | | |
| Purchases | 406,377,700 | 451,107,185 |
| Sales | (406,850,000) | (450,110,000) |

## 25. Related party transactions (continued)

### b *Balances and transactions with other related parties*

Statement of financial position

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Assets | | |
| Loans and advances to customers | 423,397,614 | 460,678,024 |
| Total | 423,397,614 | 460,678,024 |
| Liabilities | | |
| Deposits from customers | 90,340,653 | 10,988,276 |
| Total | 90,340,653 | 10,988,276 |

Note: Other related parties included qualified shareholders and its subsidiaries.

Statement of profit or loss and other comprehensive income

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Interest income | 25,948,225 | 19,811,037 |
| Interest expense | 1,907,916 | 208,782 |

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Branch entered into the following material related party transactions.

### c *Key management personnel*

The remuneration of key management personnel, which is included in "staff costs", is as follows:

| | *2024* MOP | *2023* MOP |
|---|---|---|
| Remuneration | 9,524,994 | 9,166,260 |

## 26. Working capital management

With reference to article 31 of the Macau Financial System Act, the Act requires the Head Office to provide operating fund free of charge to Macau Branch on amount equal to at least 50% of the minimum capital required for the establishment of a credit institution in cash. The Branch accrues MOP 150,000,000 Head office fund on 20 September 2024.

The Branch's primary objectives when managing capital (source of funds) are to safeguard the Branch's ability to continue as a going concern. As the Branch is part of a larger group, the Branch's sources of capital funds and policies may also be affected by the group's capital management objectives.

## 27. Possible impact of new standards issued but not yet effective for the year ended 31 December 2024

On 19 December 2024, the Professional Committee of Accountants ("CPC") of the Macau Special Administrative Region of the People's Republic of China issued Notice No. 2/2024/CPC, which promulgated a new set of financial reporting standards ("new FRSs"). The new FRSs will be mandatory for the Branch's financial statements for annual reporting periods beginning on or after 1 January 2028, and early adoption is permitted for annual reporting periods beginning on or after 1 January 2026. These new FRSs have not been applied in these financial statements. The new FRSs, once applied, would replace the suite of FRSs previously promulgated in Dispatch No. 44/2020.

The new FRSs have adopted all International Financial Reporting Standards in issue at 1 January 2021, including amendments to standards that have an effective date after 1 January 2021. These include all applicable standards and interpretations as issued by the International Accounting Standards Board, comprising the Conceptual Framework for Financial Reporting, 17 financial reporting standards, 25 accounting standards and 20 interpretations.

The Branch is in the process of assessing the appropriate period of initial application of such new FRSs and the associated potential impacts. So far the Branch has identified some aspects of the new standards which may have a significant impact on the financial statements. Further details of these potential impacts are discussed below. As the Branch has not completed its assessment, further impacts may be identified in due course and will be taken into consideration when determining which transitional approach to take, where there are alternative approaches allowed under the new standards.

## 27. Possible impact of new Financial Reporting standards issued but not yet effective for the year ended 31 December 2024 (continued)

*IFRS 16, Leases*

As disclosed in note 3.7, currently the Branch only has operating leases.

Once IFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, a lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

IFRS 16 is expected to primarily affect the Branch's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in note 24, at 31 December 2024, the Branch's future minimum lease payments under non-cancellable operating leases amount to MOP 8,200,676, which is payable either between 1 and 5 years after the reporting date. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once IFRS 16 is adopted. As the Branch is in the processing of making more detailed assessment, the actual impacts upon the initial adoption of IFRS 16 may differ and further impacts may be identified.

## 28. Comparative figures

To conform to current year's presentation, the Branch made reclassification adjustments to certain comparative figures.

# DISCLOSURE of BCP MACAU BRANCH

## Members of the Management

| | |
|---|---|
| Constantino Alves Mousinho | General Manager |
| Leung Chi Wai | Deputy General Manager |
| Vong Sau Mui | Deputy General Manager |
| Chan Fong Mei * | Deputy General Manager |

* *resignation from her position with effect from 31 January 2025*

## Selected Liquidity Indicators during the reporting period of 2024

MOP'000

| | |
|---|---|
| Arithmetic mean of the minimum weekly amount of cash in hand | 75,650 |
| Arithmetic mean of the average weekly amount of cash in | 85,666 |
| Arithmetic mean of the specified liquid assets at the end of each month | 1,825,409 |
| Average ratio of specified liquid asset to total basic liabilities at the end of each month | 48% |
| Arithmetic mean of its one-month liquidity ratio in the last week of each month | 120% |
| Arithmetic mean of its three-month liquidity ratio in the last week of each month | 82% |

## Maturity Analysis on assets and liabilities

The following maturity analysis on assets and liabilities is based on the remaining period at the statement of financial position date to the contractual maturity date.

### At 31 December 2024

| | *Repayable on demand* MOP'000 | *Within 1 month* MOP"000 | *1 months to 3 months* MOP'000 | *3 months to 1 year* MOP'000 | *1 year to 3 years* MOP'000 | *Over 3 years* MOP'000 | *Indefinite* MOP'000 | *Total* MOP'000 |
|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | |
| Cash and balances with the Monetary Authority of Macau | 38,409 | - | - | - | - | - | 53,025 | **91,434** |
| Balances with credit institutions repayable on demand | 118,733 | - | - | - | - | - | - | **118,733** |
| Other loans and advances to credit institutions | 16 | 467,716 | 913,379 | 129,455 | - | - | - | **1,510,566** |
| Loans and advances to customers | - | 31,669 | 312,977 | 353,958 | 2,892,650 | 606,481 | 80 | **4,197,815** |
| **Liabilities** | | | | | | | | |
| Deposits from credit institutions | 4,748 | 71,052 | 11,216 | 207,008 | 1,436,811 | - | - | **1,730,835** |
| Deposits from non-bank customers | 849,767 | 496,275 | 896,980 | 1,299,236 | - | - | - | **3,542,258** |
| Deposits from public sector | - | 353,354 | - | - | - | - | - | **353,354** |

### At 31 December 2023

| | *Repayable on demand* MOP'000 | Within 1 month MOP"000 | *1 months to 3 months* MOP'000 | *3 months to 1 year* MOP'000 | *1 year to 3 years* MOP'000 | *Over 3 years* MOP'000 | *Indefinite* MOP'000 | *Total* MOP'000 |
|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | |
| Cash and balances with the Monetary Authority of Macau | 32,252 | - | - | - | - | - | 50,443 | **82,695** |
| Balances with credit institutions repayable on demand | 86,901 | - | - | - | - | - | - | **86,901** |
| Other loans and advances to credit institutions | - | 488,837 | 1,611,082 | 71,125 | - | - | - | **2,171,044** |
| Loans and advances to customers | - | 28,449 | 57,355 | 1,317,895 | 1,790,122 | 1,069,254 | 18,551 | **4,281,626** |
| **Liabilities** | | | | | | | | |
| Deposits from credit institutions | 2,485 | 190,271 | 68,222 | 1,278,312 | 492,468 | 278,714 | - | **2,310,472** |
| Deposits from non-bank customers | 878,977 | 314,830 | 682,727 | 1,919,250 | - | - | - | **3,795,784** |
| Deposits from public sector | - | 334,950 | - | - | - | - | - | **334,950** |

# DISCLOSURE of BCP MACAU BRANCH (CONTINUED)

## Gross amounts of the past due exposures to loans and advances to non-bank customers

| | 31 Dec 2024 MOP | % * | 31 Dec 2023 MOP | % * |
|---|---|---|---|---|
| More than 3 months but less than 6 months | 247,644 | 0.0 | 86,777,195 | 1.9 |
| More than 6 months but less than 1 year | - | - | - | - |
| More than 1 year | 181,101,098 | 4.1 | 94,258,628 | 2.1 |
| | 181,348,742 | 4.1 | 181,035,823 | 4.0 |
| Mitigation from collaterals ** | (247,644) | | (410,603) | |
| Net past due exposures | 181,101,098 | | 180,625,220 | |
| Impairment allowances to past due exposures | (181,377,293) | | (132,075,010) | |

* % on total loans to customers (gross)
** Mitigation is driven from a collateral item valued MOP 900,000 for one of the past due exposures.

## Off-Balance Sheet Exposures

### a) Off-Balance Sheet Exposures Other than Derivatives Transactions

| | 2024 MOP | 2023 MOP |
|---|---|---|
| Credit substitutes | 118,199,200 | 41,439,852 |
| Transaction-related contingencies | - | - |
| Acceptances and other trade-related contingencies | - | - |
| Note issuance facilities, revolving underwriting facilities and other similar facilities | - | - |
| Forward asset purchases | - | - |
| Unpaid portion of partly paid shares and other securities | - | - |
| Forward deposits | - | - |
| Asset sales with repurchase option | - | - |
| Undrawn credit facilities and other commitments to extend credit | 2,483,839,023 | 2,696,815,531 |
| Other off-balance sheet items | 10,283,785,047 | 17,722,928,329 |
| **TOTAL** | **12,885,823,270** | **20,461,183,712** |

# DISCLOSURE of BCP MACAU BRANCH (CONTINUED)

## b) Derivative Transactions

| | 2024<br>MOP | 2023<br>MOP |
|---|---|---|
| **Exchange rate contracts** | | |
| Forward purchases | 406,377,700 | 451,107,185 |
| Forward sales | 406,850,000 | 450,110,000 |
| Interest rate contracts | | |
| Equities contracts | - | - |
| Commodities contracts | - | - |
| Others | - | - |
| TOTAL | 813,227,700 | 901,217,185 |

## b (i) Geographic areas for Exchange rate contracts

| | 2024<br>MOP | 2023<br>MOP |
|---|---|---|
| Portugal | 813,227,700 | 901,217,185 |
| **TOTAL** | 813,227,700 | 901,217,185 |

## b (ii) Net Fair Value

| | 2024<br>MOP | 2023<br>MOP |
|---|---|---|
| Exchange rate contracts | (509,602) | 723,740 |
| **TOTAL** | (509,602) | 723,740 |

## b (iii) Credit Risk Weighted Amounts

| | 2024<br>MOP | 2023<br>MOP |
|---|---|---|
| Exchange rate contracts | 4,063,777 | 5,234,812 |
| **TOTAL** | 4,063,777 | 5,234,812 |

## DISCLOSURE of BCP MACAU BRANCH (CONTINUED)

### Foreign Exchange Positions as of 31 December, 2024

| SPOT POSITION [LONG (+); SHORT (-)] | MOP'000 |
|---|---|
| **CURRENCIES** | |
| Macau Pataca (MOP) | - 314,382 |
| Australian Dollar (AUD) | - 33 |
| Canadian Dollar (CAD) | - 390 |
| Chinese Yuan (CNY) | - 1,290 |
| Euro (EUR) | +416 |
| Hong Kong Dollar (HKD) | + 716,142 |
| Japanese Yen (JPY) | + 448 |
| South African Rand (ZAR) | + 14 |
| Swiss Franc (CHF) | + 47 |
| British Pound (GBP) | + 790 |
| USA Dollar (USD) | - 401,290 |
| **FORWARD POSITION [LONG (+); SHORT (-)]** | |
| Macau Pataca (MOP) | - |
| Hong Kong Dollar (HKD) | - 406,850 |
| USA Dollar (USD) | + 406,378 |
| **NET POSITION (ALL CURRENCIES)** | - |
| **NET POSITION (ALL FOREIGN CURRENCIES)** | **- 314,382** |

## DISCLOSURE of BCP MACAU BRANCH (CONTINUED)

Breakdown of Foreign Currencies which Net Position (In absolute Terms) Exceeds 10% of Total Foreign Currencies Net Position as of 31 December, 2024

MOP'000

| CURRENCIES | HKD | EUR | USD |
|---|---|---|---|
| ASSETS | | | |
| Cash and balances with the Monetary Authority of Macau | 259 | - | 27 |
| Balances with credit institutions repayable on demand | 32,281 | 52,886 | 708 |
| Other loans and advances to credit institutions | 87,045 | 326,944 | 878,955 |
| Loans and advances to customers | 965,206 | 2,038,538 | 828,464 |
| Property and equipment | 6 | - | - |
| Intangible assets | - | - | - |
| Other assets | 920 | 1,298 | 444 |
| SPOT ASSETS | 1,085,717 | 2,419,666 | 1,708,598 |
| LIABILITIES | | | |
| Deposits from credit institutions | - | 1,478,519 | 2,699 |
| Deposits from customers | 486,071 | 923,968 | 2,187,358 |
| Income tax liabilities | - | - | - |
| Other liabilities | 130 | 24,953 | 14,309 |
| SPOT LIABILITIES | 486,201 | 2,427,440 | 2,204,366 |
| Net Cash Position | 599,516 | (7,774) | (495,768) |
| Forward Purchase (+) / Sale (-) | (406,850) | - | 406,378 |
| **NET POSITION** | **192,666** | **(7,774)** | **(89,390)** |

## DISCLOSURE of BCP MACAU BRANCH (CONTINUED)

Credit Quality Analysis Under Regulatory Asset Classification (Notice No. 12/2021-AMCM)

At 31 December 2024

MOP'000

| Asset Class | Balance Sheet Item Type | Outstanding Balance | Real Guarantee Value | Net Exposure | Stage 1 ECL | Stage 2 ECL | Stage 3 ECL | Total ECL |
|---|---|---|---|---|---|---|---|---|
| Pass | On Balance Sheet | 4,198,641 | | | 30,788 | 14,850 | - | 45,638 |
| | Off Balance Sheet | 118,199 | | | 94 | 2 | - | 96 |
| Special Mention | On Balance Sheet | 59,553 | | | 2,038 | - | - | 2,038 |
| | Off Balance Sheet | - | | | - | - | - | - |
| Substandard | On Balance Sheet | 248 | 900 | - | - | - | 356 | 356 |
| | Off Balance Sheet | - | - | - | - | - | - | - |
| Doubtful | On Balance Sheet | - | - | - | - | - | - | - |
| | Off Balance Sheet | - | - | - | - | - | - | - |
| Loss | On Balance Sheet | 181,189 | - | 181,189 | - | - | 181,021 | 181,021 |
| | Off Balance Sheet | - | - | - | - | - | - | - |
| **Total** | | **4,557,830** | **900** | **181,189** | **32,920** | **14,852** | **181,377** | **229,149** |

## DISCLOSURE of BCP MACAU BRANCH (CONTINUED)

Credit Quality Analysis Under Regulatory Asset Classification (Notice No. 12/2021-AMCM) (Continued)

At 31 December 2023

MOP'000

| Asset Class | Balance Sheet Item Type | Outstanding Balance | Real Guarantee Value | Net Exposure | Stage 1 ECL | Stage 2 ECL | Stage 3 ECL | Total ECL |
|---|---|---|---|---|---|---|---|---|
| Pass | On Balance Sheet | 4,299,079 | | | 24,055 | 36,921 | - | 60,976 |
| | Off Balance Sheet | 41,440 | | | 50 | 1 | - | 51 |
| Special Mention | On Balance Sheet | - | | | - | - | - | - |
| | Off Balance Sheet | - | | | - | - | - | - |
| Substandard | On Balance Sheet | 86,890 | 900 | 86,480 | - | - | 56,368 | 56,368 |
| | Off Balance Sheet | - | - | - | - | - | - | - |
| Doubtful | On Balance Sheet | - | - | - | - | - | - | - |
| | Off Balance Sheet | - | - | - | - | - | - | - |
| Loss | On Balance Sheet | 94,634 | - | 94,634 | - | - | 75,707 | 75,707 |
| | Off Balance Sheet | - | - | - | - | - | - | - |
| **Total** | | **4,522,043** | **900** | **181,114** | **24,105** | **36,922** | **132,075** | **193,102** |

## DISCLOSURE of BCP MACAU BRANCH (CONTINUED)

### Geographic Distribution for Guarantees and undrawn commitments

**At 31 December, 2024**

| | Gross Amount | | ECL | | Net Total |
|---|---|---|---|---|---|
| | Stage 1 & 2<br>MOP | Stage 3<br>MOP | Stage 1 & 2<br>MOP | Stage 3<br>MOP | MOP |
| China | 86,740,800 | - | 58,792 | - | 86,682,008 |
| Hong Kong | 550,854,914 | - | 478,683 | - | 550,376,231 |
| Macau | 273,271,215 | - | 567,639 | - | 272,703,576 |
| Netherlands | 1,553,944,500 | - | 240,884 | - | 1,553,703,616 |
| Portugal | 9,112,658 | - | - | - | 9,112,658 |
| United States | 128,114,136 | - | 148,116 | - | 127,966,020 |
| | **2,602,038,223** | **-** | **1,494,114** | **-** | **2,600,544,109** |

**At 31 December 2023**

| | Gross Amount | | ECL | | Net Total |
|---|---|---|---|---|---|
| | Stage 1 & 2<br>MOP | Stage 3<br>MOP | Stage 1 & 2<br>MOP | Stage 3<br>MOP | MOP |
| China | - | - | - | - | - |
| Hong Kong | 530,781,892 | - | 1,514,678 | - | 529,267,214 |
| Macau | 299,263,085 | - | 828,809 | - | 298,434,276 |
| Netherlands | 1,770,895,920 | - | 250,283 | - | 1,770,645,637 |
| Portugal | 5,108,868 | - | - | - | 5,108,868 |
| United States | 132,205,618 | - | 479,849 | - | 131,725,769 |
| | **2,738,255,383** | **-** | **3,073,619** | **-** | **2,735,181,764** |

# DISCLOSURE of BCP MACAU BRANCH (CONTINUED)

## Management Overlays

In order to comply with the Supervisors' guidelines, namely regarding to the identification and measurement of credit risk in the context of uncertainty associated with the current geopolitical crises, the disruption in distribution chains, rising energy costs and inflationary pressures, the BCP Group proceeded to record additional impairments in relation to the current models of collective impairment calculation (overlays).

The exercise carried out was based on an analysis of potential migrations from customers identified as having the highest risk for Stage 2 and Stage 3, with the greatest impact on the corporate segment.

Since this is an amount that is calculated globally, recognition is made at the aggregate level in the financial statements of the Head-Office in Portugal.

The Branch also complies with AMCM requirement to maintain regulatory reserves in excess of the Branch's impairment allowance for loans and advances. When the minimum provision under the relevant AMCM rules is higher than the impairment allowance made under the Branch's accounting policy which is in accordance with IFRS 9, the Branch transfers the additionally required amount from retained profits to regulatory reserves.

## Related Parties

A Related parties (non-exhaustive definition – see note 3.12 of Summary of significant accounting policies)

For the purpose for these financial statements, related parties also include any person or any close family member of that person if that person (i) holds a qualifying holding in the Branch; or (ii) is a member of board of directors or supervisory board of the group or of a parent of the Branch and any entity if that entity holds a qualifying holding in the Branch.

B BCP Group has internal regulations relating to transactions with related parties provide for specific procedures for processing proposals relating to related parties, which ensure that such transactions are carried out under market conditions and subject to additional controls. As a matter of fact, the regular procedure for the approval of transactions with related parties consists in the approval of the transaction by a majority of two thirds of the Board of Directors, following a proposal submitted by the Executive Committee, after the prior issuance of an opinion by the Audit Committee and the opinions of the Compliance Office and the Risk Office regarding the compliance of the proposed operations with the internal regulations, legal and regulatory provisions and other constraints that may apply to them, namely in terms of risk. There are still simplified procedures for transactions considered to be of lower risk, which were defined considering the legal framework in force, especially the Notice 3/2020 of Banco de Portugal.

The Branch is required to follow the according control mechanisms and procedures implemented in BCP Group while dealing with the according transactions.

## DISCLOSURE of BCP MACAU BRANCH (CONTINUED)

Credit Risk (non-exhaustive definition – see note 23 a Credit Risk of Summary of Financial risk management)

Credit risk is associated with the degree of uncertainty of the expected returns as a result of the inability either of the borrower (and the guarantor, if any) or of the issuer of a security or of the counterparty to an agreement to fulfill their obligations.

Credit granting is based on prior classification of the customers' risk and on thorough assessment of the level of protection provided by the underlying collateral. In order to do so, a single risk-notation system has been introduced, the Rating Master Scale, based on the expected probability of default, allowing greater discrimination in the assessment of the customers and better establishment of the hierarchies of the associated risk.

The Rating Master Scale also identifies those customers showing worsening credit capacity and, in particular, those classified as being in default. All rating and scoring models used by the Branch have been duly calibrated for the Rating Master Scale. The protection-level concept has been introduced as a crucial element of evaluation of the effectiveness of the collateral in credit-risk mitigation, leading to more active collateralization of loans and more adequate pricing of the risk incurred.

The evaluation of the risk associated to the loan portfolio and quantification of the respective expected losses considers the following methodological approaches:

a) Collaterals and Guarantees

On the risk evaluation of an operation or of a group of operations, the mitigation elements associated to those operations are considered in accordance with the rules and internal procedures requirements, also reflecting the experience of the loan's recovery areas and the Legal Department opinions with respect to the entailment of the various mitigation instruments.

The collaterals and the relevant guarantees can be aggregated in the following categories:
- financial collaterals, real estate collaterals or other collaterals;
- receivables;
- first demand guarantees, issued by banks or other entities;
- personal or corporate guarantees;
- credit derivatives.

b) Risk grades

Aiming at an adequate assessment of credit risk, the BCP Group defined a set of macro segments and segments which are treated through different rating systems and models that relate the internal risk grades and the clients' PD, ensuring a risk assessment that considers the clients' specific features in terms of their respectively risk profiles.

## DISCLOSURE of BCP MACAU BRANCH (CONTINUED)

### Credit Risk (Continued)

The assessment made by these rating systems and models result in the assignment of a risk grade of the Master Scale to each client. The Master Scale has fifteen grades, where the last three correspond to relevant downgrades of the clients' credit quality and are referred to by "procedural risk grades": 13, 14 and 15, that correspond, in this order, to situations of increased severity in terms of probability of default and risk grade 15 to a Default situation.

The non-procedural risk grades are attributed by the rating systems through automatic decision models (retail clients) or by the Rating Division – a unit which is independent from the credit analysis and decision areas and bodies - and are reviewed/updated periodically or whenever this is justified by events.

The following table lists the equivalence between the internal rating levels (Rating Master Scale) and the external ratings of the international rating agencies:

| | External ratings | | | |
|---|---|---|---|---|
| Internal risk grade | Fitch | S&P | Moody's | DBRS |
| 1 | AAA | AAA | Aaa | AAA |
| 1 | AA+ | AA+ | Aa1 | AA (high) |
| 2 | AA | AA | Aa2 | AA |
| 2 | AA- | AA- | Aa3 | AA (low) |
| 3 | A+ | A+ | A1 | A (high) |
| 3 | A | A | A2 | A |
| 4 | A- | A- | A3 | A (low) |
| 4 | BBB+ | BBB+ | Baa1 | BBB (high) |
| 5 | BBB | BBB | Baa2 | BBB |
| 6 | BBB- | BBB- | Baa3 | BBB (low) |
| 7 | BB+ | BB+ | Ba1 | BB (high) |
| 8 | BB | BB | Ba2 | BB |
| 9 | BB- | BB- | Ba3 | BB (low) |
| 10 | B+ | B+ | B1 | B (high) |
| 11 | B | B | B2 | B |
| 12 | ≤ B- | ≤ B- | ≤ B3 | ≤ B- |

## DISCLOSURE of BANCO COMERCIAL PORTUGUÊS, S. A.

### List of Shareholders with Qualified Holdings

| NAME | % OF SHARE CAPITAL | % OF VOTING RIGHTS |
|---|---|---|
| **Fosun Group** | | |
| Chiado (Luxembourg) S.a.r.l. | 20.03% | 20.03% |
| **Sonangol Group** | | |
| Sonangol-Sociedade Nacional de Combustíveis de Angola, EP | 19.49% | 19.49% |

**Note:**
According with the definition adopted by the Monetary Authority of Macau (AMCM), a qualifying holding is a holding which is owned directly or indirectly by the shareholder and which represents 10% or more of the share capital or voting rights of the credit institution or which confers, in any other form, the possibility to exercise a significant influence over the management of the credit institution.

### Members of Boards

| BOARD OF THE GENERAL MEETING | |
|---|---|
| Pedro Rebelo de Sousa | Chairman |
| Octávio Castelo Paulo | Vice-Chairman |
| Ana Patrícia Moniz Macedo | Company Secretary |

| BOARD OF DIRECTORS | |
|---|---|
| Nuno Manuel da Silva Amado | Chairman |
| Jorge Manuel Baptista Magalhães Correia | Vice-Chairman |
| Valter Rui Dias de Barros | Vice-Chairman |
| Miguel Maya Dias Pinheiro | Vice-Chairman |
| Altina de Fátima Sebastian Gonzalez Villamarin | Member |
| Ana Paula Alcobia Gray | Member |
| Cidália Maria Mota Lopes | Member |
| Fernando da Costa Lima | Member |
| João Nuno de Oliveira Jorge Palma | Member |
| José Miguel Bensliman Schorcht da Silva Pessanha | Member |
| Lingjiang Xu | Member |
| Lingzi Yuan (Smilla Yuan) | Member |
| Maria José Henriques Barreto de Matos de Campos | Member |
| Miguel de Campos Pereira de Bragança | Member |
| José Pedro Rivera Ferreira Malaquias | Member |
| Rui Manuel da Silva Teixeira | Member |
| Esmeralda da Silva Santos Dourado | Member |

# DISCLOSURE of BANCO COMERCIAL PORTUGUÊS, S. A. (CONTINUED)

## Members of Boards (Continued)

| | |
|---|---|
| **EXECUTIVE COMMITTEEE** | |
| Miguel Maya Dias Pinheiro | Chairman |
| Miguel de Campos Pereira de Bragança | Vice-Chairman |
| João Nuno de Oliveira Jorge Palma | Vice-Chairman |
| Rui Manuel da Silva Teixeira | Member |
| José Miguel Bensliman Schorcht da Silva Pessanha | Member |
| Maria José Henriques Barreto de Matos de Campos | Member |
| **REMUNERATIONS AND WELFARE BOARD** | |
| José António Figueiredo Almaça | Chairman |
| Jorge Manuel Baptista Magalhães Correia | Member |
| Valter Rui Dias de Barros | Member |
| **STRATEGIC BOARD** | |
| Nuno Manuel da Silva Amado | Members due to their functions |
| Jorge Manuel Baptista Magalhães Correia | Members due to their functions |
| Valter Rui Dias de Barros | Members due to their functions |
| Miguel Maya Dias Pinheiro | Members due to their functions |
| **AUDIT COMMITTEE** | |
| Cidália Maria Mota Lopes | Chairwoman |
| Fernando da Costa Lima | Member |
| Valter Rui Dias de Barros | Member |
| Altina de Fátima Sebastian Gonzalez Villamarin | Alternate member |

## DISCLOSURE of BANCO COMERCIAL PORTUGUÊS, S. A. (CONTINUED)

### Consolidated Information– Key Indicators

| At 31 December, 2024 | IN MOP (MILLIONS) @8.3185 | IN EURO (MILLIONS) OR % |
|---|---|---|
| | | |
| **BALANCE SHEET** | | |
| Total assets | 849,685 | 102,144 |
| Loans to customers (net) | 463,399 | 55,707 |
| Balance sheet customer funds | 709,851 | 85,334 |
| Deposits and other resources from customers | 699,103 | 84,042 |
| Loans to customers (net)/Balance sheet customer funds | | 65.3% |
| Total liabilities | 781,531 | 93,951 |
| Total equity | 68,153 | 8,193 |
| | | |
| **PROFITABILITY** | | |
| Net operating revenues | 29,739 | 3,575 |
| Operating costs | 10,872 | 1,307 |
| Impairment and provisions | 7,129 | 857 |
| Income before income tax | 11,155 | 1,341 |
| Income tax | | |
| Current | 1,156 | 139 |
| Deferred | 1,680 | 202 |
| Non-controlling interests | 782 | 94 |
| Net income attributable to shareholders of the Bank | 7,537 | 906 |
| Return on average shareholders' equity (ROE) | | 13.8% |
| Return on average assets (ROA) | | 1.0% |
| Net interest margin | | 3.04% |
| Net operating revenues/Average net assets | | 3.6% |
| Cost to income (Operating costs/Net operating revenues) | | 36.6% |
| Staff costs/Net operating revenues | | 19.8% |
| | | |
| **CAPITAL – according to indicators published in BCP's 2024 Annual Report** | | |
| Own funds | 68,769 | 8,267 |
| Total risk weighted assets | 333,663 | 40,111 |
| SOLVENCY RATIOS | | |
| CET I | | 16.3% |
| Tier I | | 17.5% |
| **Total** | | 20.6% |

### Other Information

None.