

# Banking Activity Report

Portuguese Banking Association

2024 | Annual



## Index

<b>Foreword .....</b>	<b>4</b>
<b>Executive Summary .....</b>	<b>5</b>
<b>I. Macroeconomic Environment.....</b>	<b>7</b>
<b>II. Analysis of member financial institutions .....</b>	<b>10</b>
<b>III. Human resources .....</b>	<b>12</b>
III.1. Evolution.....	12
III.2. Training activity .....	15
<b>IV. Banking coverage indicators.....</b>	<b>18</b>
IV.1. Branch network in Portugal.....	18
IV.2. Branches and representative offices abroad.....	24
IV.3. ATM, <i>homebanking</i> and POS .....	25
<b>V. Performance analysis .....</b>	<b>31</b>
V.1. Balance sheet analysis.....	31
V.2. Income statement analysis.....	49
V.3. Tax and parafiscal analysis.....	59
<b>VI. Solvency analysis.....</b>	<b>62</b>
<b>VII. Productivity indicators .....</b>	<b>65</b>
<b>VIII. International activity analysis.....</b>	<b>72</b>



## Foreword

The Banking Activity Analysis Report is a publication by the Portuguese Banking Association (APB) that analyses the aggregate banking activity carried out by its associated financial institutions (FIs)<sup>1</sup>. The APB represented 26 members at 31 December 2024, including 31 financial institutions, which represented 95.6% of the total value of Portuguese consolidated banking assets.

The analysis carried out in the Banking Activity Analysis Report covers activity in Portugal and abroad (through branches and representative offices) by the financial institutions (banks, saving banks and mutual agricultural saving banks) that are Members of the APB, and is based on a pool of financial and non-financial information obtained from the simple sum of the individual financial statements and other management indicators. The analysis of international business and solvency is based on consolidated data.

The analyses focus on the banking activity in 2024, on a comparative basis with the previous three-year period. The aggregated financial and non-financial information of the financial institutions included in the group of APB members is also made available in Excel form, together with this publication.

The Banking Activity Analysis Report for 2024 is based on information presented by 23 members (28 financial institutions). Where the analysis presented is based on a different number of members from the sample, this is duly indicated.

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<sup>1</sup> The reference to Financial Institutions throughout the Banking Activity Analysis Report refers to the member banks of the APB.

## Executive Summary

In 2024, the global economy showed signs of stabilisation after a prolonged period of extremely adverse shocks, with global GDP growth standing at 3.3%. Advanced economies recorded moderate performance (1.8%), with the United States (US) growing by 2.8% and the Euro Area posting limited growth (0.9%), affected by the continued recession in Germany (-0.5%).

Emerging economies continued to expand at a more robust pace (4.3%), reaffirming their role as the main driver of global growth. Within this group, China recorded growth of 5.0%, while India registered an expansion of 6.5%. Global inflation remained on a downward trajectory but was still above target in several economies.

Financial markets recorded an overall positive performance, particularly in the technology sector and in companies linked to artificial intelligence, benefiting from declining inflation, easing of monetary policy tightening, and the economic performance of the United States. In the foreign exchange market, the US dollar appreciated against all major trading partners. 10-year sovereign bond yields in the secondary market overall increased on a year-on-year basis.

The Portuguese economy grew by 2.1% in real terms, reflecting a slowdown compared to the 3.1% recorded in the previous year, in a context still influenced by inflationary pressures. The Consumer Price Index (CPI) recorded an average annual rate of change of 2.4% (4.3% in 2023), alongside a decline in core inflation to 2.5% (5.0% in the previous year). In the labour market, employment continued to increase and the unemployment rate declined to 6.4%, against a backdrop of wage growth and moderate productivity gains. Public finances remained in budget surplus, despite a slight reduction compared to 2023 (0.7% of GDP versus 1.2% in 2023), and the public debt ratio continued its downward trajectory, standing at 93.6% of GDP, compared with 96.9% in the corresponding period. The year was also marked by an upgrade of Portugal's sovereign credit rating by S&P. The yield on 10-year Treasury bonds in the secondary market declined by 53 basis points, to 2.839%, while the equity market closed the year with a marginal change of -0.3%.

Despite a context marked by increasingly complex challenges—of an economic, climatic, regulatory, and competitive nature—the APB's members continued to deliver improvements in profitability and achieved historically high levels of solvency, while their liquidity position remained robust.

Aggregate net profit amounted to €5.4 billion, corresponding to an annual growth of 12.6% and a return on equity (ROE) of 15.5%. This positive performance was mainly driven by a reduction in provisions and credit impairments and, to a lesser extent, by an increase in fee and commission results and other operating results. These factors more than offset the decline in net interest income, associated with lower interest rates, as well as the decrease in income from financial operations and the increase in operating costs.

The aggregate assets of financial institutions reached approximately €377 billion, recording growth of 4.1% and reversing the declining trend observed in the previous two years. This development was mainly driven by an increase in exposure to debt securities and loans to customers, partially offset by a reduction in cash, cash equivalents, and other assets.

Loans to customers (gross amounts) increased by 1.8%, reflecting growth in housing loans and consumer loans (4.2% and 7.5%, respectively). By contrast, loans to non-financial corporations and to the public administration declined by 2.1%.

The favourable macroeconomic environment, together with lower interest rates, played a key role in reducing credit risk in 2024. The non-performing loan (NPL) ratio continued the downward trajectory observed since 2016, declining to 2.5%, a level still slightly above the Euro Area average (1.9%). The NPL ratio net of impairments stood at 1.0%, while the impairment coverage ratio increased by 0.5 p.p., reaching 59.1%.

Customer deposits grew by 6.6% year on year, increasing their share in the funding structure to 72.4% in 2024. In addition, funding obtained from the Eurosystem declined sharply once again, becoming virtually negligible.

In 2024, capital ratios improved, with the Common Equity Tier 1 (CET1) ratio reaching 18.4% (+0.5 percentage points) and the total capital ratio standing at 20.9% (+0.5 percentage points), both remaining above the Euro Area average.

## I. Macroeconomic Environment

In 2024, the global economy exhibited signs of stabilization following several years characterised by unprecedented shocks. Nevertheless, significant structural shifts remain in prospect, which may test the resilience of international trade and give rise to new sources of uncertainty, thereby challenging the current phase of apparent stability. These include the re-emergence of aggressive trade policies, increasing geoeconomic fragmentation, and competition over sensitive technologies and critical minerals, among other factors.

Global GDP growth remained broadly stable, standing at 3.3% in 2024. Advanced economies recorded moderate performance (1.8%), with the United States standing out, posting growth of 2.8%. In the Euro Area, growth increased to 0.9% (+0.5 pp), despite the persistence of recessionary conditions in Germany (-0.5%). The United Kingdom accelerated to 1.1% (+0.7 pp), while Japan slowed markedly to 0.1% (-1.1 pp). In emerging market economies, growth remained more dynamic at 4.3%, albeit with a slight deceleration relative to 2023. China and India continued to lead global growth, with expansions of 5.0% and 6.5%, respectively.

Global annual average inflation declined further, from 5.9% in 2023 to 2.9% in 2024, reflecting the impact of restrictive monetary policy. Median inflation followed a similar trajectory, settling at 2.4%. Despite the broad-based improvement, inflation remained above target in several economies, indicating that the price stabilization process has not yet been fully completed.

Oil prices remained elevated for most of the year but reversed course towards the end of 2024, recording year-on-year declines of 3.1% for Brent crude (to approximately USD 74/bbl) and 0.8% for WTI (to around USD 72/bbl). By contrast, natural gas prices in Europe, as well as in the United States, followed an upward trajectory throughout the year, reaching close to EUR 49/MWh by year-end (+51.1% y-o-y).

The Food Price Index of the Food and Agriculture Organization of the United Nations (FAO) declined in 2024 (-2.0%), a markedly smaller decrease than that observed in 2023 (-13.8%). Prices of cereals and sugar both fell by 13.3%, while the remaining components recorded modest increases, with the exception of vegetable oils (+9.3%).

Against the backdrop of easing inflationary pressures, several central banks reduced the degree of monetary policy restrictiveness by decreasing policy interest rates. The U.S. Federal Reserve cut its policy rate by around 100 basis points, to 4.25%–4.50% by end-2024; the European Central Bank by 135 basis points, to 3.15%; the Bank of England by 50 basis points, to 4.75%; and the People's Bank of China by 35 basis points, to 3.1% by year-end. Among major economies, Japan was the exception, raising interest rates by 35 basis points to 0.25%, as inflation remains well above pre-pandemic levels.

Financial market performance was broadly positive in 2024, particularly in the technology sector and among companies linked to Artificial Intelligence, supported by declining inflation, reduced monetary policy restrictiveness, and the economic performance of the United States. The MSCI World index rose by 17.0%, with sizeable gains recorded in the United States (S&P 500: +23.3%), Germany (DAX: +18.8%) and Hong Kong (Hang Seng: +17.7%). By contrast, the Bovespa and the CAC 40 declined by 10.4% and 2.2%, respectively.

In foreign exchange markets, the US dollar stood out as one of the best-performing currencies, supported by the strong US economic outlook and interest rate differentials, appreciating against all major trading partners: 2.0% against the Mexican peso, 2.8% against the Chinese yuan, 6.2% against the euro and 7.9% against the Canadian dollar. The euro, in turn, also depreciated against the pound sterling (-4.6%) and the Chinese yuan (-3.5%).

Sovereign bond yields at the 10-year maturity in secondary markets generally continued to display upward trends, despite developments in inflation and policy interest rates. The UK Gilt yield increased by 102.7 basis points to 4.57%; the US Treasury yield rose by 66.6 basis points to 4.53%; the French OAT yield increased by 63.7 basis points to 3.19%; and the German Bund yield rose by 33.4 basis points to 2.36%

### **Portuguese Economy**

In 2024, the Portuguese economy expanded by 2.1% in real terms, reflecting a slowdown compared with the 3.1% recorded in the previous year. In a context still marked by inflationary pressures, nominal GDP increased by 7.1% (10.8% in the previous year), while the implicit GDP deflator rose by 4.8% (7.5% in 2023).

GDP growth was underpinned by the positive contribution of domestic demand (+2.9 pp), supported by developments in private consumption (+1.8 pp) and investment<sup>2</sup> (+0.9 pp). Household private consumption increased by 3.0% in volume terms (2.3% in the previous year), benefiting from growth across all components. Investment<sup>2</sup> rose by 4.2% (6.0% in 2023), driven by construction (3.0%), in particular the housing segment, which increased by 5.5%, as well as by other machinery and equipment and weapons systems, which recorded an increase of 8.0% (8.6% in the previous year). The investment<sup>3</sup> rate reached 20.4% in 2024, 0.1 pp lower than in the previous year, reflecting nominal GDP growth (7.1%) slightly exceeding that of investment (6.8%).

Net external demand had a negative contribution to GDP growth (-0.7 pp), reflecting the stronger increase in imports (4.8%) compared with exports (3.1%). In 2023, the contribution had been positive (+0.9 pp). Exports grew in a balanced manner—by 3.2% for goods and 2.9% for services—while imports displayed a more heterogeneous evolution, increasing by 5.3% for goods and 2.6% for services.

Gross Value Added (GVA) increased by 2.0% in volume terms, 1.1 pp lower than in 2023. All branches of activity recorded positive contributions, with the exception of Other business services (-0.4%). Notable developments were observed in Other services (+6.1%), Agriculture, forestry and fishing (+4.8%), and Transport and storage (+4.7%). Taxes net of subsidies on products grew by 3.1% (3.2% in 2023).

Inflation maintained a downward trajectory in 2024, recording a rate of 2.4% (4.3% in 2023). Core inflation, which excludes unprocessed food and energy products, followed a similar trend, declining to 2.5% (5.0% in the previous year). In addition to the easing of core inflation, the deceleration in inflation reflected the slowdown in prices of unprocessed food products, which

<sup>2</sup> This refers to Gross Fixed Capital Formation (GFCF).

<sup>3</sup> Measured by the ratio of Gross Fixed Capital Formation (GFCF) to nominal GDP.

recorded an annual average increase of 1.6% (9.5% in 2023). By contrast, energy products posted an annual average increase of 3.2%, following a negative contribution of 9.0% in 2023.

According to the National Accounts, employment, measured by the number of persons, increased by 0.7% in 2024 (2.0% in 2023), while employment, measured in hours worked, rose by 0.9% (4.8% in the previous year), reflecting a slight increase in the average number of hours worked per person, in line with the expansion of economic activity. According to Labour Force Statistics, the unemployment rate declined slightly to 6.4% (-0.1 pp), with the number of unemployed standing at 351.1 thousand persons.

Compensation of employees increased by 8.6% (11.8% in 2023), reflecting a 1.0% rise in the number of paid employees and a 7.5% increase in average compensation (5% in real terms), both slightly below the rates recorded in 2023 (2.3% and 9.4%, respectively).

Productivity, measured as the ratio of real GDP to the number of persons employed, increased by 1.3% (1.4% in 2023), while productivity per hour worked rose by 1.1%, unchanged from the previous year.

The country recorded a net lending position of 2.8% of GDP, 0.9 pp higher than in the previous year. This improvement was driven by the increase in gross saving (13.4%), which outpaced the growth of gross fixed capital formation (6.8%). The household sector was the main contributor to this development, strengthening its net lending position from 2.3% of GDP in 2023 to 4.7% in 2024, mainly reflecting the rise in the saving rate from 8.9% to 12.5% of gross disposable income.

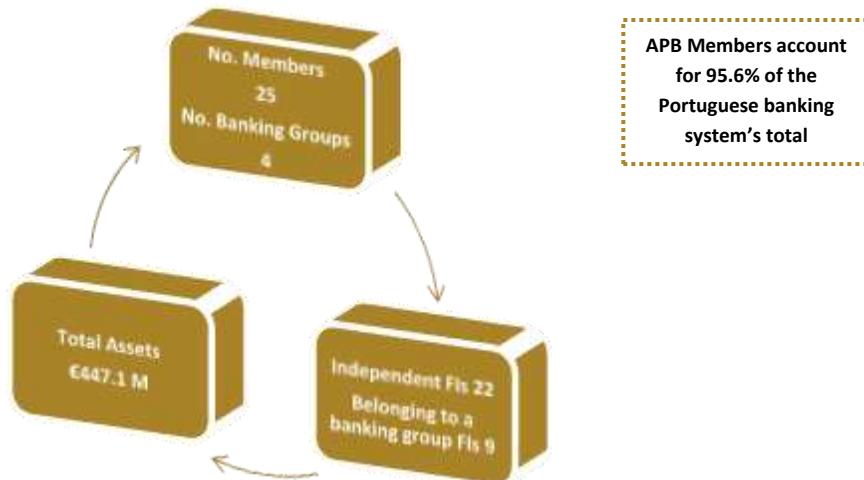
In public finances, the budget balance remained in positive territory, recording a surplus of 0.7% of GDP (1.2% in 2023), albeit reflecting a slight decline, as public expenditure grew by 7.6%, outpacing the increase in revenue (+6.3%). Revenue growth continued to be supported by favourable economic activity, labour market and price conditions, with current revenue increasing by 7.0%, notably social contributions (+9.3%), taxes on production and imports (+7.2%), and taxes on income and wealth (+3.5%). Capital revenue declined by 20.9%, reflecting a reduction in transfers from European Union funds, with the exception of revenue related to the Recovery and Resilience Plan, which increased by 26%. On the expenditure side, notable increases were recorded in compensation of employees (8.5%), social benefits (10.3%) and interest expenditure (6.3%). Capital expenditure declined by 7.1%, reflecting the absence of extraordinary operations that had occurred in 2023. Against this backdrop, the public debt ratio continued its downward trajectory, standing at 93.6% of GDP at end-2024 (96.9% in the same period of the previous year).

In 2024, S&P upgraded Portugal's sovereign credit rating from BBB+ to A-. The yield on 10-year Treasury bonds in the secondary market declined by 53 basis points to 2.839%. The cost of the stock of direct debt issued by the State decreased slightly to 3.4% (3.5% in 2023), while the cost of the stock of direct State debt increased marginally to 2.1% (2.0% in the previous year). In the equity market, the PSI-20 index closed the year with a marginal change of -0.3%.

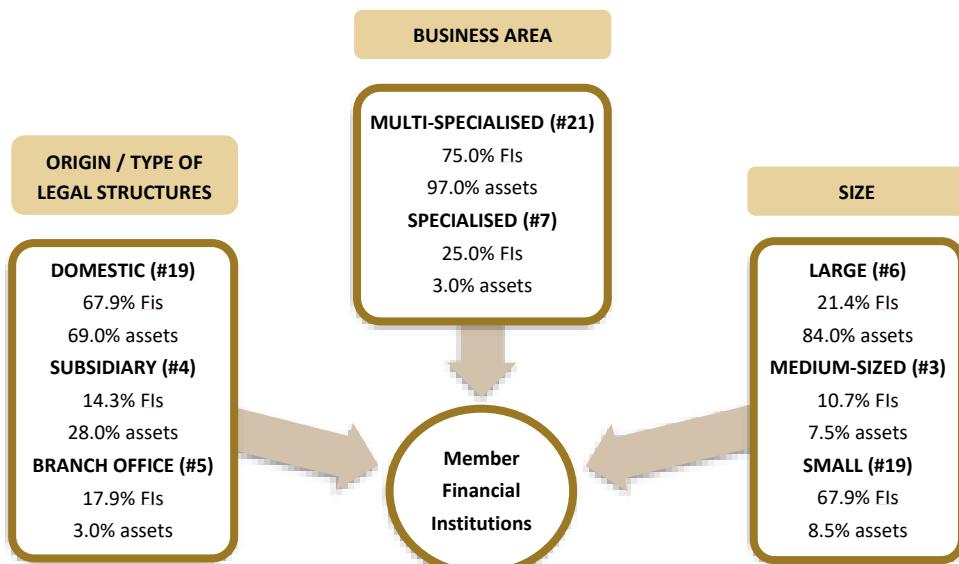
## II. Analysis of member financial institutions

As at 31 December 2024, APB comprised 26 Members, representing 31 financial institutions, accounting for 95.6% of the consolidated assets of the Portuguese banking system.

Figure 1: Overview of APB Members<sup>4</sup>

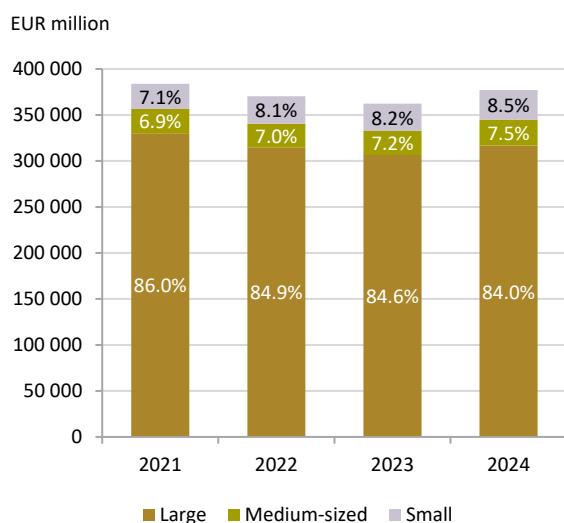
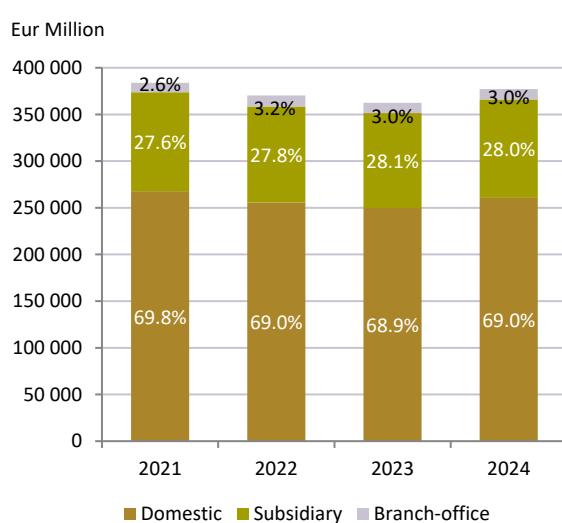


Source: APB, Banco de Portugal. Data as of 31 December 2024, based on information relating to all APB Members. Consolidated data.



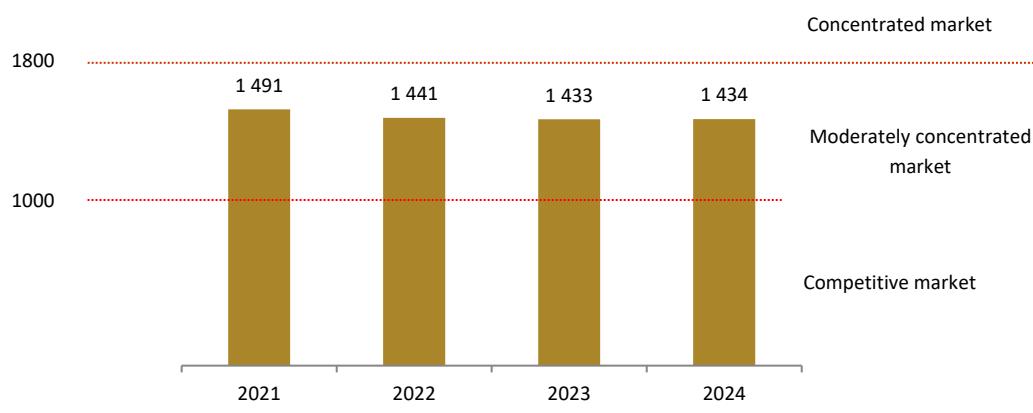
Source: FIs, APB. Data based on the information provided by 23 members (28 financial institutions relative to 31 December 2024).

<sup>4</sup> Large financial institutions account for 5% or more of total assets; medium-sized institutions account for between 1% and 5%; and small institutions account for 1% or less of total assets. The business model of financial institutions is classified as "Specialised" where institutions operate exclusively or predominantly in one of the following activities: consumer credit, mortgage lending, auto lending or investment banking. In all other cases, the business model is classified as "Diversified".

**Graph 1: Evolution of aggregate assets**
**a) By size**

**b) By origin / type of legal structure**


Source: FIs, APB.

According to the Herfindahl–Hirschman Index<sup>5</sup>, According to the Herfindahl–Hirschman Index, the Portuguese market, in line with previous years, remained moderately concentrated (1,434), with no significant changes compared to 2023.

**Graph 2: Herfindahl Index**


Source: FIs, APB.

<sup>5</sup> The index was calculated as the sum of the squared market shares, measured in terms of assets, of the 28 financial institutions included in the sample. As a general rule, an index value below 1,000 indicates low concentration, values between 1,000 and 1,800 indicate moderate concentration, and values above 1,800 indicate high concentration.

### III. Human resources

#### III.1. Evolution

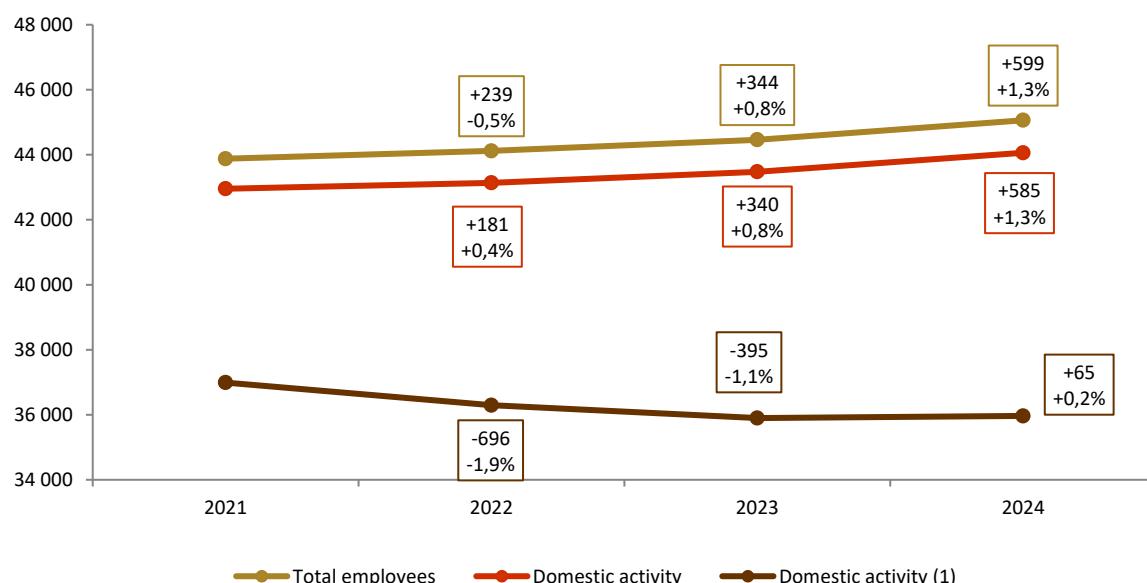
In 2024, APB Members once again recorded an increase in the number of employees, bringing the total workforce to 45,060, an increase of 599 compared to the end of the previous year (+1.3%). The number of employees allocated to domestic activities reached 44,060, also reflecting a year-on-year increase of 1.3% (+585 employees) and accounting for around 1% of total employment in Portugal.

Data relating to domestic activities continue, however, to be significantly influenced by the distinct profile of one Member with a very specific business model focused on the provision of services on a global scale, which has continued to expand its workforce. Excluding the contribution of this Member, the number of employees would have recorded a more moderate year-on-year increase (+0.2%), corresponding to an additional 65 employees.

The number of employees in international activities continued to grow in 2024, reaching 1,000 at the end of the year, representing a year-on-year increase of 1.4% (+14 employees).

Developments in human resources in the banking sector have reflected the need to adapt to an increasingly demanding economic, regulatory and competitive environment. These developments have also supported the continued digital transformation of financial services, the transition to a sustainable economy, the integration of these challenges into risk management, and the strengthening of operational resilience in the face of increasingly sophisticated cyber threats.

**Graph 3: Evolution of the total number of employees and annual percentage change**



(1) Excluding one Member whose business activity is highly specific.

Source: FIs, APB.

In 2024, developments in human resources within domestic banking activity were marked by an increase in the proportion of employees with higher education qualifications and younger employees

(up to 29 years of age), alongside a reduction in the share of employees allocated to commercial activity. More specifically, the following developments were observed:

- i) The representation of women continued to increase, reaching 51.8% (51.6% in 2023), remaining slightly above the national average (49.2%). This development reflects the increase in the proportion of women in leadership positions (+0.8 pp), administrative roles (+0.6 pp), and among younger employees (up to 29 years of age) (+0.8 pp).
- ii) The proportion of younger employees (up to 29 years of age) continued to increase, reaching 11.4% (10.2% in 2023). The share of older employees (over 45 years of age) also rose, to 57.4% (56.8% in the previous year), and remained above the national average (51.6%).
- iii) The share of employees with higher education qualifications continued to increase, reaching 71.9% (70.6% in 2023), remaining significantly above the national average (34.0%).
- iv) Both the number and the share of employees allocated to the commercial area declined again, from 50.5% to 47.2%, corresponding to a reduction of 1,172 employees.
- v) The proportion of employees on fixed-term contracts increased slightly, from 2.0% to 2.7%.
- vi) The average age of employees recorded a slight increase, from 50.1 to 50.3 years, while average length of service decreased from 21.2 to 21.0 years.

Specifically, at the end of 2024, employees allocated to the domestic banking activity of the associated financial institutions presented the following profile:



51.8% of employees were female and 40.4% were in leadership positions.



57.4% of employees belonged to the older age group (over 45 years of age), while 11.4% were in the youngest age group (up to 29 years of age).

Average age of employees: 50.3 years.

Average length of service: 21.0 years.



60.6% worked in the banking sector for more than 15 years.



97.3% of employees had permanent employment contracts.



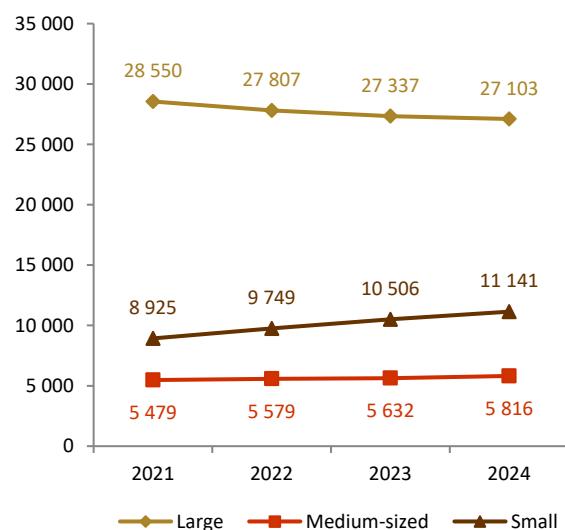
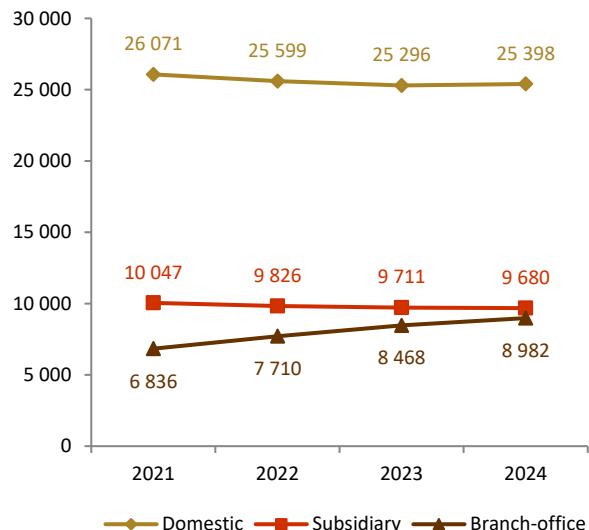
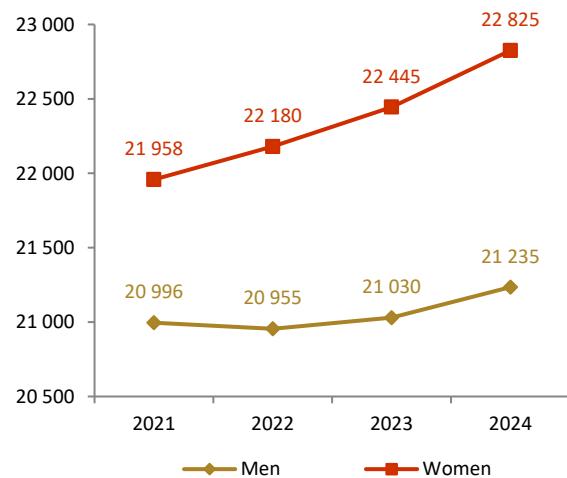
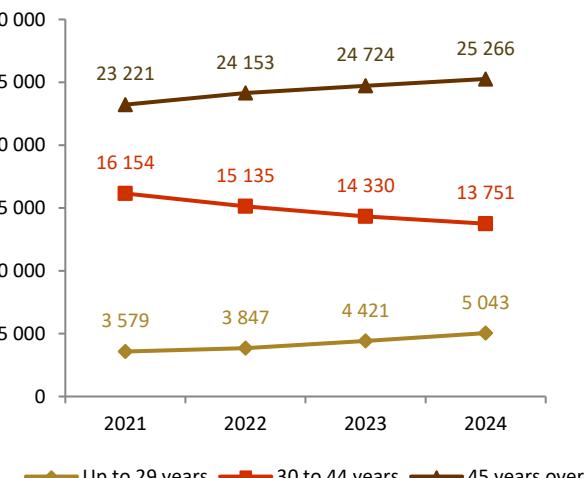
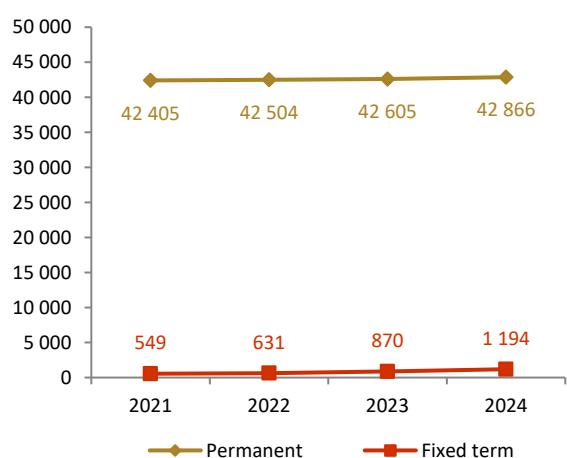
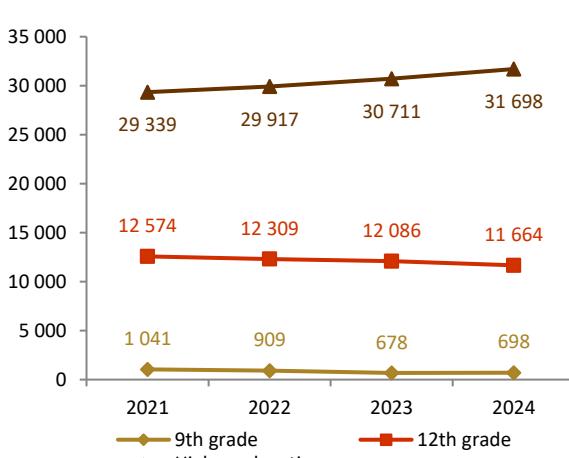
71.9% held higher education qualifications.

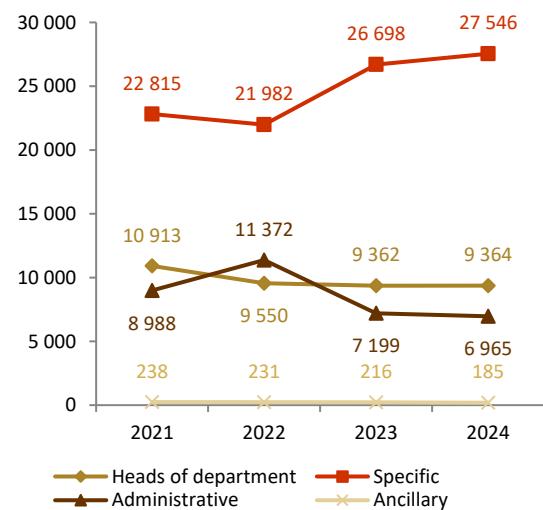
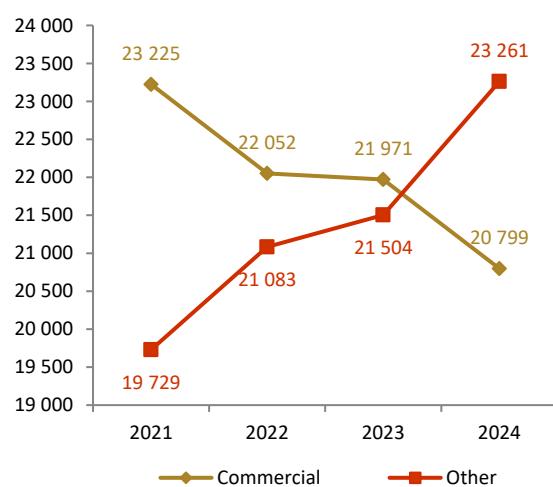
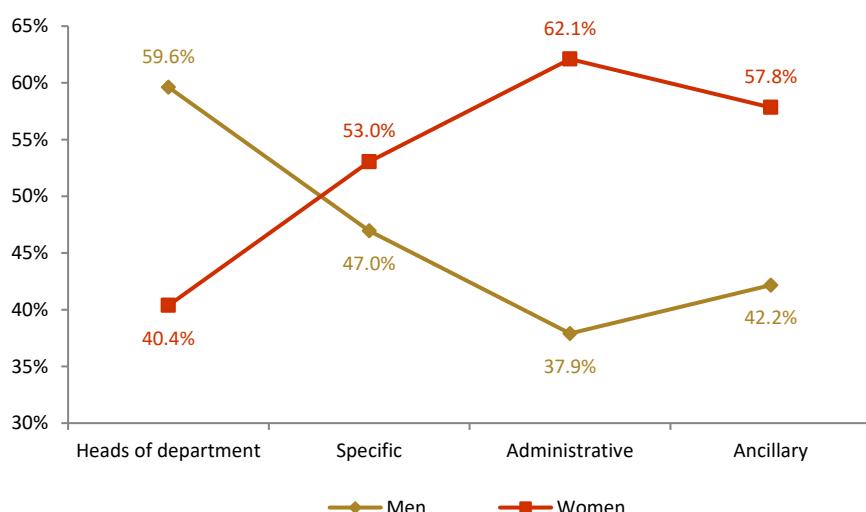


62.5% performed specific functions.



47.2% performed commercial functions.

**Graph 4: Evolution of number of employees in the domestic activity**
**a) By size**

**b) By origin/type of legal structure**

**c) By gender**

**d) By age**

**e) By type of employment contract**

**f) By academic qualifications**


**g) By position**

**h) By activity**

**i) By position and gender (2024)**


Source: FIs, APB.

### III.2. Training activity<sup>6</sup>

Human resources constitute a strategic pillar for the development of the banking activity of APB member institutions. In this context, professional training, as a tool for the continuous enhancement of skills and the strengthening of employees' qualifications, is regarded as a priority objective, particularly in the current context of profound transformation in the banking sector.

In 2024, investment in training amounted to approximately €19 million, corresponding to 1.4% of general administrative expenses (1.5% in 2023). During this period, the share of online training (e-

<sup>6</sup> The human resources training indicators are based on a sample of 25 financial institutions.

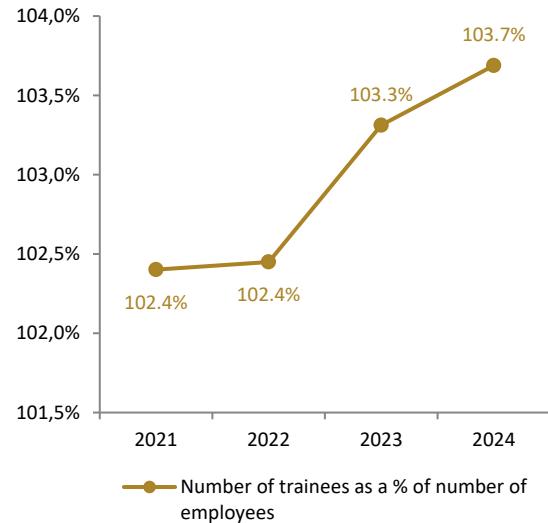
learning) declined, although this modality remained the most significant, accounting for 49.7% of the total. Consequently, in-person and distance learning, as well as other training modalities, increased their share of the overall training activities delivered.

In 2024, with regard to the main indicators relating to the training of employees allocated to the domestic banking activity of the associated financial institutions, the following should be highlighted:

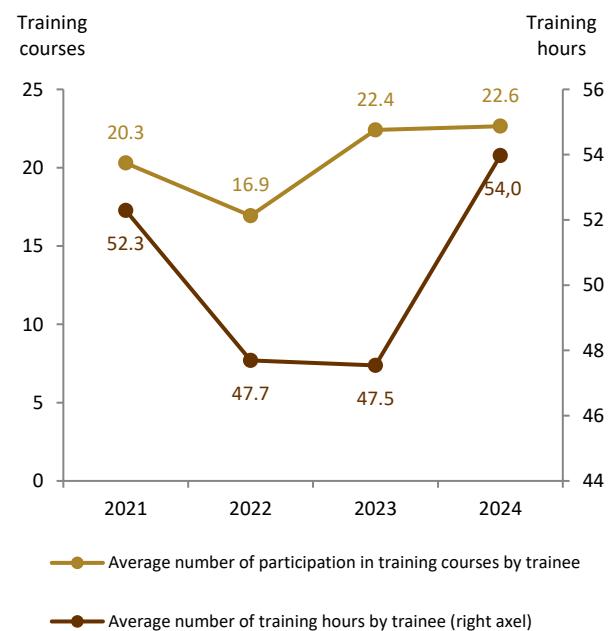
- **Overall training rate:** increased slightly and returned to above 100% (103.7%), reflecting the number of employee departures among those who received training during the year.
- **Number of trainees:** 45,123, up 1.7% compared to 2023.
- **Number of participants in training activities:** 1,021,895 participants, up 2.8% compared to 2023.
- **Total number of training hours:** 2,435,266 hours, up 15.5% compared to 2023.
- **Average number of training activities per trainee:** 22.6 training activities (22.4 in 2023).
- **Average number of training hours per employee:** 54.0 hours per year (47.5 hours per year in 2023).
- **Training activities by modality:** in-person – 16.7%; e-learning – 49.7%; distance learning – 21.4%; other training modalities – 12.2%.
- **Internal training activities:** 79.8% of the total (87.5% in 2023).
- **Expenditure on training activities:** €19.0 million (+2.4% compared to 2023).
  - **Of which, costs with external entities:** 62.1% of the total (69.5% in the previous year).

**Graph 5: Evolution of training**

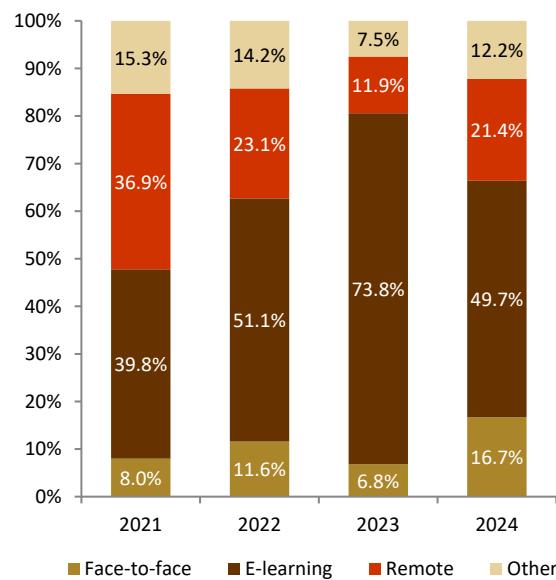
**Number of trainees as a % of number of employees**



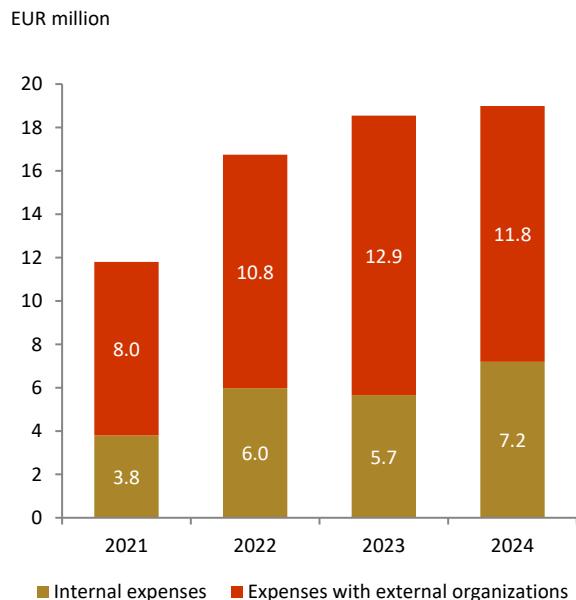
**b) participation and hours in training courses**



**c) Training modalities**



**d) Training costs**



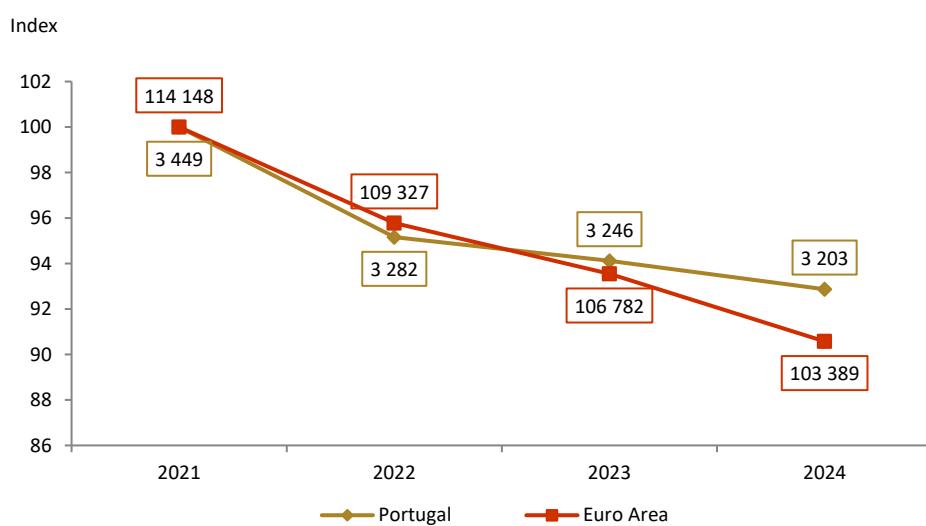
Source: FIs, APB.

#### IV. Banking coverage indicators

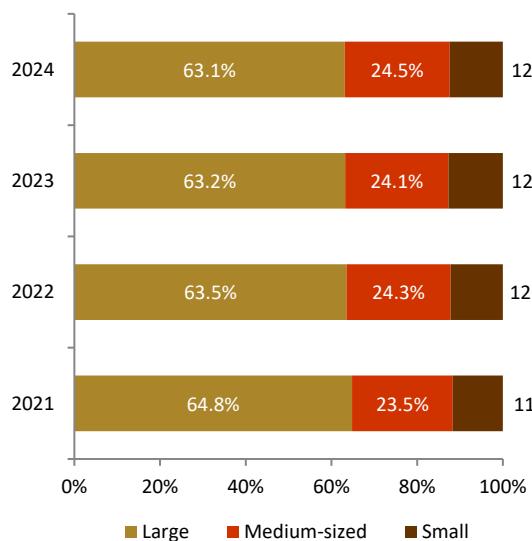
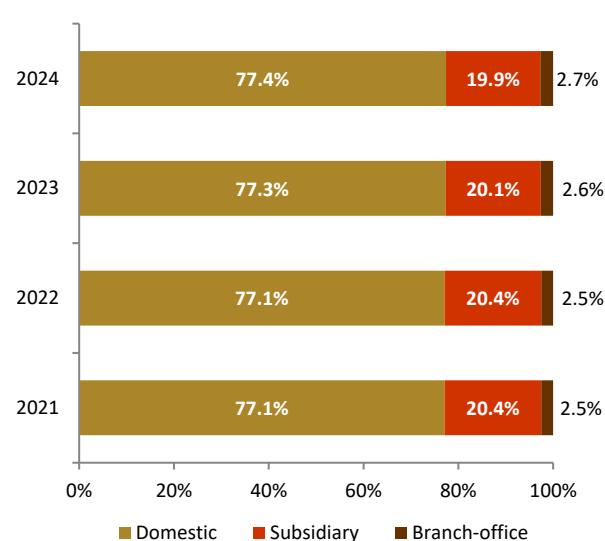
##### IV.1. Branch network in Portugal

At the end of 2024, the network of APB member institutions comprised 3,203 branches, maintaining the downward trend observed in recent years, with a year-on-year decrease of 1.3%, corresponding to 43 fewer branches. This development reflects the ongoing process of branch network modernisation and the continued pursuit of the digital transition strategy, aimed at modernising the customer relationship model. In 2024, approximately 68% of internet users used internet banking, compared with 38% in 2010, highlighting a marked shift in customers' digital habits.

**Graph 6: Evolution of total branches (2021 = 100)**



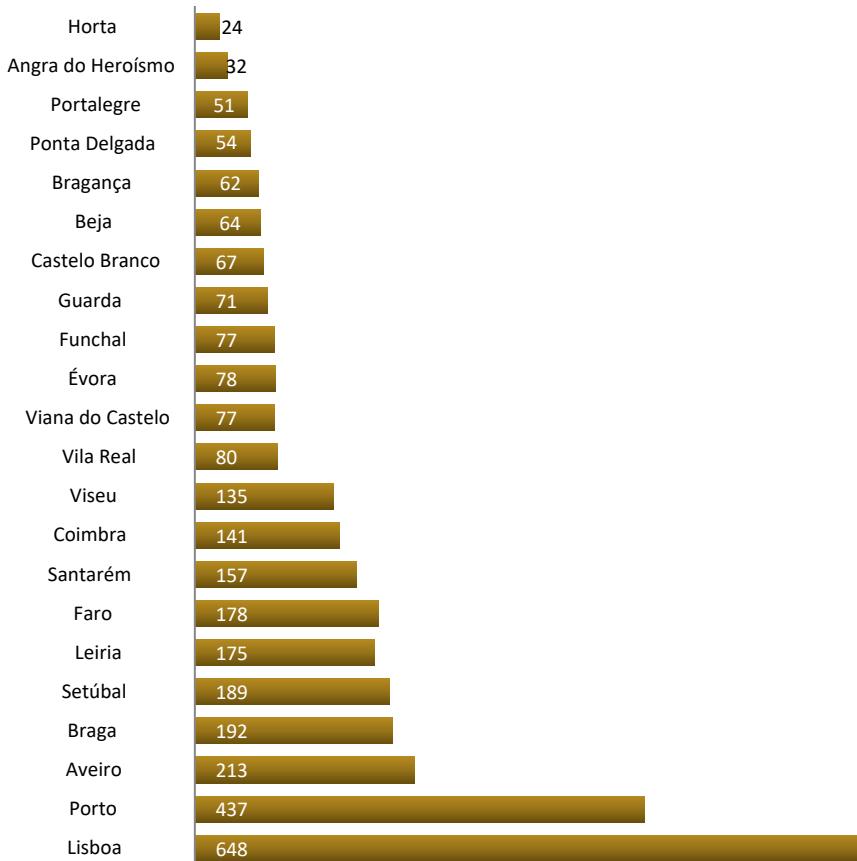
Source: FIs, APB and ECB.

**Graph 7: Representativity of the number of branches in Portugal as at 31 December**
**a) By size**

**b) By origin / type of legal structure**


Source: FIs, APB.

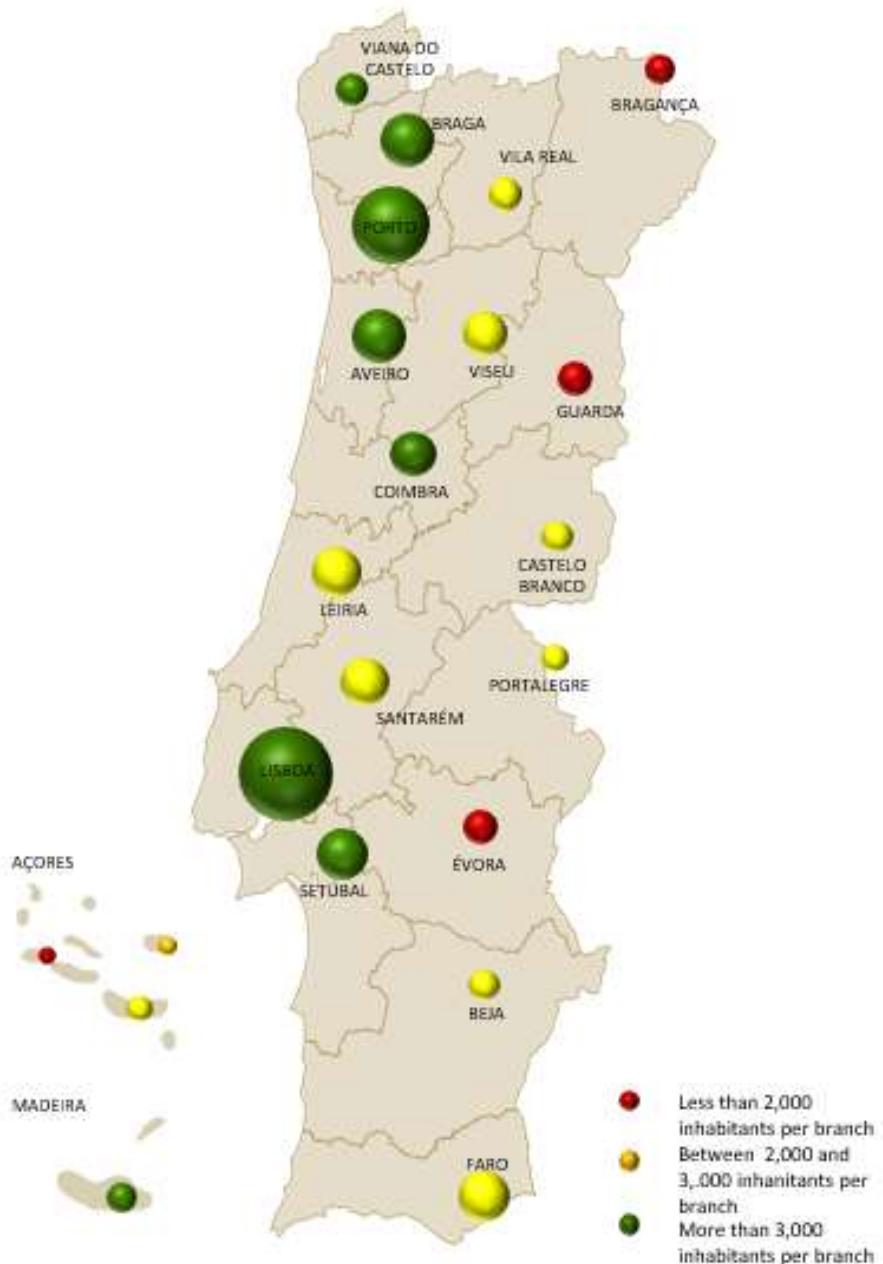
In 2024, the districts of Lisbon and Porto remained those recording the most pronounced annual change in terms of branch closures, jointly accounting for more than half of the total closures observed during the year. Conversely, slight increases in the number of branches were recorded in the districts of Aveiro and Viseu, highlighting differentiated regional dynamics in the evolution of the branch network.

Considering that the resident population in Portugal increased by 1.0% over the same period, there was an increase in the average number of inhabitants per branch, which rose from 3,278 to 3,356 inhabitants per branch.

**Graph 8: Branch network per district as at December 2024**


Source: FIs, APB.

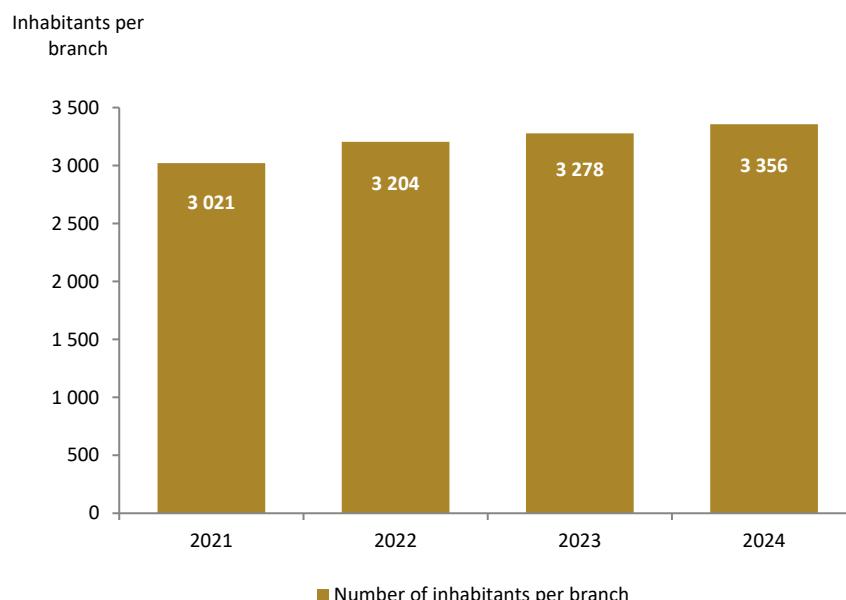
Figure 2: Distribution of branches and number of inhabitants per branch, by district, as at 31 December 2024



Source: FIs, INE – Statistics Portugal, APB.

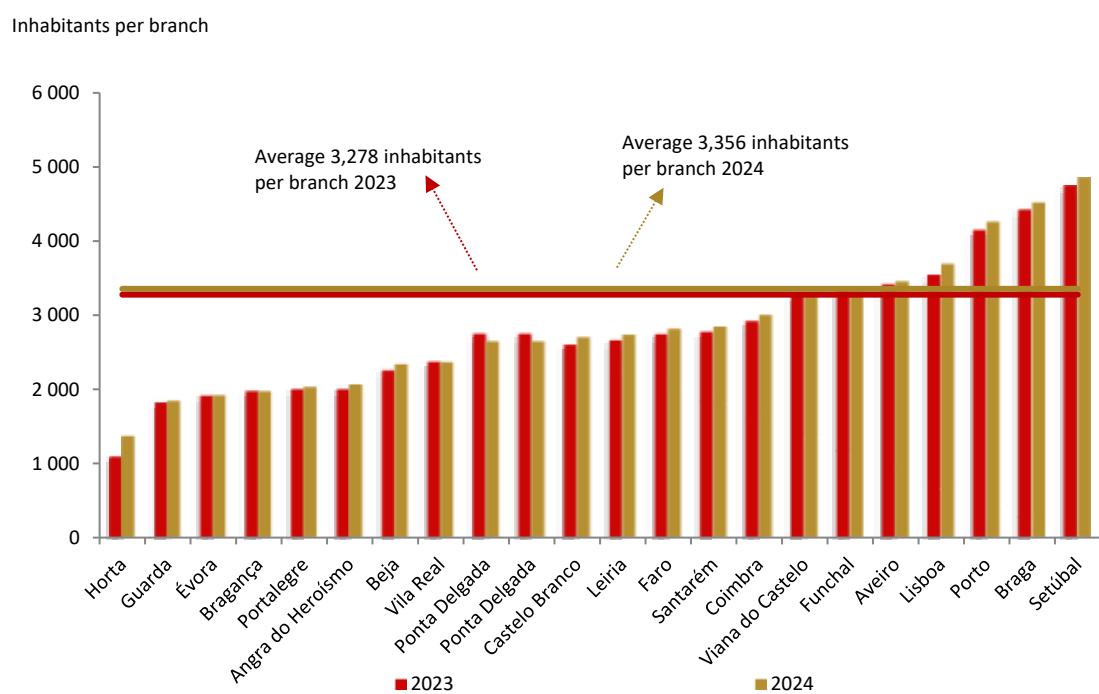
Note: The size of the bubbles is indicative of the absolute number of branches in the respective district, while the colour reflects the number of inhabitants per branch. One mobile branch is not included.

**Graph 9: Evolution of the number of inhabitants per branch**



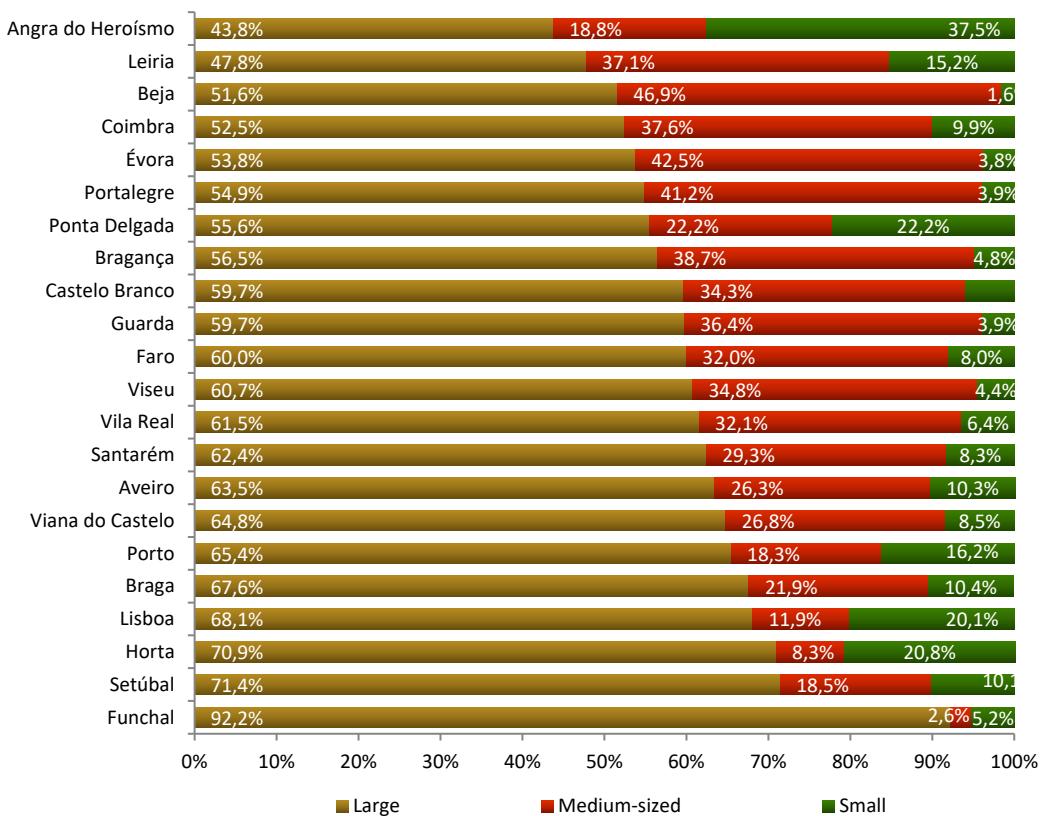
Source: FIs, INE – Statistics Portugal, APB.

**Graph 10: Number of inhabitants per branch, by district**



Source: FIs, INE – Statistics Portugal, APB.

**Graph 11: Distribution of the percentage of branches by size of financial institutions, by district, as at 31 December 2024**

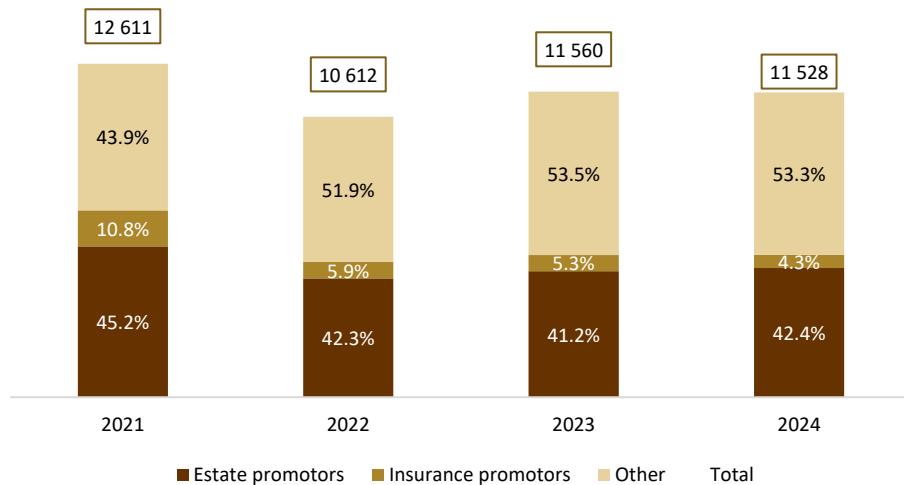


Source: FIs, APB.

### External promoters

External promoters correspond to a distribution channel used by financial institutions that is not integrated into their organisational structures. This channel includes real estate intermediaries, insurance agents and financial advisers.

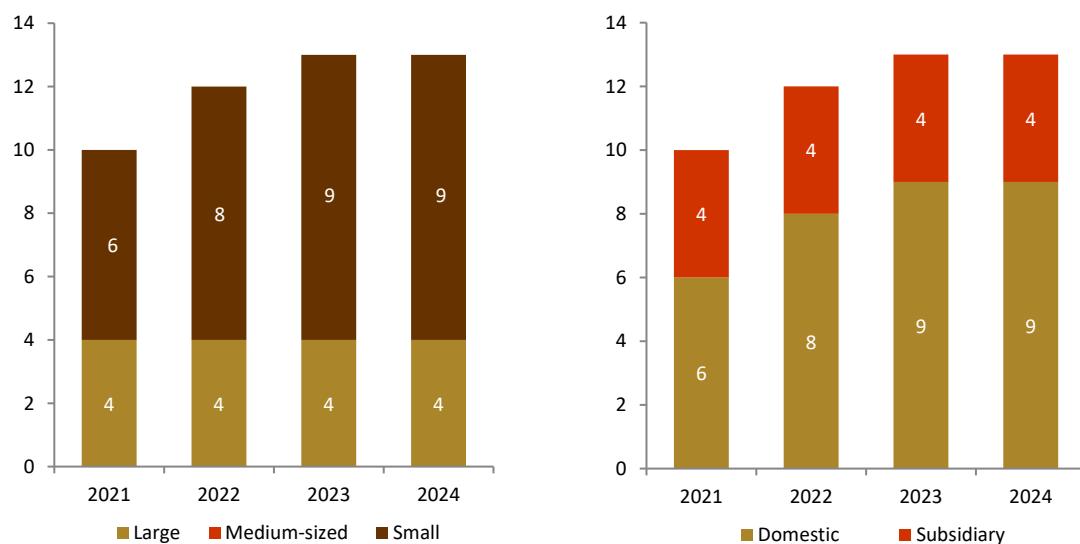
In 2024, a slight year-on-year decrease was observed in the number of external promoters (-0.3%, or -32). The distribution by type remained relatively stable, with only a slight increase in the proportion of real estate intermediaries and a reduction in insurance agents.

**Graph 12: Evolution of the number and type of external promoters**


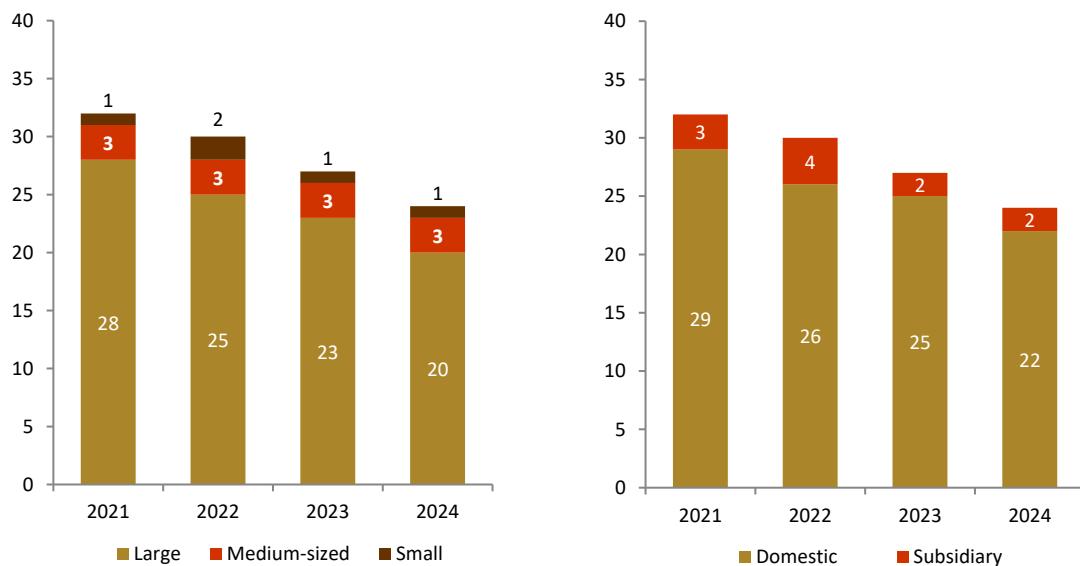
Source: IFs, APB.

#### IV.2. Branches and representative offices abroad

At the end of 2024, financial institutions had a network of 37 branches and representative offices, three fewer than in the previous year. Of this network, 26 units were located in Europe, mainly in Spain, Switzerland and the United Kingdom, five in the American continent, five in Asia and one in Africa. The foreign branch network comprised 62 branches.

**Graph 13: Number of branches abroad (2021–2024)**


Source: IFs, APB.

**Graph 14: Number of representative offices abroad (2021–2024)**


Source: IFs, APB.

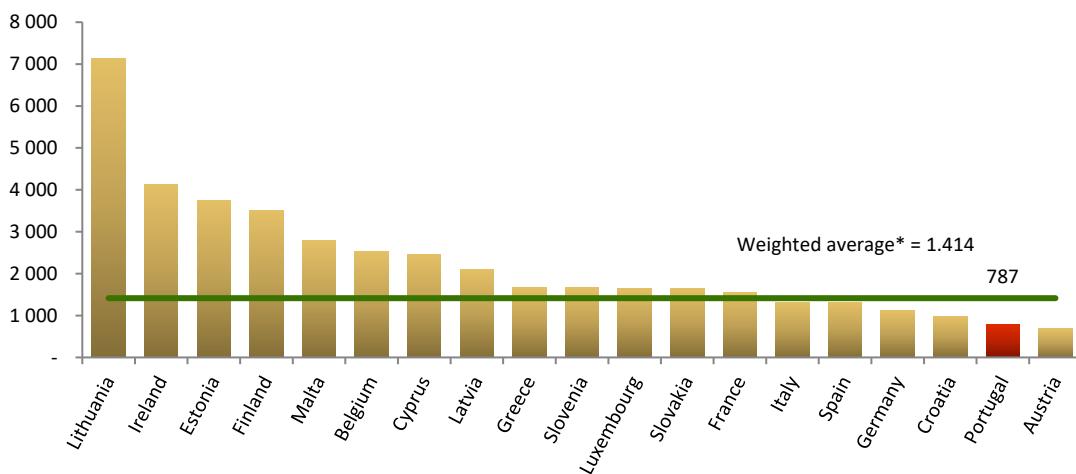
#### IV.3. ATM<sup>7</sup>, homebanking and POS<sup>8</sup>

Portugal continues to record one of the lowest ratios in Europe in terms of the number of inhabitants per ATM. In 2024, the total number of ATMs belonging to the financial institutions that were members of the APB amounted to 13,188<sup>9</sup>, representing a marginal increase compared to 2023 (+0.3%). Over this period, the share of APB member financial institutions in the Multibanco network rose to 89.0%, slightly above the 88.7% recorded in 2023. In the Euro Area, the total number of ATMs continued to decline, standing at 253,740 units, which corresponds to a decrease of 3.1% compared to 2023.

<sup>7</sup> Automated Teller Machine.

<sup>8</sup> Point of Sale.

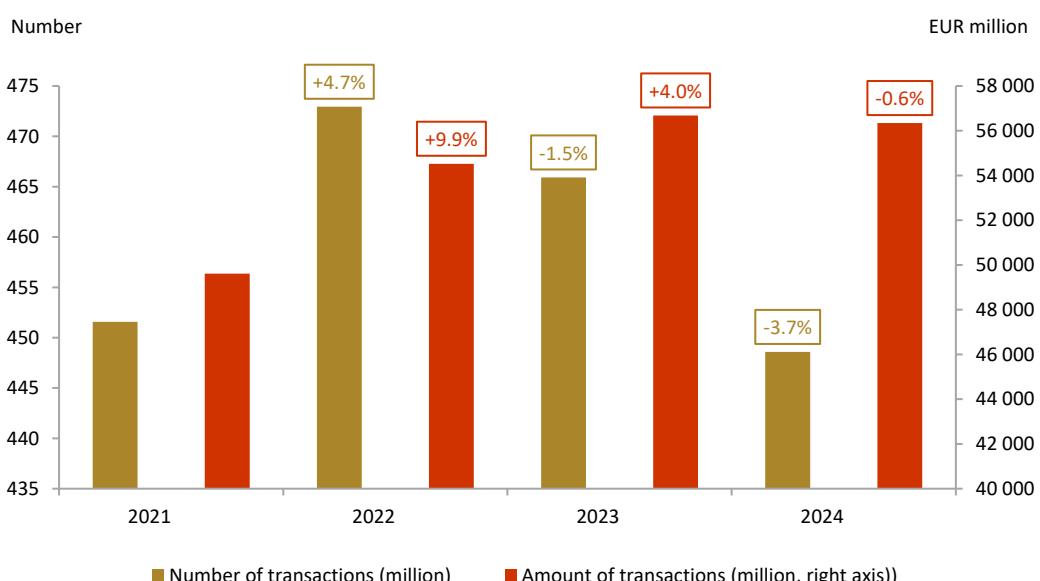
<sup>9</sup> This figure includes the Multibanco network as well as the institutions' own networks of APB member financial institutions. For the purposes of the ATM network analysis, the sample comprises a total of 16 associated financial institutions.

**Graph 15: Inhabitants per ATM in the Euro Area**


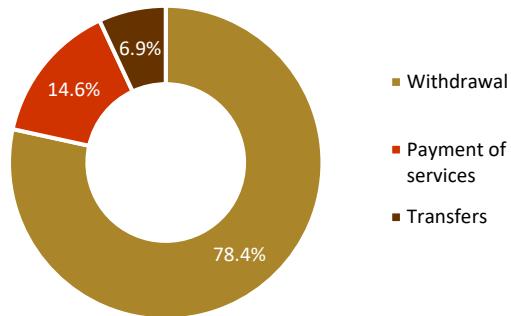
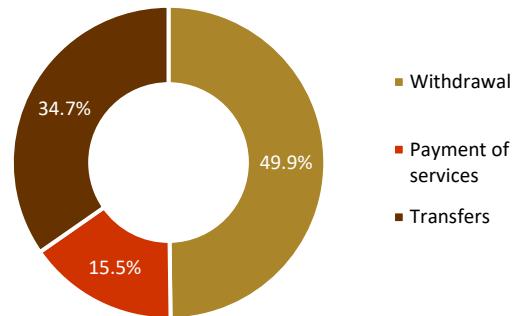
Source: Eurostat, ECB.

Note: \*average number of inhabitants per ATM weighted by the population of each country. The Netherlands are not included due to data unavailability.

In 2024, both the number and the value of ATM transactions decreased compared to the previous year. The total number of transactions fell by 3.7%, while the corresponding aggregate amount declined by 0.6%. The reduction in the number of transactions resulted from decreases across all segments: service payments (-7.1%), transfers (-4.9%) and withdrawals (-2.9%). As regards the value of transactions, the decline was driven by the service payments segment (-10.2%), as transfers and withdrawals recorded increases of 2.2% and 0.8%, respectively. As a result, the average value per ATM transaction increased again (3.2%), reaching €125.60. Only the average value of service payments showed a slight decrease (-3.3%), amounting to €133.31.

**Graph 16: Evolution of the number and value of ATM transactions**


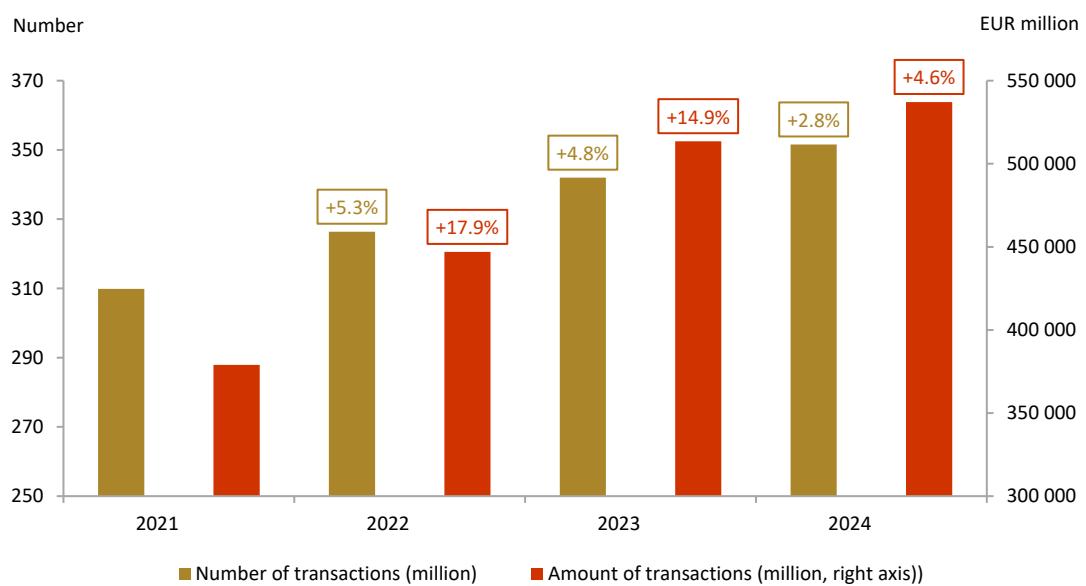
Source: SIBS. Annual growth rate shown in the rectangles.

**Graph 17: Number of ATM transactions (2024)**

**Graph 18: Value of ATM transactions (2024)**


Source: SIBS.

In 2024, the number of homebanking<sup>10</sup> users reached 7,740,800, corresponding to annual growth of 2.1%. Although this growth was more moderate than in 2023 (11.7%), it continues to indicate the consolidation of digital banking, a trend reinforced since the pandemic crisis that began in 2020.

The number and the value of homebanking<sup>11</sup> transactions increased by 2.8% and 4.6%, respectively.

**Graph 19: Evolution of the number and value of homebanking transactions**


Source: SIBS. Annual growth rate shown in the rectangles.

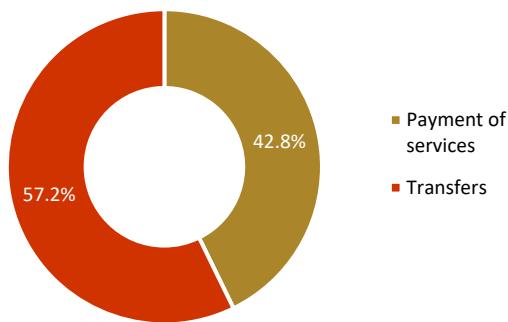
<sup>10</sup> For the purposes of analysing the number of home banking users, data is only available for 18 associated financial institutions.

<sup>11</sup> All data relating to the number and volume of transactions cover the entire sample (28 associated financial institutions). Data provided by SIBS.

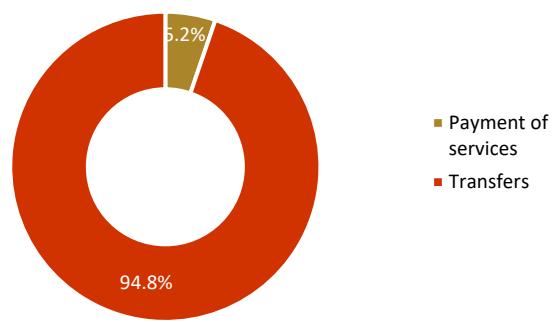
This increase covered both service payments and transfers. Service payments recorded increases of 3.3% in number and 3.6% in value, while transfers registered increases of 2.4% and 4.6%, respectively.

Transfers accounted for 56.7% of the total number of transactions, while continued to concentrate almost all of the value transacted via homebanking (94.7%), highlighting their predominance in higher-value transactions.

**Graph 20: Number of transactions in Homebanking (2024)**



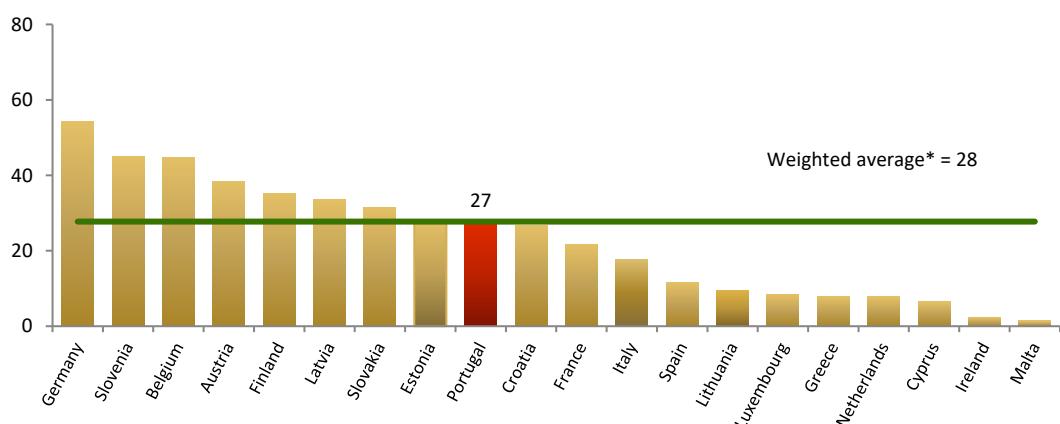
**Graph 21: Amount of transactions in Homebanking (2024)**



Source: SIBS.

In 2024, the number of POS<sup>12</sup> terminals installed in Portugal increased again compared to the previous year (+4.8%), reaching 367,846, while in the Euro Area the increase stood at 7.9%. Portugal recorded a number of inhabitants per POS in line with the average of Euro Area countries.

**Graph 22: Inhabitants per POS in the Euro Area**

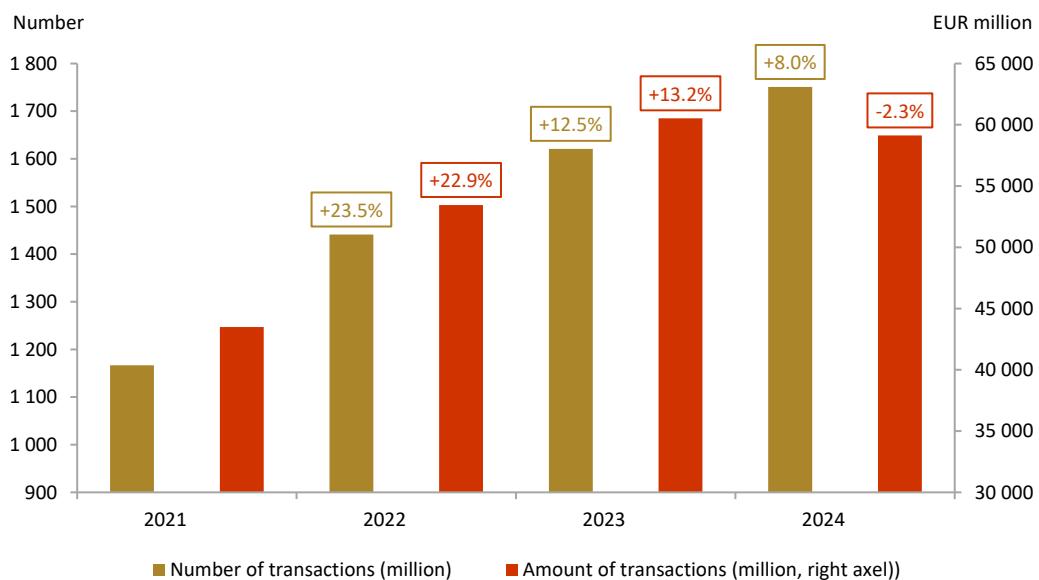


Source: Eurostat, BCE. Nota: \* Average number of inhabitants per POS, weighted by the population of each country.

<sup>12</sup> For the purposes of analysing the POS network, data is only available for 16 associated financial institutions.

In 2024, the number of transactions carried out via POS<sup>13</sup> increased (+8.0%), while the value declined (-2.3%).

**Graph 23: Evolution of the number and value of POS transactions**



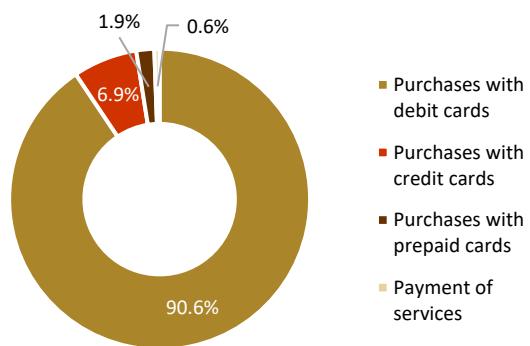
Source: SIBS. Annual growth rate shown in the rectangles.

In terms of the number of transactions, the only decrease occurred in service payments (-3.3%), although these accounted for only 0.6% of total transactions. Debit card payments, which constituted the predominant share of transactions (90.6%), recorded an increase of 8.4%. Transactions with credit cards and prepaid cards increased by 3.3% and 12.4%, respectively.

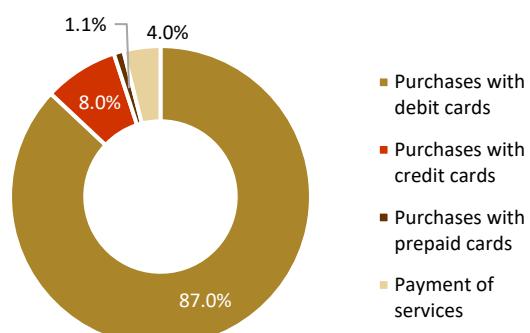
As regards the value of transactions, service payments were again the only segment to record a decline (-67.8%), but accounted for only 4.0% of the total value of transactions. Debit card payments, which also represented the largest share of the total value of transactions (87.0%), increased by 7.1%. Transactions with credit and prepaid cards recorded increases of 1.0% and 10.0%, respectively.

<sup>13</sup> All data relating to the number and volume of transactions cover the entire sample (27 associated financial institutions).

Graph 24: Number of transactions in POS (2024)



Graph 25: Amount of transactions in POS (2024)



Source: SIBS.

## V. Performance analysis

### V.1. Balance sheet analysis

In 2024, the aggregate assets of financial institutions totalled around €377 billion, increasing by 4.1% compared to 2023. This growth reversed the decline observed over the previous two years. Nevertheless, the downward trajectory in the weight of the banking system in the economy was maintained (130.3% in 2024, compared with 134.1% in 2023), as nominal GDP growth of 7.1% exceeded the increase in assets.

The annual evolution of the total assets of associated financial institutions was driven by an increase in exposure to debt securities (+€20.8 billion, or +23.3%) and loans (+€4.8 billion, or +2.4%), despite the reductions recorded in cash and cash balances (–€9.2 billion, or –19.5%) and in other assets (–€1.2 billion, or –5.7%).

**Table 1: Composition and evolution of aggregate assets structure, as at 31 December (2021 – 2024)**

	2021	2022	2023	2024
<b>Cash and cash equivalents (million €)</b>	61 951	50 969	47 281	38 064
Annual change rate	-	-17.7%	-7.2%	-19.5%
As % of total assets	16.1%	13.8%	13.0%	10.1%
<b>Equity instruments (million €)</b>	4 616	3 610	3 485	2 998
Annual change rate	-	-21.8%	-3.5%	-14.0%
As % of total assets	1.2%	1.0%	1.0%	0.8%
<b>Debt securities (million €)</b>	91 863	86 504	89 211	109 984
Annual change rate	-	-5.8%	3.1%	23.3%
As % of total assets	23.9%	23.4%	24.6%	29.2%
<b>Loans and advances (million €)</b>	201 267	205 387	199 935	204 693
Annual change rate	-	2.0%	-2.7%	2.4%
As % of total assets	52.4%	55.5%	55.2%	54.3%
<b>Derivatives (million €)</b>	1 873	1 468	2 258	2 298
Annual change rate	-	-21.6%	53.8%	1.8%
As % of total assets	0.5%	0.4%	0.6%	0.6%
<b>Other assets<sup>(1)</sup> (million €)</b>	22 345	22 442	20 292	19 132
Annual change rate	-	0.4%	-9.6%	-5.7%
As % of total assets	5.8%	6.1%	5.6%	5.1%
<b>Total assets (million €)</b>	383 914	370 380	362 461	377 170
Annual change rate	-	-3.5%	-2.1%	4.1%
<b>Deposits (million €)</b>	316 451	307 063	291 996	302 823
Annual change rate	-	-3.0%	-4.9%	3.7%
As % of total assets	82.4%	82.9%	80.6%	80.3%
<b>Debt securities issued (million €)</b>	18 428	16 566	19 128	21 934
Annual change rate	-	-10.1%	15.5%	14.7%
As % of total assets	4.8%	4.5%	5.3%	5.8%
<b>Other financial liabilities (million €)</b>	9 495	7 125	5 237	4 032
Annual change rate	-	-25.0%	-26.5%	-23.0%
As % of total assets	2.5%	1.9%	1.4%	1.1%
<b>Derivatives (million €)</b>	1 764	1 338	2 059	2 056
Annual change rate	-	-24.1%	53.8%	-0.1%
As % of total assets	0.5%	0.4%	0.6%	0.5%
<b>Other liabilities (million €)</b>	6 966	7 963	10 393	10 114
Annual change rate	-	14.3%	30.5%	-2.7%
As % of total assets	1.8%	2.2%	2.9%	2.7%
<b>Total liabilities (million €)</b>	353 104	340 056	328 814	340 959
As % of total assets	-	-3.7%	-3.3%	3.7%
Annual change rate	92.0%	91.8%	90.7%	90.4%
<b>Equity (million €)</b>	30 810	30 323	33 648	36 210
Annual change rate	-	-1.6%	11.0%	7.6%
As % of total assets	8.0%	8.2%	9.3%	9.6%
<b>Total liabilities and equity (million €)</b>	383 914	370 380	362 461	377 170
Annual change rate	-	-3.5%	-2.1%	4.1%

Source: FIs, APB.

Note: <sup>(1)</sup> Includes: hedging derivatives; changes in the fair value of items covered by the interest rate risk hedging portfolio; investments in subsidiaries, joint ventures and associates; tangible assets; intangible assets; tax assets; other assets; and non-current assets and disposal groups classified as held for sale.

**Table 1: Composition of financial assets structure, as at 31 December (2021 – 2024)**

	2021				2022				2023				2024			
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
Derivatives <sup>(1)</sup> (million €)	1 873	-	-	1 873	1 468	-	-	1 468	2 258	-	-	2 258	2 298	-	-	2 298
Annual change rate <sup>l</sup>	-	-	-	-	-21.6%	-	-	-21.6%	53.9%	-	-	53.9%	1.7%	-	-	1.7%
As % of total	16.6%	-	-	0.6%	18.7%	-	-	0.5%	28.8%	-	-	0.8%	27.2%	-	-	0.7%
Equity instruments (million €)	3 794	822	-	4 616	2 663	947	-	3 610	2 570	915	-	3 485	2 117	881	-	2 998
Annual change rate <sup>l</sup>	-	-	-	-	-29.8%	15.2%	-	-21.8%	-3.5%	-3.4%	-	-3.5%	-17.6%	-3.7%	-	-14.0%
As % of total	33.7%	2.6%	-	1.5%	33.9%	5.8%	-	1.2%	32.7%	5.9%	-	1.2%	25.1%	3.7%	-	0.9%
Debt securities (million €)	5 511	28 379	57 973	91 863	3 653	13 203	69 649	86 504	2 957	12 142	74 112	89 211	3 967	20 799	85 218	109 984
Annual change rate <sup>l</sup>	-	-	-	-	-33.7%	-53.5%	20.1%	-5.8%	-19.1%	-8.0%	6.4%	3.1%	34.2%	71.3%	15.0%	23.3%
As % of total	49.0%	88.1%	22.6%	30.7%	46.6%	80.3%	25.5%	29.1%	37.6%	78.2%	27.3%	30.3%	47.0%	86.2%	29.7%	34.4%
Loans and advances (million €)	78	3 002	198 187	201 267	65	2 288	203 034	205 387	72	2 460	197 403	199 935	62	2 448	202 183	204 693
Annual change rate <sup>l</sup>	-	-	-	-	-16.4%	-23.8%	2.4%	2.0%	9.8%	7.5%	-2.8%	-2.7%	-13.7%	-0.5%	2.4%	2.4%
As % of total	0.7%	9.3%	77.4%	67.2%	0.8%	13.9%	74.5%	69.2%	0.9%	15.9%	72.7%	67.7%	0.7%	10.1%	70.3%	64.0%
Total	11 256	32 203	256 160	299 619	7 848	16 438	272 683	296 969	7 858	15 517	271 515	294 889	8 444	24 128	287 401	319 973

Source: Fls, APB.

Note: <sup>(1)</sup> Does not include hedging derivatives.

**Table 2: Loans and advances to customers, as at 31 December (2021 – 2024)**

	2021	2022	2023	2024
<b>Companies and public sector</b>				
Total (million €)	86 931	86 796	83 085	81 310
Annual change rate	-	-0.2%	-4.3%	-2.1%
As % of total loans and advances to customers	43.3%	42.4%	41.6%	39.9%
<b>House purchase</b>				
Total (million €)	98 654	102 633	101 240	105 507
Annual change rate	-	4.0%	-1.4%	4.2%
As % of total loans and advances to customers	49.1%	50.1%	50.5%	51.8%
<b>Consumer credit and other</b>				
Total (million €)	15 148	15 251	15 585	16 757
Annual change rate	-	0.7%	2.2%	7.5%
As % of total loans and advances to customers	7.5%	7.5%	7.8%	8.2%
Total loans and advances to customers	200 733	204 680	199 910	203 574
Annual change rate	-	2.0%	-2.3%	1.8%
Total impairment of loans and advances to customers	(7 551)	(6 714)	(6 229)	(5 396)
Total net	193 182	197 966	193 681	198 178
Annual change rate	-	2.5%	-2.2%	2.3%

Source: IFs, APB.

Gross loans to customers increased by 1.8% compared to 2023, driven by growth in housing and consumer loans (4.2% and 7.5%, respectively). By contrast, loans granted to non-financial corporations and public sector declined by 2.1%.

The increase in loans for house purchase was related to the evolution in interest rates, higher household disposable income and the legislative measures supporting home purchases by young people implemented in August.

The annualised interest rate on new loans for house purchase continued the downward trajectory that began in October 2023 and, in December, stood at 3.2% (representing a year-on-year decrease of 1.0 pp).

It should be noted that, according to data published by the Banco de Portugal, new housing loan operations with mixed interest rates accounted for around 74% of the total in 2024. In addition, credit transfers between institutions, which had been increasing since October 2022, began a downward trajectory from March 2024 onwards and, in 2024, represented 21.2% of the annual flow of new housing loans (compared with 26.1% in 2023).

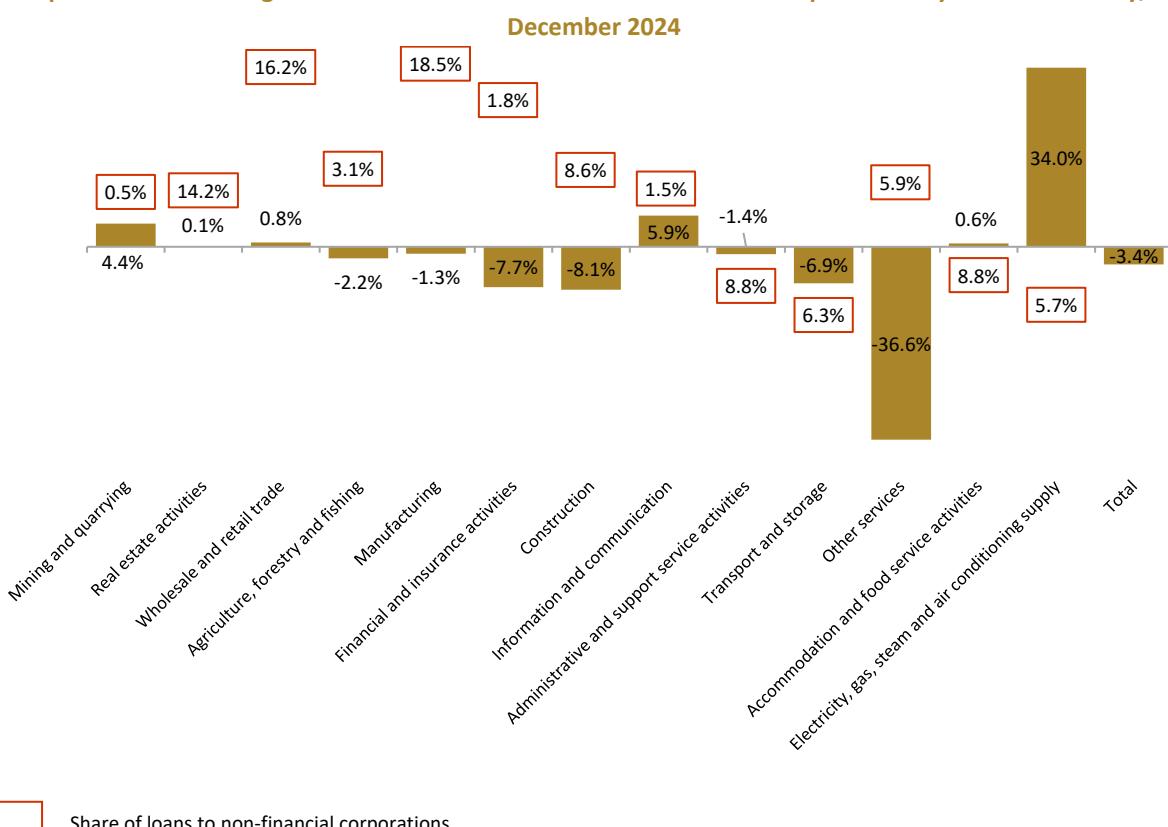
Consumer credit and other purposes increased by 7.5% compared to 2023, while the annualised interest rate remained broadly unchanged from the previous year (8.6% in December 2024). Unlike housing credit, the majority of consumer credit contracts are contracted at a fixed interest rate.

The decline in loans granted to non-financial corporations and public sector was less pronounced than in the previous year. This development mainly reflected the stabilisation of credit demand by non-financial corporations observed in the second half of 2024, driven by the decline in interest rates and increased investment financing needs.

The annualised interest rate on new loans to non-financial corporations declined from 5.7% in December 2023 to 4.3% in December 2024, reflecting the decline in Euribor rates across maturities and a slight compression of spreads.

According to the Banco de Portugal, in 2024 new loans to non-financial corporations remained concentrated in the low- and medium-risk categories.

**Graph 26: Annual change rate in loans and advances to non-financial corporations by sector of activity, 31 December 2024**



Share of loans to non-financial corporations

Source: FIs, APB.

**Table 3: Asset quality, as at 31 December (2021-2024)**

2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	
<b>Total</b>				<b>House Purchase</b>				<b>Consumer credit and other</b>				<b>Companies and public sector</b>				
Non-performing loans (million €)	9 434	7 548	5 955	5 185	1 440	1 029	1 130	1 245	1 342	1 189	881	919	6 188	5 016	3 579	2 818
Annual change rate	-	-20.0%	-21.1%	-12.9%	-	-28.5%	9.8%	10.2%	-	-11.4%	-25.9%	4.2%	-	-18.9%	-28.7%	-21.3%
NPL Ratio	4.5%	3.6%	2.9%	2.5%	1.5%	1.0%	1.1%	1.2%	8.8%	7.6%	5.6%	5.5%	8.4%	6.9%	5.1%	4.2%
Annual change rate	-	-0.9 pp	-0.7 pp	-0.4 pp	-	-0.5 pp	0.1 pp	0.1 pp	-	-1.2 pp	-2.0 pp	-0.1 pp	-	-1.5 pp	-1.8 pp	-0.9 pp
NPL Coverage Ratio	54.2%	57.8%	58.6%	59.1%	31.5%	40.6%	38.1%	33.4%	71.2%	71.1%	65.2%	64.2%	55.4%	58.0%	65.2%	69.6%
Annual change rate	-	3.6 pp	0.8 pp	0.5 pp	-	9.1 pp	-2.5 pp	-4.7 pp	-	-0.1 pp	-5.9 pp	-1.0 pp	-	2.6 pp	7.2 pp	4.4 pp
Net NPL Ratio	2.1%	1.5%	1.2%	1.0%	1.2%	0.8%	0.9%	0.9%	1.0%	0.6%	0.7%	0.8%	2.5%	2.1%	2.1%	2.1%
Annual change rate	-	-0.6 pp	-0.3 pp	-0.2 pp	-	-0.4 pp	0.1 pp	0.0 pp	-	-0.4 pp	0.1 pp	0.1 pp	-	-0.4 pp	0.0 pp	0.0 pp

Source: Fls, APB.

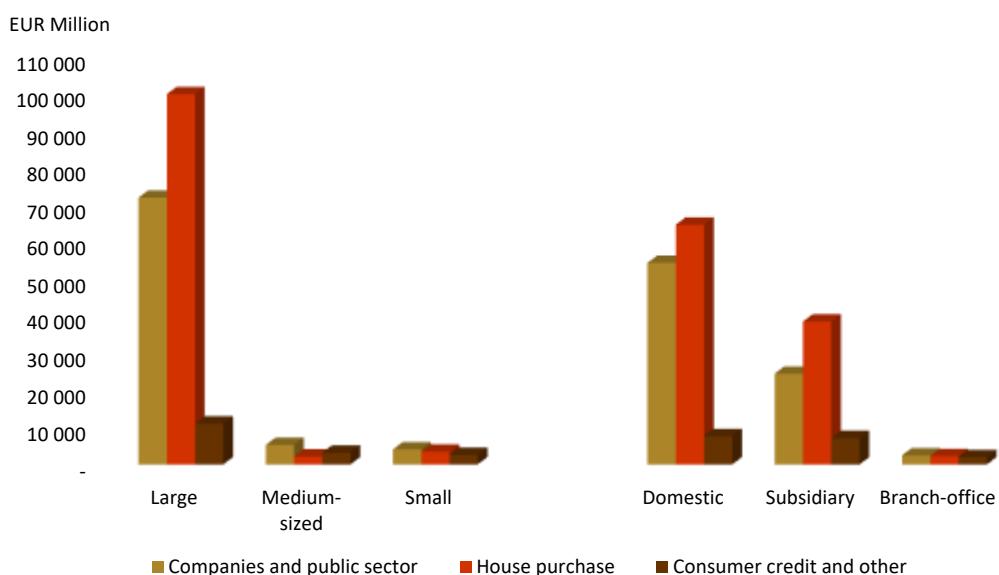
In 2024, the NPL ratio maintained the downward trajectory observed since 2016 and stood at 2.5% (–0.4 pp year on year), against a Euro Area average of 1.9%. This development resulted from a reduction in the stock of NPLs of non-financial corporations and general government. In turn, the NPL ratio net of impairments stood at 1.0%. The favourable macroeconomic environment and the decline in interest rates were key factors in the reduction of credit risk in 2024.

NPLs of non-financial corporations and general government, which accounted for 54.3% of the total stock of NPLs of the associated financial institutions, declined by 21.3% compared to 2023, with the NPL ratio decreasing by 0.9 pp to 4.2%, mainly due to write-offs and NPL sales.

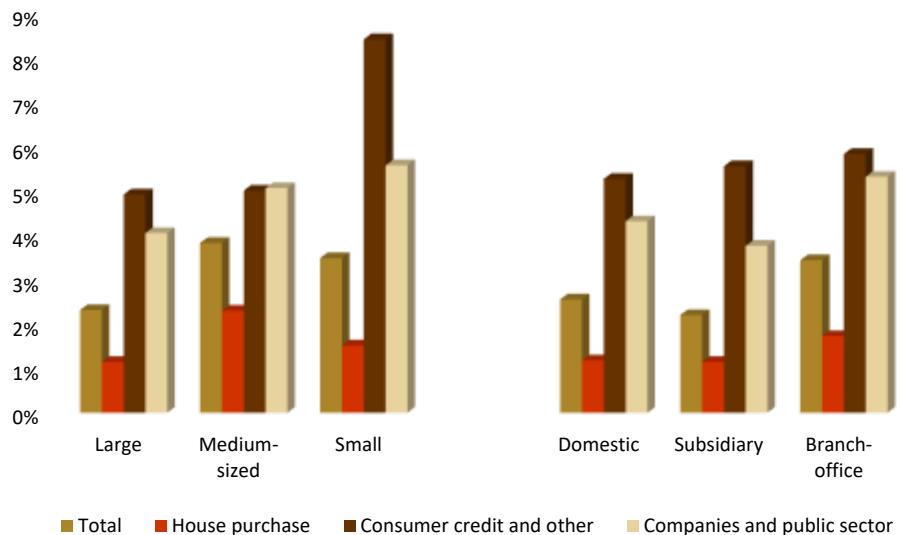
For loans to households, two distinct developments were observed. As regards the NPL ratio for housing loans, a slight increase of 0.1 pp compared to 2023 was recorded, reflecting the increase in the inflow of new loans into NPLs. In the consumer credit and other purposes segment, the NPL ratio declined from 5.6% in 2023 to 5.5% in 2024.

The NPL coverage ratio increased by 0.5 pp, to 59.1%. This development reflected a reduction in on-balance-sheet NPLs that was greater than the decrease observed in accumulated impairments.

**Graph 27: Loans and advances to customers, by size and by origin / type of legal structure,  
as at 31 December 2024**



Source: IFs, APB.

**Graph 28: NPL Ratio by size and by origin / type of legal structure, as at 31 December 2024**


Source: FIs, APB.

Associated banks increased their exposure to debt securities from 24.6% of total assets in 2023 to 29.2% in 2024. This development was mainly driven by the increase in holdings of government debt securities (+27.4%, or €16 billion) and exposure to non-financial corporations (+10.2%, or €1.8 billion).

The share of debt securities measured at amortised cost continued to increase and stood at €11.1 billion in 2024 (+15% compared to the previous year). In 2024, this category accounted for approximately 78% of total debt securities, compared with 83.1% in the previous year, and 22.6% of total assets (20.4% in 2023). This portfolio entails lower exposure to market risk volatility, as value changes are recognised on the balance sheet only upon sale and the securities are expected to be held to maturity.

Government debt securities recorded an annual increase of 27.4% (3.9% in 2023), with their share of total assets rising from 16.1% in the previous year to 19.8% in 2024. This development reflected a reduction in the share of Portuguese government debt securities and an increase in exposure to Spanish, Italian and French government debt, as well as to debt issued by the European Commission.

**Table 4: Composition of debt securities portfolio, as at 31 December (2021-2024)**

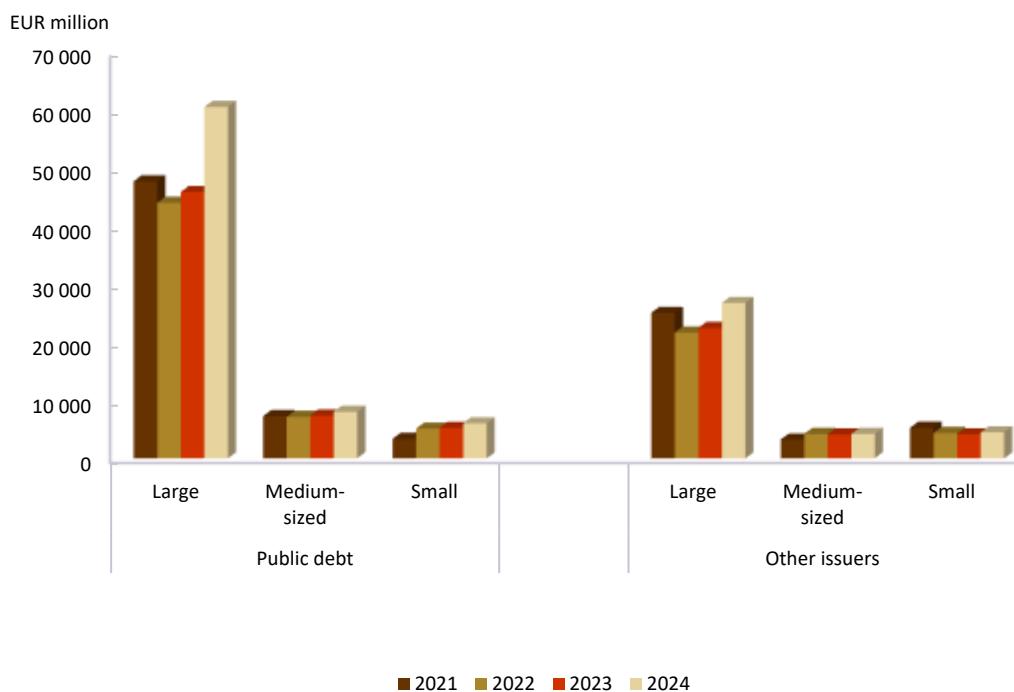
	2021	2022	2023	2024
<b>Public debt</b>				
Total (million €)	58 310	56 275	58 497	74 532
Annual change rate	-	-3.5%	3.9%	27.4%
As % of total	63.5%	65.1%	65.6%	67.8%
<b>Other issuers</b>				
Total (million €)	33 553	30 229	30 714	35 452
Annual change rate	-	-9.9%	1.6%	15.4%
As % of total	36.5%	34.9%	34.4%	32.2%
Total debt securities	91 863	86 504	89 211	109 984
Annual change rate	-	-5.8%	3.1%	23.3%
Public debt as % of total assets	15.2%	15.2%	16.1%	19.8%

Source: FIs, APB.

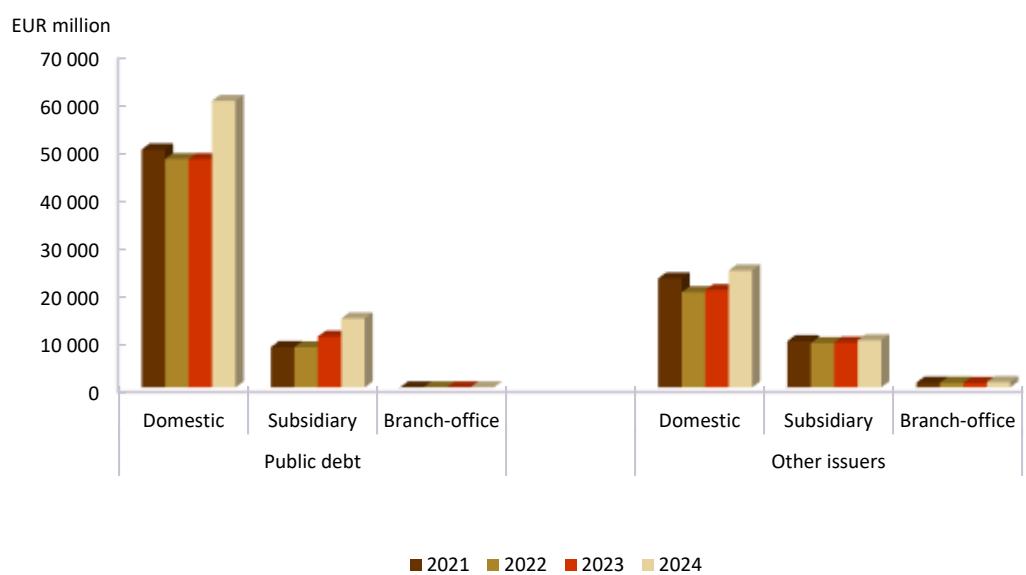
**Table 5: Composition of debt securities by portfolio, as at 31 December (2021-2024)**

	2021	2022	2023	2024
<b>Public debt</b>				
Fair value through profit or loss (million €)	922	1 099	760	2 024
As % of total public debt	1.6%	2.0%	1.3%	2.7%
Fair value through other comprehensive income (million €)	22 595	9 563	8 704	15 934
As % of total public debt	38.7%	17.0%	14.9%	21.4%
Amortised cost (million €)	34 793	45 613	49 033	56 574
As % of total public debt	59.7%	81.1%	83.8%	76.0%
<b>Other issuers</b>				
Fair value through profit or loss (million €)	4 590	2 553	2 197	1 943
As % of total other issuers debt	13.7%	8.4%	7.2%	5.5%
Fair value through other comprehensive income (million €)	5 784	3 640	3 438	4 866
As % of total other issuers debt	17.2%	12.0%	11.2%	13.7%
Amortised cost (million €)	23 179	24 036	25 079	28 643
As % of total other issuers debt	69.1%	79.5%	81.7%	80.9%
Total public debt	91 863	86 504	89 211	109 984
Annual change rate	-	-5.8%	3.1%	23.3%

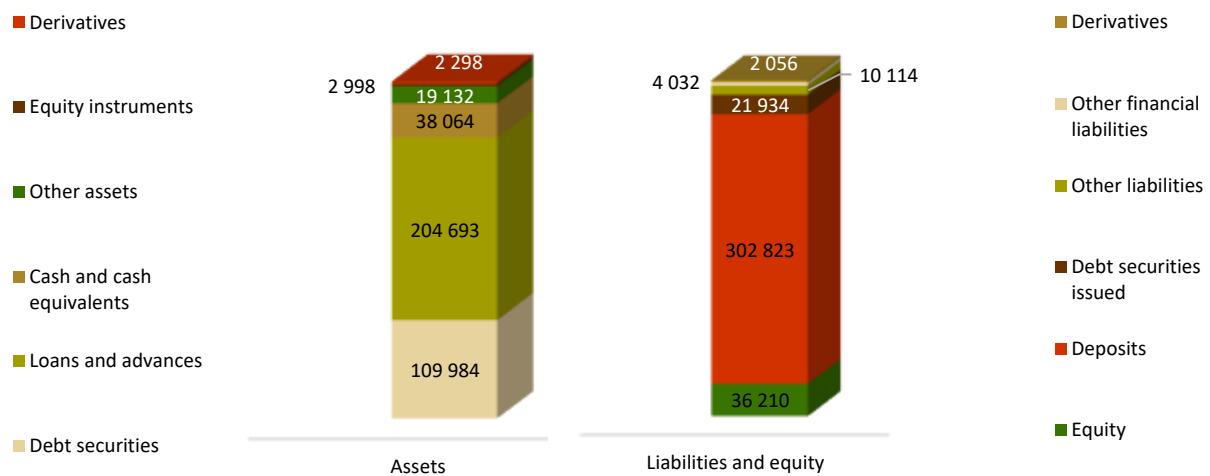
Source: FIs, APB.

**Graph 29: Graph 30: Debt securities of FIs, by size, as at 31 December**


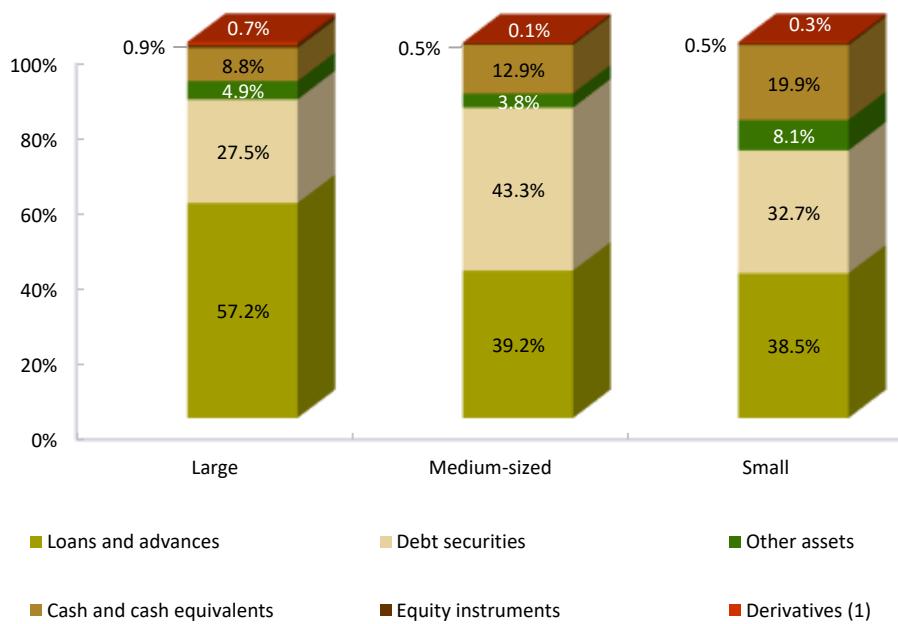
Source: FIs, APB.

**Graph 31: Debt securities of FIs, by origin / type of legal structure, as at 31 December**


Source: FIs, APB.

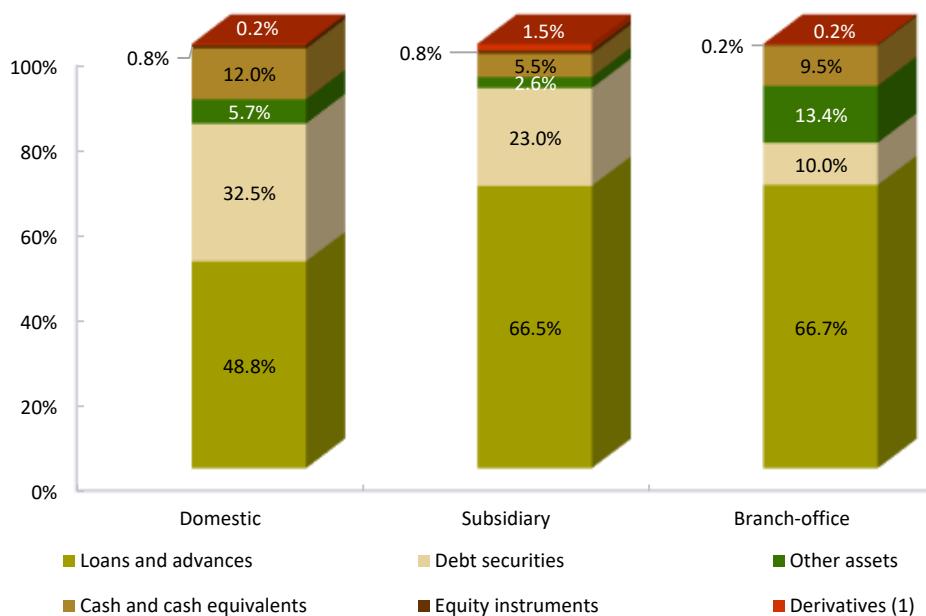
**Graph 32: Balance sheet structure, as at 31 December 2024 (million EUR)**


Source: FIs, APB.

**Graph 33: Total assets structure by size, as at 31 December 2024**


Source: FIs, APB.

Note: <sup>(1)</sup> Does not include hedging derivatives.

**Graph 34: Total assets structure by origin / type of legal structure, as at 31 December 2024**


Source: FIs, APB.

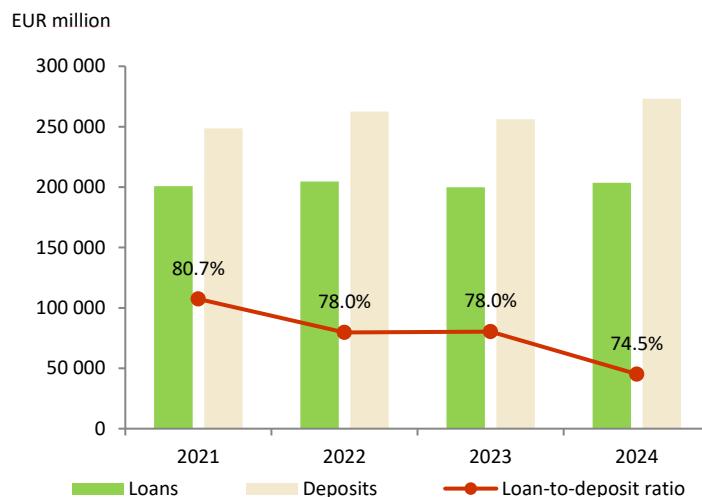
Note: <sup>(1)</sup> Does not include hedging derivatives.

Customer deposits recorded annual growth of 6.6%, with their share in the funding structure of financial institutions increasing from 70.7% in 2023 to 72.4% in 2024.

In the household segment, which accounted for 69.3% of customer deposits, annual growth of 7.9% was recorded, while in the companies and public sector segment the increase was less pronounced, at 3.9%. In terms of maturity, both demand deposits and deposits with agreed maturity increased, with growth being more marked in the latter. In 2024, deposits with agreed maturity and demand deposits grew by 8.6% and 3.3%, respectively.

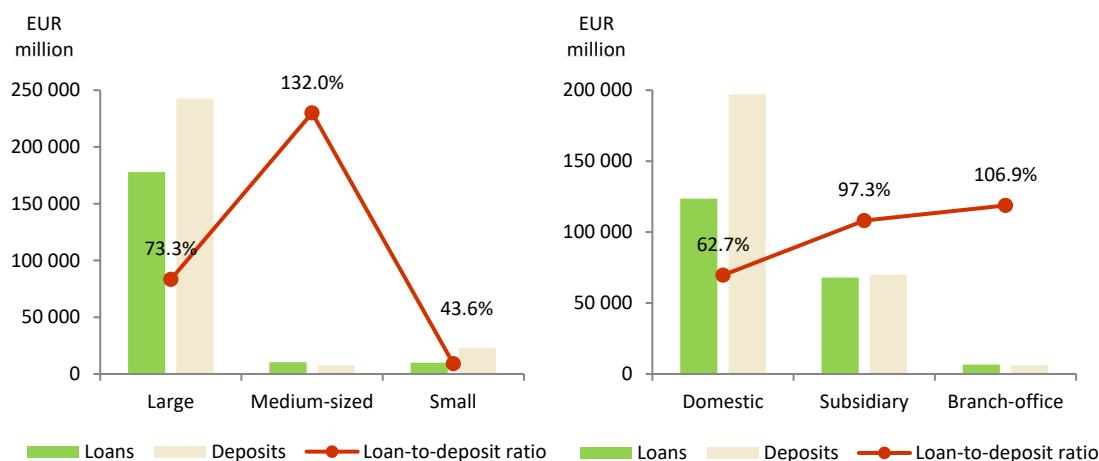
As the increase in customer deposits exceeded that in loans to customers, the loan-to-deposit ratio declined and, in 2024, stood at 74.5%, compared with 78.0% in 2023.

**Graph 35: Loan-to-Deposit ratio, as at 31 December**



Source: IFs, APB.

**Graph 36: Loan-to-Deposit ratio by size and by origin / type of legal structure, as at 31 December 2024**



Source: IFs, APB.

Funding from market sources increased by 14.7% compared to the previous year, but continued to represent a limited share of the funding structure of the banking sector (5.8% of financial institutions' funding structure). During the year, member institutions continued to issue instruments eligible for meeting the minimum requirement for own funds and eligible liabilities (MREL).

In 2024, funding from the Eurosystem declined sharply again (-96.0% compared to 2023), reaching virtually zero levels.

**Table 6: Composition and evolution of aggregate financing structure, as at 31 December (2021-2024)**

	2021	2022	2023	2024
<b>Financial liabilities at fair value through profit or loss</b>				
Total (million €)	3 588	3 244	5 791	5 410
Annual change rate	-	-9.6%	78.5%	-6.6%
As % of total assets	0.9%	0.9%	1.6%	1.4%
<b>Financial liabilities at amortised cost</b>				
Total (million €)	342 550	328 849	312 630	325 435
Annual change rate	-	-4.0%	-4.9%	4.1%
As % of total assets	89.2%	88.8%	86.2%	86.4%
<b>Other liabilities</b>				
Total (million €)	6 966	7 964	10 393	10 114
Annual change rate	-	14.3%	30.5%	-2.7%
As % of total assets	1.8%	2.2%	2.9%	2.7%
Total Liabilities	353 104	340 056	328 814	340 959
Annual change rate	-	-3.7%	-3.3%	3.7%
As % of total assets	92.0%	91.8%	90.7%	90.4%
<b>Equity</b>				
Total (million €)	30 810	30 323	33 648	36 210
Annual change rate	-	-1.6%	11.0%	7.6%
As % of total assets	8.0%	8.2%	9.3%	9.6%
<b>Total Liabilities and Equity</b>	<b>383 914</b>	<b>370 380</b>	<b>362 462</b>	<b>377 169</b>

Source: FIs, APB.

**Table 7: Composition of financial liabilities structure, as at 31 December (2021–2024)**

	2021			2022			2023			2024		
	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
Derivatives <sup>(1)</sup> (million €)	1 765	-	1 765	1 337	-	1 337	2 059	-	2 059	2 056	-	2 056
As % of total	49.2%	-	0.5%	41.2%	-	0.4%	35.5%	-	0.6%	37.9%	-	0.6%
Deposits (million €)	25	316 426	316 451	538	306 525	307 063	2 416	289 580	291 996	2 056	300 766	302 823
As % of total	0.7%	92.4%	91.4%	16.6%	93.2%	92.5%	41.7%	92.6%	91.6%	38.0%	92.4%	91.6%
Debt securities issued (million €)	1 582	16 847	18 428	1 341	15 225	16 566	1 287	17 841	19 129	1 292	20 642	21 935
As % of total	44.1%	4.9%	5.3%	41.3%	4.6%	5.0%	22.2%	5.7%	6.0%	23.9%	6.3%	6.6%
Other financial liabilities (million €)	217	9 277	9 495	27	7 099	7 125	28	5 209	5 237	5	4 027	4 032
As % of total	6.1%	2.7%	2.7%	0.8%	2.2%	2.1%	0.5%	1.7%	1.6%	0.1%	1.2%	1.2%
<b>Total</b>	<b>3 588</b>	<b>342 550</b>	<b>346 138</b>	<b>3 244</b>	<b>328 849</b>	<b>332 093</b>	<b>5 791</b>	<b>312 630</b>	<b>318 421</b>	<b>5 410</b>	<b>325 435</b>	<b>330 845</b>

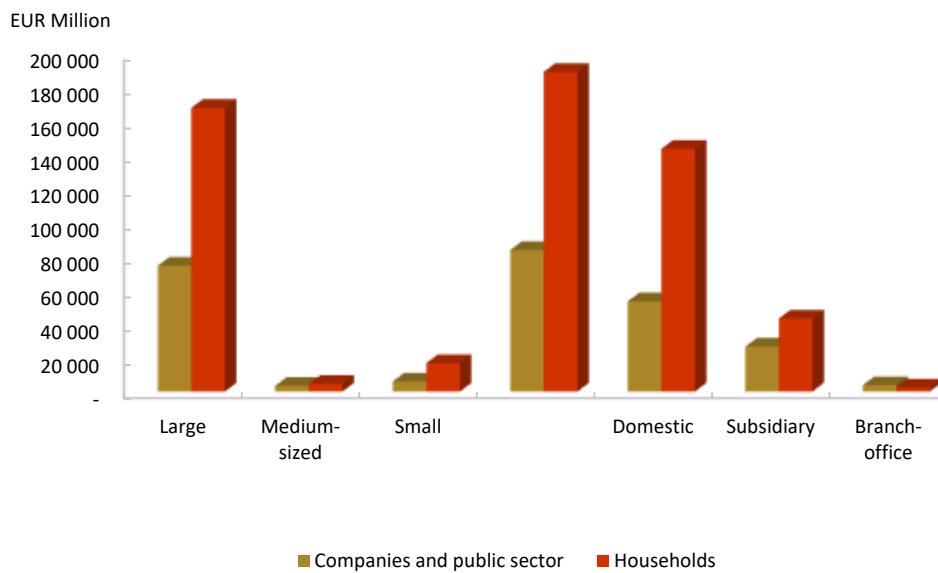
Source: Fls, APB.

Note: <sup>(1)</sup> Does not include hedging derivatives.

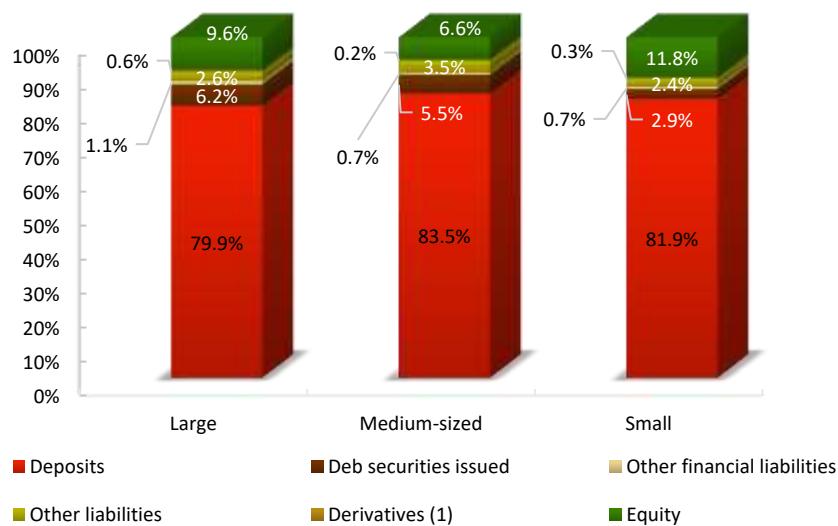
**Table 8: Deposits, as at 31 December (2021-2024)**

	2021	2022	2023	2024
<b>Central banks</b>				
Total (million €)	41 506	15 846	3 287	132
Annual change rate	-	-61.8%	-79.3%	-96.0%
As % of total deposits	13.1%	5.2%	1.1%	0.0%
<b>Credit institutions</b>				
Total (million €)	26 318	28 695	32 521	29 511
Annual change rate	-	9.0%	13.3%	-9.3%
As % of total deposits	8.3%	9.3%	11.1%	9.7%
<b>Companies and public setor</b>				
Total (million €)	80 501	84 555	80 642	83 815
Annual change rate	-	5.0%	-4.6%	3.9%
As % of total deposits	25.4%	27.5%	27.6%	27.7%
<b>Households</b>				
Total (million €)	168 126	177 967	175 546	189 365
Annual change rate	-	5.9%	-1.4%	7.9%
As % of total deposits	53.0%	58.0%	60.1%	62.4%
Total deposits from customers	248 627	262 522	256 188	273 180
Annual change rate	-	5.6%	-2.4%	6.6%
Total de deposits	316 451	307 063	291 996	302 823
Annual change rate	-	-3.0%	-4.9%	3.7%

Source: FIs, APB.

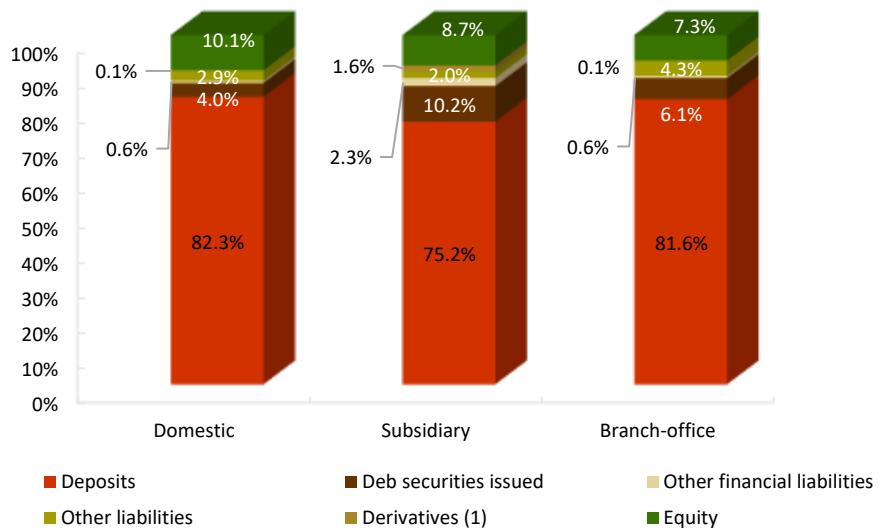
**Graph 37: Deposits from customers by size and type of legal structure, as at 31 December 2024**


Source: IFs, APB.

**Graph 38: Liabilities structure by size, as at 31 December 2024**


Source: IFs, APB.

Note: <sup>(1)</sup> Does not include hedging derivatives.

**Graph 39: Liabilities structure by origin / type of legal structure, as at 31 December 2024**


Source: FIs, APB.

Note: <sup>(1)</sup> Does not include hedging derivatives

## V.2. Income statement analysis

The aggregate profitability of financial institutions remained high, with a return on equity (ROE) of 15.5%, slightly above the level recorded in the previous year (15%). Aggregate net profit amounted to EUR 5.4 billion, corresponding to a year-on-year increase of 12.6% (EUR 600 million).

The improvement in results was primarily driven by a decline in provisions and impairments for credit and, to a lesser extent, by an increase in net fee and commission results and other results (mainly reflecting higher dividend income and a reduction in mandatory contributions to the Deposit Guarantee Fund and the Resolution Fund). These developments more than offset the decrease in net interest income, which reflected the decline in interest rates, the reduction in financial operations results, as well as the increase in operating costs.

**Table 9: Aggregated income statement (2021-2024)**

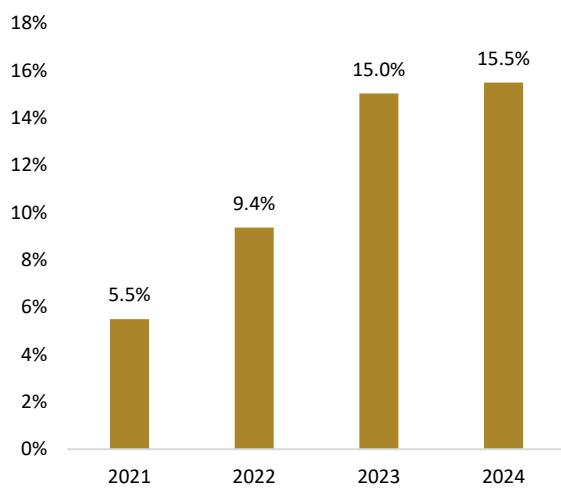
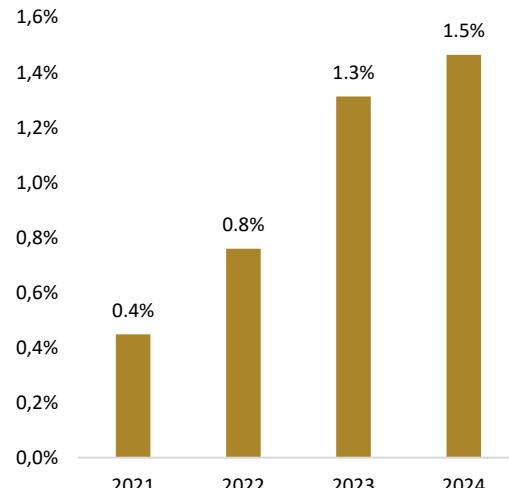
	2021 million €	2022 million €	2023 million €	2024 million €
Net interest income	4 038	4 776	8 847	8 727
Annual change rate	-	18.3%	85.2%	-1.4%
Net results from fees and commissions	2 343	2 496	2 429	2 534
Annual change rate	-	6.5%	-2.7%	4.3%
Net results from financial operations	595	315	345	287
Annual change rate	-	-47.1%	9.5%	-16.8%
Other results	540	790	740	910
Annual change rate	-	46.3%	-6.3%	23.0%
<b>Operating income</b>	<b>7 516</b>	<b>8 377</b>	<b>12 361</b>	<b>12 458</b>
<b>Annual change rate</b>	<b>-</b>	<b>11.5%</b>	<b>47.6%</b>	<b>0.8%</b>
Operating costs	-3 795	-4 204	-4 285	-4 556
Annual change rate	-	10.8%	1.9%	6.3%
Provisions and impairment	-1 492	-581	-1 608	-578
Annual change rate	-	-61.1%	>100%	-64.1%
Other results	54	85	40	93
Annual change rate	-	57.4%	-52.9%	>100%
<b>Profit or loss before taxes</b>	<b>2 283</b>	<b>3 677</b>	<b>6 508</b>	<b>7 417</b>
<b>Annual change rate</b>	<b>-</b>	<b>61.1%</b>	<b>77.0%</b>	<b>14.0%</b>
Taxes	-624	-813	-1 700	-2 004
Annual change rate	-	30.3%	>100%	17.9%
Results from discontinued operations	1	-	1	-
Annual change rate	-	-100.0%	S.S.	-100.0%
<b>Net income for the year</b>	<b>1 660</b>	<b>2 864</b>	<b>4 809</b>	<b>5 413</b>
<b>Annual change rate</b>	<b>-</b>	<b>72.5%</b>	<b>67.9%</b>	<b>12.6%</b>

Source: Fls, APB.

**Table 10: Breakdown of the components of the aggregated income statement (2020-2024)**

	2021	2022	2023	2024
	million €	million €	million €	million €
Interest income	5 428	6 450	13 894	16 591
Interest expense	-1 390	-1 674	-5 047	-7 864
<b>Net interest income (NII)</b>	<b>4 038</b>	<b>4 776</b>	<b>8 847</b>	<b>8 727</b>
Fee and commission income	2 818	3 022	2 915	3 050
Fee and commission expense	-475	-526	-486	-516
Net results from fees and commissions	2 343	2 496	2 429	2 534
Net results from financial operations	595	315	345	287
Other results	540	790	740	910
<b>Operating income (OI)</b>	<b>7 516</b>	<b>8 377</b>	<b>12 361</b>	<b>12 458</b>
Staff costs	-2 147	-2 461	-2 434	-2 543
General administrative expenses	-1 209	-1 268	-1 389	-1 533
Depreciation and amortisation	-439	-475	-462	-480
Operating costs	-3 795	-4 204	-4 285	-4 556
<b>Gross operating results (GOR)</b>	<b>3 721</b>	<b>4 173</b>	<b>8 076</b>	<b>7 902</b>
Provisions net of reversals	-598	-138	-609	-416
Impairment of financial assets, net of reversals	-857	-534	-849	-43
Impairment of investments in subsidiaries, joint ventures and associates, net of reversals	47	114	-74	-39
Impairment of non-financial assets, net of reversals	-84	-23	-76	-80
Provisions and impairment	-1 492	-581	-1 608	-578
Negative goodwill recognised in profit or loss	-	-	-	-
Share of profit or loss investments in associates	18	36	1	72
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	37	49	39	21
Other results	54	85	40	93
<b>Profit or loss before tax (PLBT)</b>	<b>2 283</b>	<b>3 677</b>	<b>6 508</b>	<b>7 417</b>
Tax expenses or income related to profit or loss from continuing operations	-624	-813	-1 700	-2 004
Profit or (-) loss after tax from discontinued operations	1	-	1	-
<b>Net income for the year (NI)</b>	<b>1 660</b>	<b>2 864</b>	<b>4 809</b>	<b>5 413</b>

Source: FIs, APB.

**Graph 40: Return on equity (ROE)**

**Graph 41 – Return on assets (ROA)**


Source: FIs, APB.

Net interest income decreased by 1.4% compared with 2023, to EUR 8.8 billion (–EUR 120 million), and its weight in the operating income of financial institutions declined from 71.6% in 2023 to 70.1% in 2024. The increase in interest paid on deposits exceeded the increase in interest received on loans, although a slight increase was also observed in interest income from debt securities, in particular from sovereign debt.

**Table 11: Breakdown of net interest income**

	2021	2022	2023	2024
	million €	million €	million €	million €
<b>Interest income</b>				
Trading derivatives	183	150	397	1 066
Debt securities	834	1 067	1 935	2 564
Loans and advances	3 607	4 345	9 069	10 035
Other assets	189	314	1 290	1 471
Deposits	383	290	33	32
Derivatives – hedge accounting	232	284	1 172	1 423
Total	5 428	6 450	13 894	16 591
<b>Interest expense</b>				
Trading derivatives	161	142	442	1 113
Debt securities	75	80	59	38
Loans adn advances	84	90	86	103
Other assets	13	46	0	0
Deposits	383	425	2 301	4 253
Debt securities issued	288	383	551	761
Other financial liabilities	43	75	195	146
Derivatives – hedge accounting	265	376	1 272	1 256
Other liabilities	79	57	141	195
Total	1 390	1 674	5 047	7 864
Margem Financeira	<b>4 038</b>	<b>4 776</b>	<b>8 847</b>	<b>8 727</b>
Taxa de variação anual	-	18,3%	85,3%	-1,4%

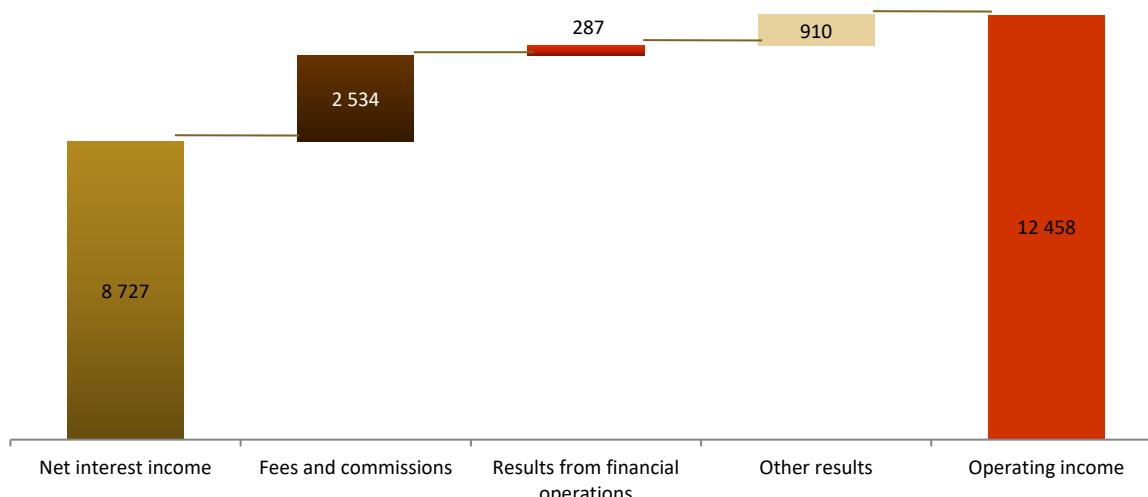
Source: FIs, APB.

Fee and commission results increased compared with the level recorded in 2023 (+4.3%), in particular fees from payment services and from customer resources distributed but not managed, such as insurance and investment funds.

**Table 12: Breakdown of fees and commissions**

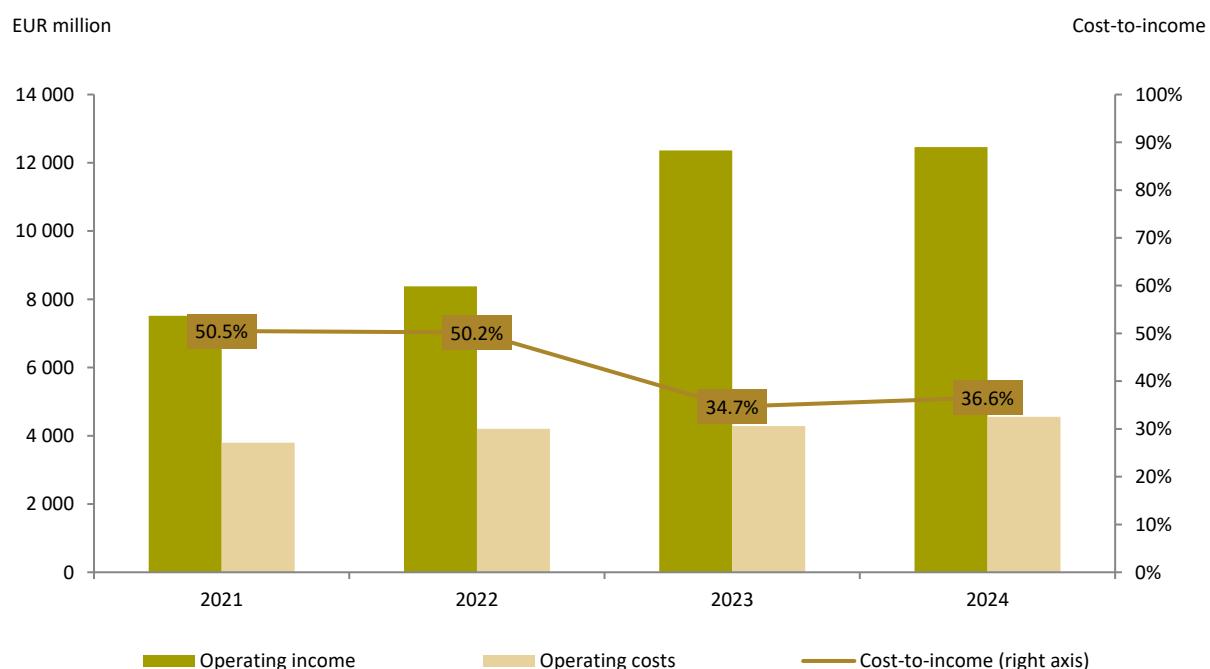
	2021	2022	2023	2024
	million €	million €	million €	million €
<b>Fee and commission income</b>				
Securities	97	106	100	113
Clearing and settlement	106	121	115	114
Asset management	60	59	58	57
Custody	52	49	52	54
Central administration services for collective investment	10	11	9	9
Payment services	998	1 115	1 087	1 162
Customer resources distributed but not managed	544	582	582	655
Structured Finance	33	31	33	39
Loan servicing activities	37	36	47	37
Loan commitments given	54	56	34	30
Financial guarantees given	105	108	104	104
Loans granted	176	181	147	132
Other	546	565	547	544
Total	2 818	3 022	2 915	3 050
<b>Fee and commission expenses</b>				
Clearing and settlement	23	24	23	19
Custody	6	5	6	7
Loan servicing activities	6	5	5	5
Loan commitments received	2	4	2	3
Financial guarantees received	10	18	17	16
Other	428	470	433	465
Total	475	526	486	516
Net results from fees and commissions	<b>2 343</b>	<b>2 496</b>	<b>2 429</b>	<b>2 534</b>
Annual change rate		6,5%	-2,7%	4,3%

Source: FIs, APB.

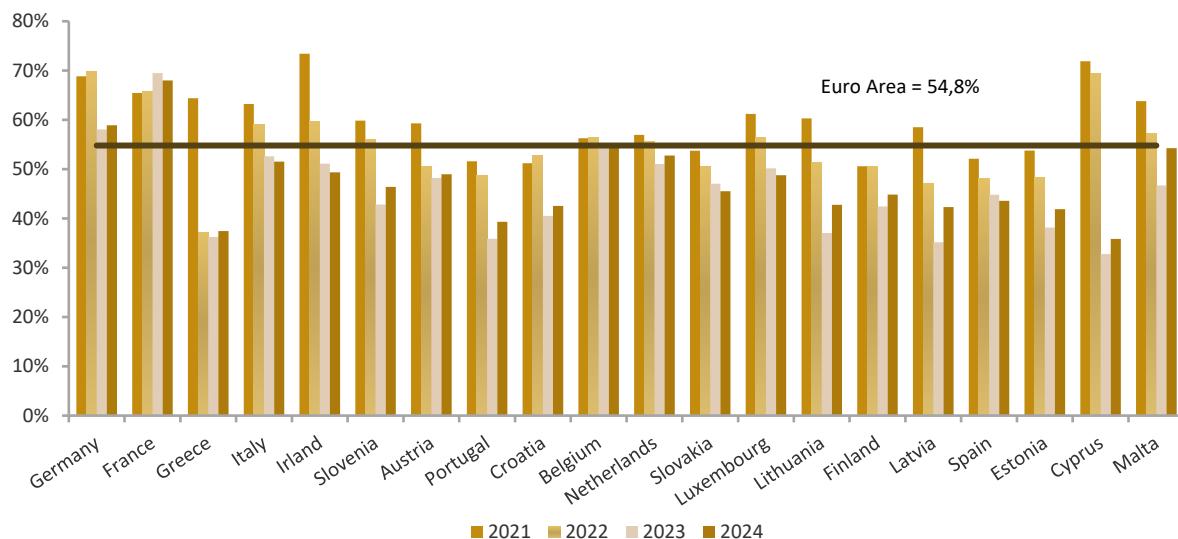
**Graph 42: Breakdown of operating income, 2024 (millions €)**


Source: FIs, APB.

Operating costs increased by 6.3% compared with 2023, mainly reflecting the rise in general and administrative expenses (+10.4% year on year), driven in particular by the prevailing inflationary environment and investments in digitalisation. Staff costs and depreciation and amortisation expenses also recorded increases of 4.5% and 3.9%, respectively.

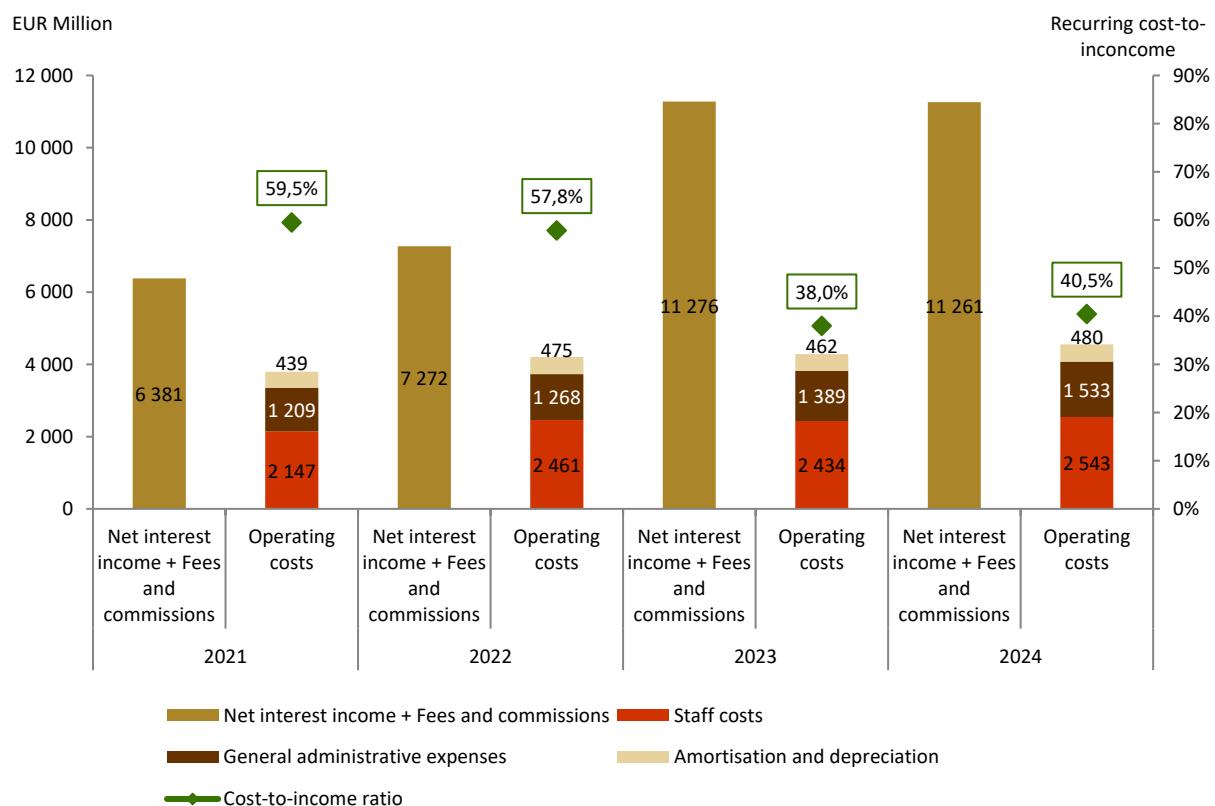
**Graph 43: Evolution of operating income, operating costs and the cost-to-income ratio**


Source: FIs, APB.

**Graph 44: Cost-to-income ratio in the Euro Area**


Source: ECB.

In 2024, the cost-to-income ratio increased by 1.9 pp to 36.6%, as the increase in operating costs exceeded the growth in operating income, but it remained significantly below the Euro Area average.

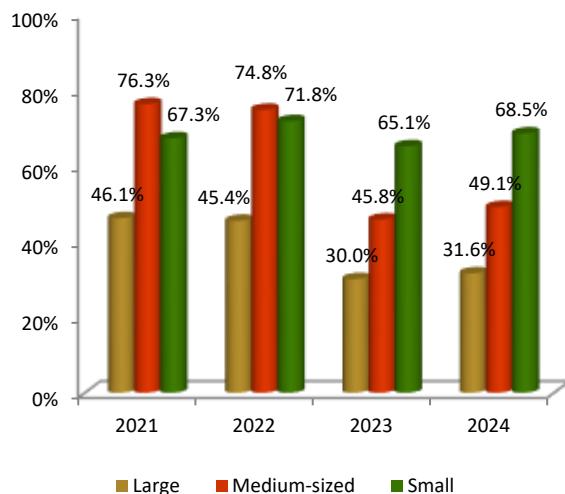
**Graph 45: Recurring cost-to-income ratio**


Source: FIs, APB.

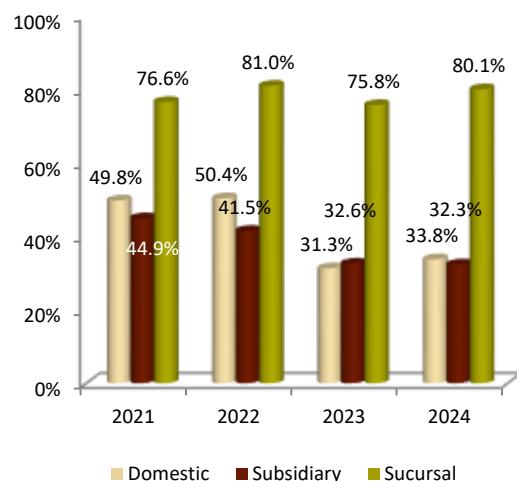
The recurring cost-to-income ratio also increased, from 38.0% in 2023 to 40.5% in 2024.

**Graph 46: Evolution of the cost-to-income ratio**

**a) By size**

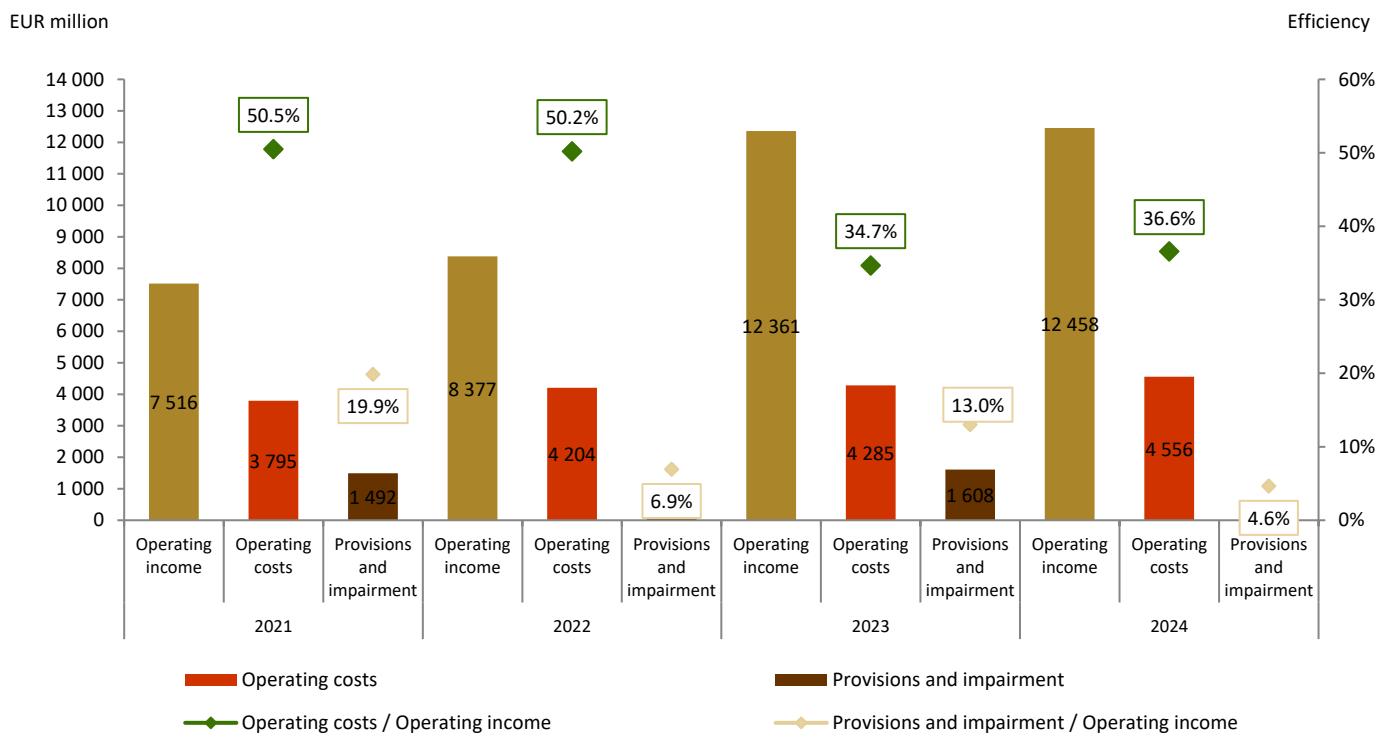


**b) By origin / type of legal structure**

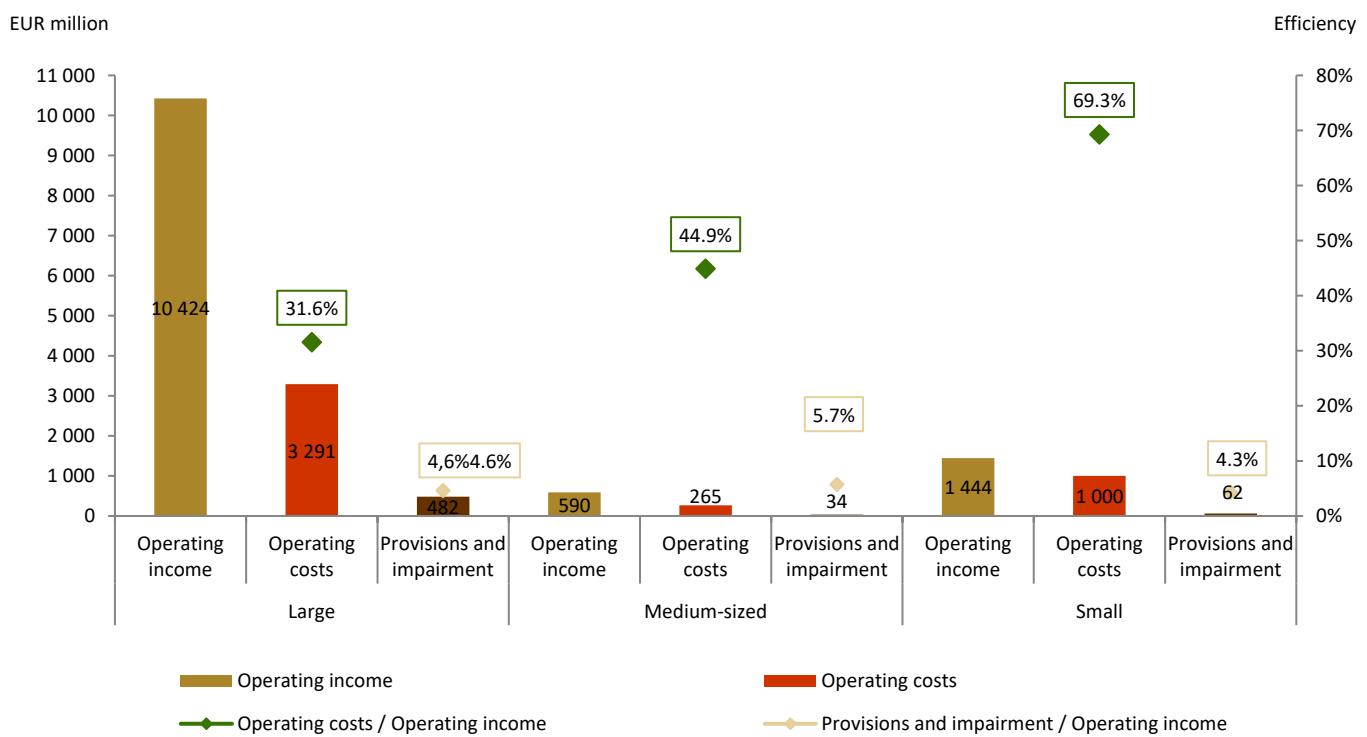


Source: Fls, APB.

Provisions and impairments amounted to EUR 0.6 billion in 2024, after having increased to EUR 1.6 billion in the previous year.

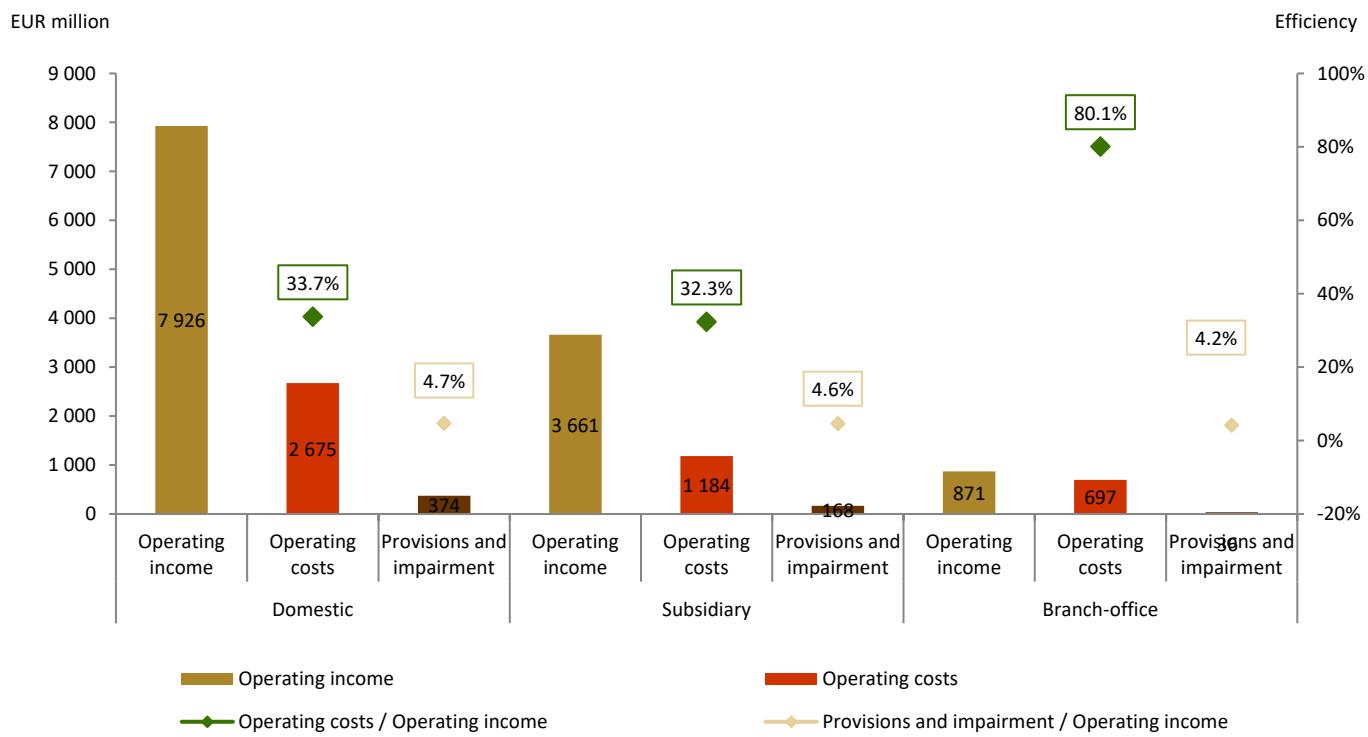
**Graph 47: Evolution of operating income, operating costs and impairments**


Source: FIs, APB.

**Graph 48: Evolution of operating income, operating costs and impairments by institution size, 2024**


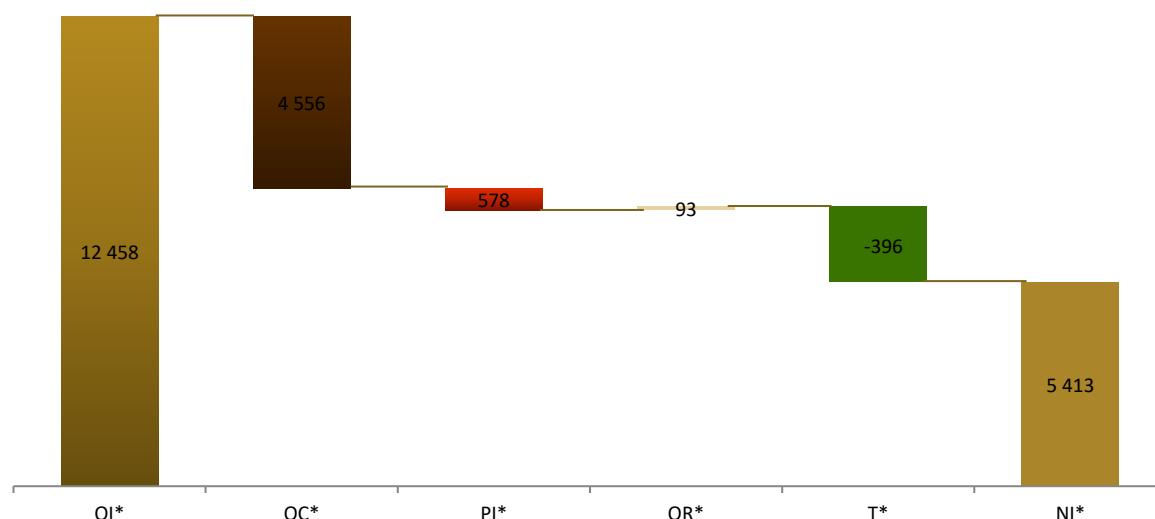
Source: FIs, APB.

**Graph 49: Evolution of operating income, operating costs and impairments by origin / type of legal structure, 2024**



Source: IFs, APB.

**Graph 50: Breakdown of net profit, 2024**



Note: OI\* – operating income; OC\* – Operating costs; PI\* – provisions and impairment; OR\* – other results; T\* – taxes; DO\* - discontinued operations; NI\* – net income.

Source: IFs, APB.

### V.3. Tax and parafiscal analysis

The total amount of corporate income tax is estimated to have stood at around EUR 1,033 million in 2024 (compared with EUR 759 million in 2023), corresponding to an estimated corporate income tax rate of 20.7% (against 21.0% in 2023).

This calculation is based on estimated taxable income, determined on the basis of profit before tax and changes in equity recognised in reserves and retained earnings, adjusted in accordance with the Corporate Income Tax Code (CIRC).

**Table 13: Approximate total amount of tax payable to the State in terms of corporate tax in 2023 and 2024. It is based on estimated figures for the tax base, which were calculated from the net income before tax and changes in equity recognized in reserves and retained earnings.**

	2023 Million €	2024 million €
<b>Net income before tax <sup>a)</sup></b>	<b>6 470</b>	<b>7 383</b>
Adjustments for calculation of taxable income / tax loss		
Applicable to all tax payers subject to corporate income tax:		
Capital gains and impairment in investments (net)	(399)	(227)
Elimination of double taxation of distributed profits	(364)	(397)
Tax benefits	(6)	(8)
Non-relevant expenses and income for tax purposes	(19)	(28)
Provisions for other risks	388	199
Allocation of profits of non-resident companies subject to special tax schemes	62	69
Employment termination and retirement benefits and other post-employment or long-term benefits	(489)	(628)
Impairment for credit risk	(1 185)	(1 333)
Other <sup>b)</sup>	(297)	(84)
<b>Taxable income / Tax loss</b>	<b>4 161</b>	<b>4 946</b>
Use of tax losses from prior years	(541)	(21)
<b>Tax base <sup>c)</sup></b>	<b>3 619</b>	<b>4 979</b>
Income tax	759	1 033
<b>Income tax rate (%)</b>	<b>21.0%</b>	<b>20.7%</b>

Source: FIs, APB.

<sup>a)</sup> Net income before tax of the 25 financial institutions in the sample in this chapter.

<sup>b)</sup> Includes positive and negative changes in equity not reflected in the net income for the year but recognised in reserves and retained earnings.

<sup>c)</sup> Aggregate taxable income consists of the sum of taxable income and tax losses of the financial institutions in the sample. The financial institutions that recorded a tax loss in the year have no tax base, and therefore the Tax Base field only includes the aggregate figures for members that record taxable income (even after deduction of losses), this amount being necessarily higher than the amount of aggregate taxable income (which contains said losses).

In addition, the amount payable by financial institutions to the Portuguese State in respect of local taxes, autonomous taxation and taxes to which they are subject in the foreign countries where they operate is estimated to have stood at EUR 503 million in 2024, compared with EUR 420 million in the previous year. Accordingly, when considering total taxation paid to the Portuguese State, the effective income tax rate would increase to 32.6% in 2023 and 30.9% in 2024.

**Table 14: Estimated local taxes, autonomous taxation and foreign income tax burden (2023-2024)**

	2023 million €	2024 million €
Income tax levied in foreign countries net of the deduction of double taxation	(25)	4
Autonomous taxation	8	7
Local taxes <sup>a)</sup>	438	492
<b>Total local taxes, autonomous taxation and income tax levied in foreign countries</b>	<b>420</b>	<b>503</b>

Source: FIs, APB.

<sup>a)</sup> The approximate amount of local surtaxes was calculated by applying a rate of 1.5% to taxable income, plus an additional 3% to 7% depending on the amount of taxable income.

Taxes related to other operating tax charges, which include Stamp Duty, non-deductible Value Added Tax (VAT) and the Municipal Property Tax (IMI), totalled EUR 265 million in 2024, compared with EUR 300 million in 2023.

The amounts relating to the Banking Sector Contribution, the Additional Solidarity Contribution on the Banking Sector, and the contributions to the Resolution Fund and the Single Resolution Fund, for the group of associated financial institutions, amounted to EUR 159 million, EUR 28 million and EUR 37 million, respectively, totalling EUR 224 million in contributions. These contributions are calculated as follows:

- **The Banking Sector Contribution** (Law No. 55-A/2010 of 31 December and Ministerial Order No. 121/2011 of 30 March of the Ministry of Finance and Public Administration) is levied on:
  - a) The liabilities determined and approved by the taxable persons, net of basic (Tier 1) and supplementary (Tier 2) own funds, as well as of deposits covered by the Deposit Guarantee Fund. The applicable rate is 0.05% of the amount calculated.
  - b) the notional amount of off-balance-sheet derivative financial instruments determined by the taxable persons. The applicable rate is 0.00015% of the amount calculated.
- **The Additional Solidarity Contribution on the banking sector** (Law No. 27-A/2020 of 24 July) aims to strengthen the financing mechanisms of the social security system. Its tax base is the same as that of the Banking Sector Contribution, with applicable rates of 0.02% and 0.00005% for items (a) and (b), respectively.

The parafiscal burden, which includes contributions to the Deposit Guarantee Fund and the Resolution Funds (national and European), to Social Security, to pension funds, to SAMS and other contributions of a similar nature, amounted to EUR 807 million, compared with EUR 1,015 million in 2023. This variation was mainly driven by a significant reduction in contributions to the Deposit Guarantee Fund compared with 2023, reflecting lower payments to that Fund related to irrevocable commitments. In 2024, the amount of this contribution stood at EUR 66 million, compared with EUR 256 million in the previous year.

**Table 15: Tax and parafiscal burden (2023-2024)**

	2023 milhões €	2024 milhões €
<b>Tax burden</b>		
Other operating taxes <sup>a)</sup>	300	265
Banking sector contribution	186	159
Additional solidarity contribution on the banking sector	35	28
Total	521	452
<b>Para-fiscal levies</b>		
Deposit guarantee scheme contribution	256	66
Contribution to resolution fund and single resolution fund	132	37
Single social rate	301	303
Pension expenses	234	307
Other expenses	93	94
Total	1 015	807
<b>Total</b>	<b>1 536</b>	<b>1 259</b>

Source: FIs, APB.

a) Include Stamp Duty, non-deductible VAT and Real Estate Municipal Tax ("IMI").

## VI. Solvency analysis<sup>14</sup>

**Table 16: Capital adequacy, as at 31 December (2021-2024)**

	2021	2022	2023	2024
<b>Total Assets (Million €)</b>				
Total assets <sup>a)</sup>	408 735	401 949	399 977	422 481
<b>Own Funds (Million €)</b>				
Common Equity Tier 1 (CET1)	27 942	27 351	30 447	32 920
Tier 1	29 278	28 674	31 783	34 579
Tier 2	3 087	3 425	2 917	2 931
Total eligible own funds	32 366	32 100	34 700	37 509
<b>Risk-weighted assets (Million €)</b>				
Credit risk	155 900	148 570	146 509	152 637
Market risk	5 747	5 608	3 312	3 817
Operational risk	15 293	15 809	18 691	21 735
Exposures – credit valuation adjustment	359	891	811	470
Other	1 643	2 030	1 062	501
Risk-weighted assets	178 942	172 907	170 385	179 160
<b>Capital Ratios (%)<sup>15</sup></b>				
CET1	15.6%	15.8%	17.9%	18.4%
Tier 1	16.4%	16.6%	18.7%	19.3%
Total Capital Ratio	18.1%	18.6%	20.4%	20.9%

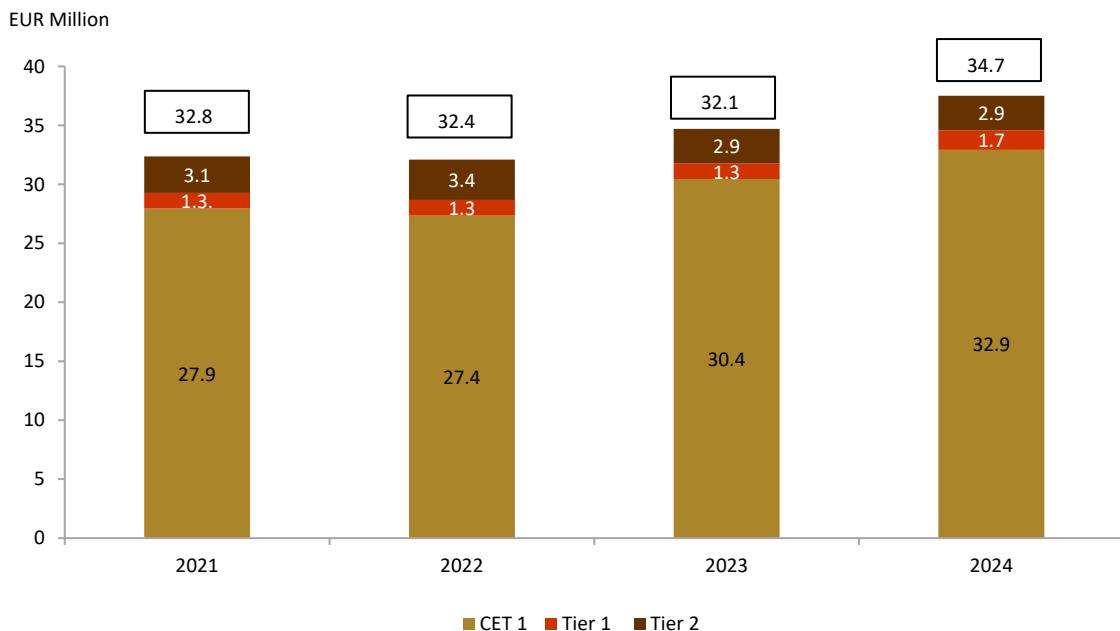
Source: Fls, APB

a) Does not include off balance sheet items.

The increase in total own funds was mainly driven by higher profit for the year. This more than offset the growth in risk-weighted assets and led to a strengthening of the total capital and CET1 ratios.

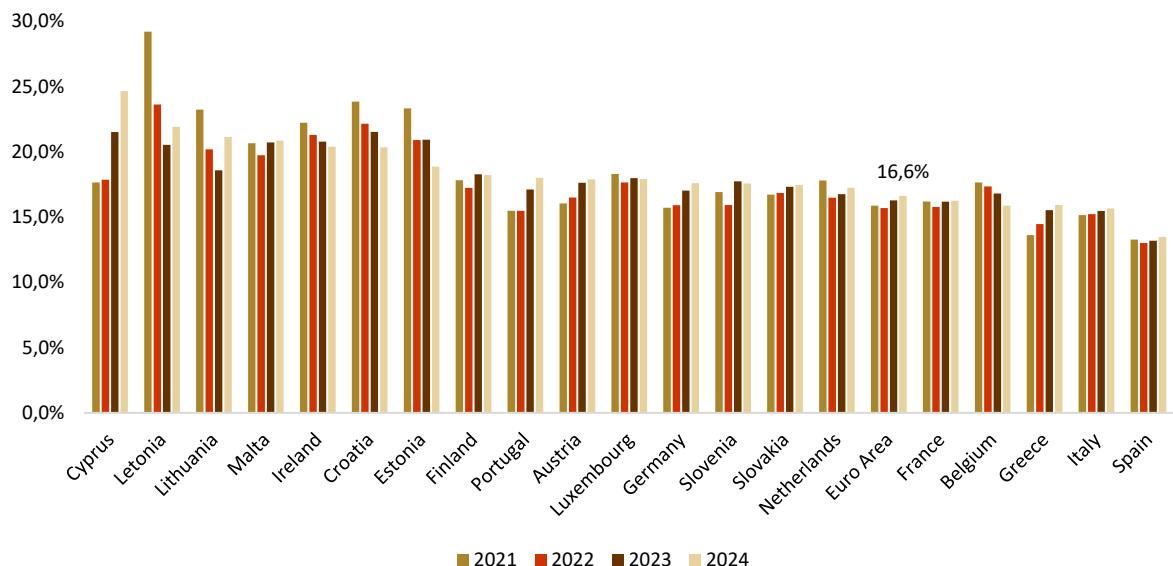
<sup>14</sup> The solvency analysis conducted is based on the financial statements subject to the prudential requirements applicable to domestic institutions and subsidiaries. This criterion resulted in a sample of 18 associated financial institutions, for four of which individual accounts are used, while consolidated accounts are used for the remaining institutions.

<sup>15</sup> Phased-in ratios.

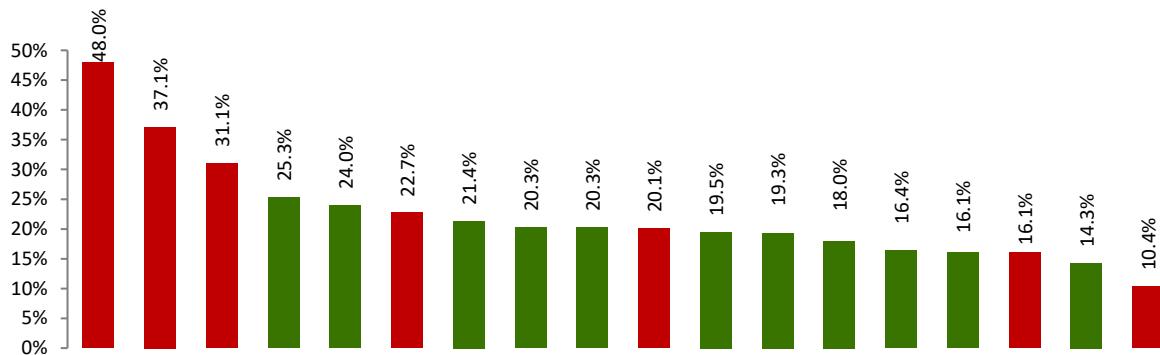
**Graph 51: Evolution of the capital structure (2021-2024)**


Source: FIs, APB.

In 2024, the CET1 ratio increased to 18.4% (+0.5 pp), while the total capital ratio rose to 20.9% (+0.5 pp). Both ratios remained above the Euro Area average (16.6% and 20.1%, respectively).

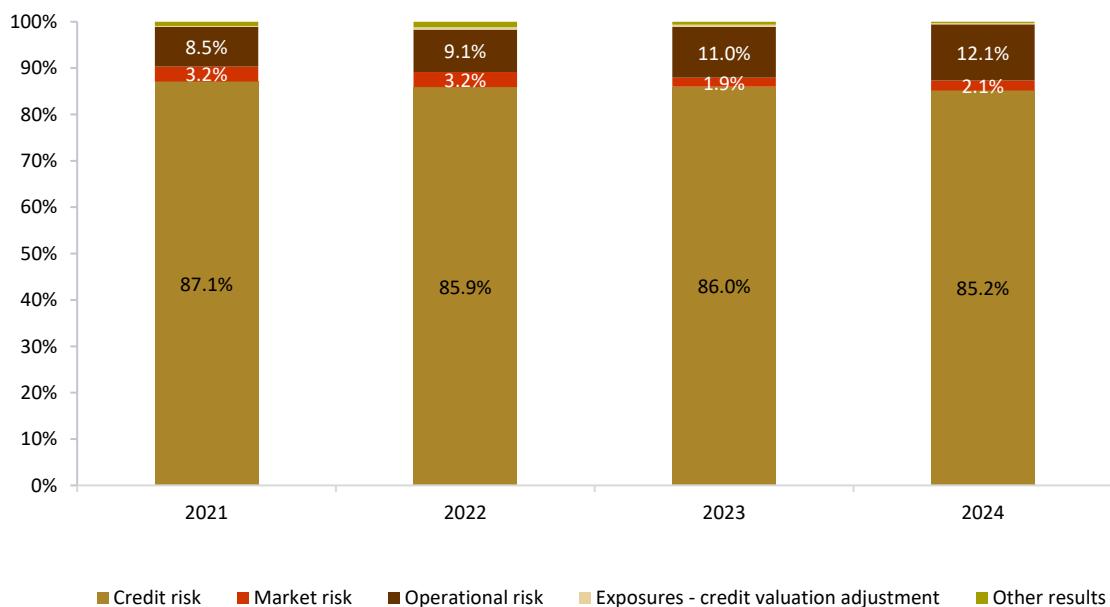
**Graph 52: Evolution of the Common Equity Tier 1 ratio across Euro Area countries (2021-2024)**


Source: ECB.

**Graph 53: Common Equity Tier 1 ratios of associated financial institutions, as at 31 December 2024**


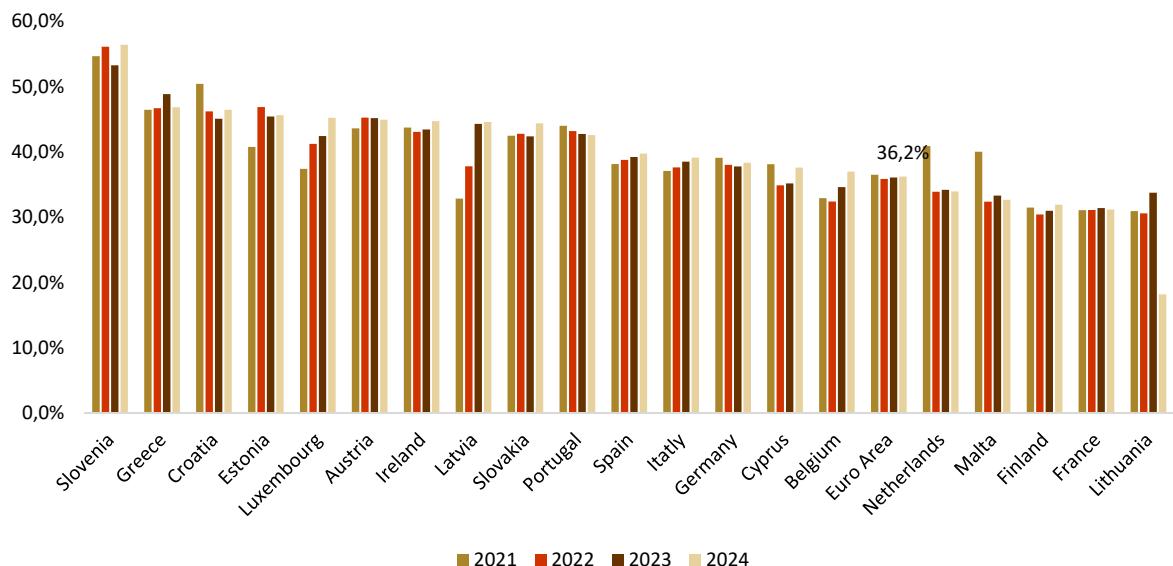
Source: FIs, APB.

Note: CET1 ratios sorted in descending order. The red (green) columns identify the institutions whose solvency ratio decreased (increased) from 2023 to 2024.

**Graph 54: Evolution of risk-weighted assets (2021-2024)**


Source: FIs, APB.

The ratio of risk-weighted assets (RWA) to total assets of APB member institutions declined by 0.2 pp compared with the previous year, to 42.4%, despite the increase in the amount of risk-weighted exposures. Over this period, there was a significant increase in the portfolio of government debt securities, most of which carry a zero risk weight. The RWA-to-assets ratio nevertheless continues to compare unfavourably with the Euro Area average (36.2%), partly reflecting the more limited use of internal models for prudential assessment purposes by Portuguese banks.

**Graph 55: Evolution of risk-weighted assets in the Euro Area (2021-2024)**


Source: ECB.

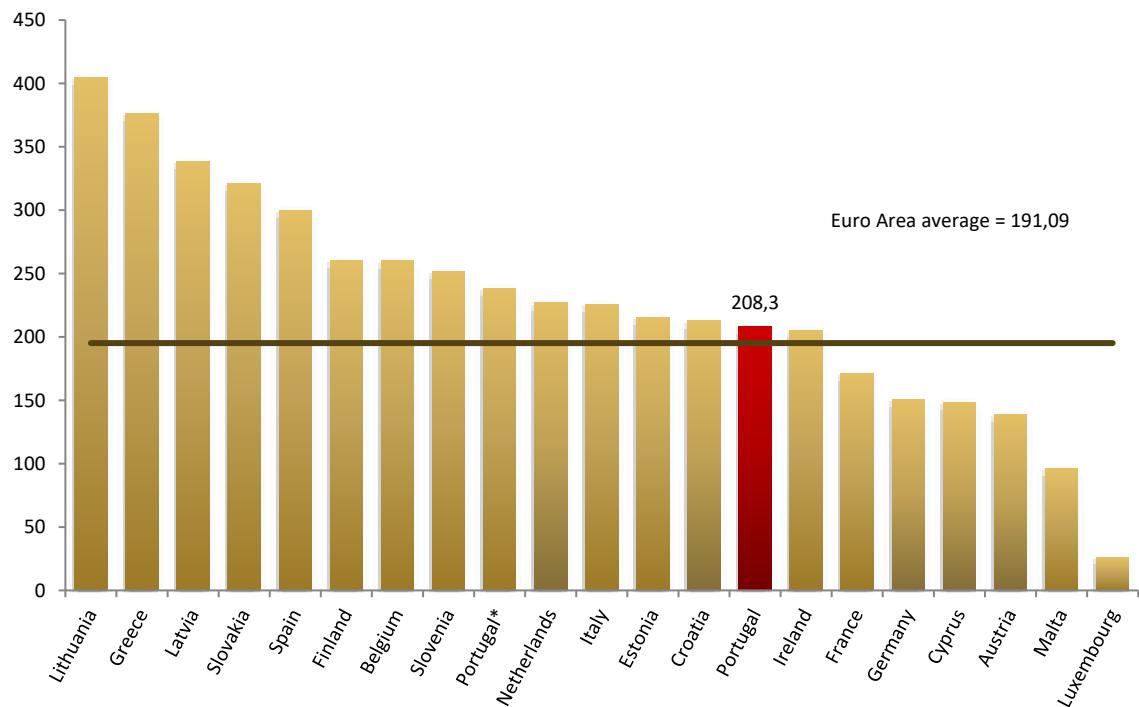
## VII. Productivity indicators

The evolution of productivity indicators<sup>16</sup>, which measure activity or performance per branch or per employee, reflects the impact of the restructuring and resizing processes of the operational structures of the Portuguese banking system implemented in recent years.

The sector recorded a slightly higher number of inhabitants per employee than the Euro Area average and a slightly lower number of inhabitants per branch. However, productivity, both in terms of assets generated per branch and assets per employee, continued to be substantially below the Euro Area average.

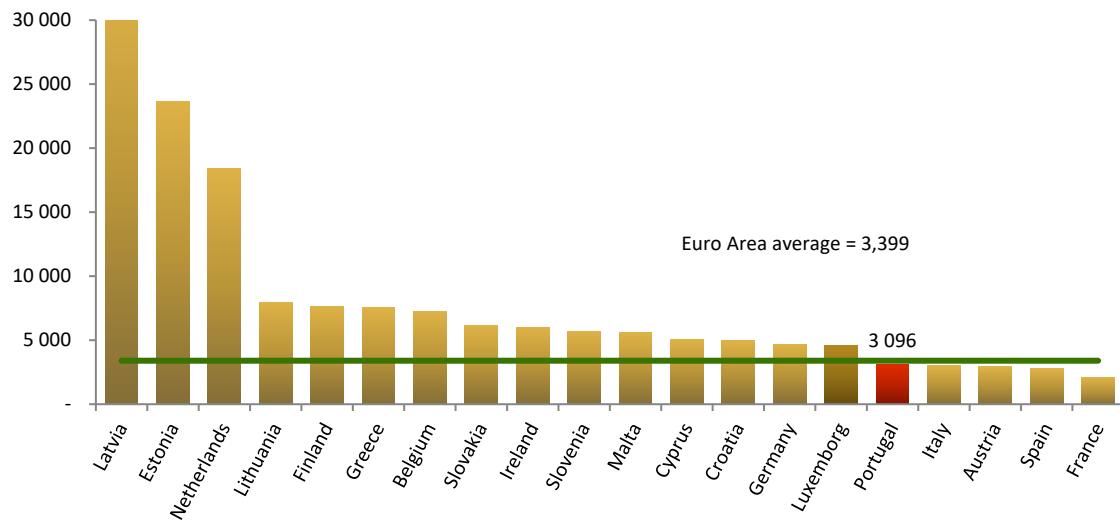
<sup>16</sup>The analysis was carried out based on the total number of employees (assigned to both domestic and international activities), as well as the total number of branches (including bank branches in Portugal and those of foreign branches and representative offices abroad).

Graph 56: Inhabitants per employee in the Euro Area, as at 31 December 2024



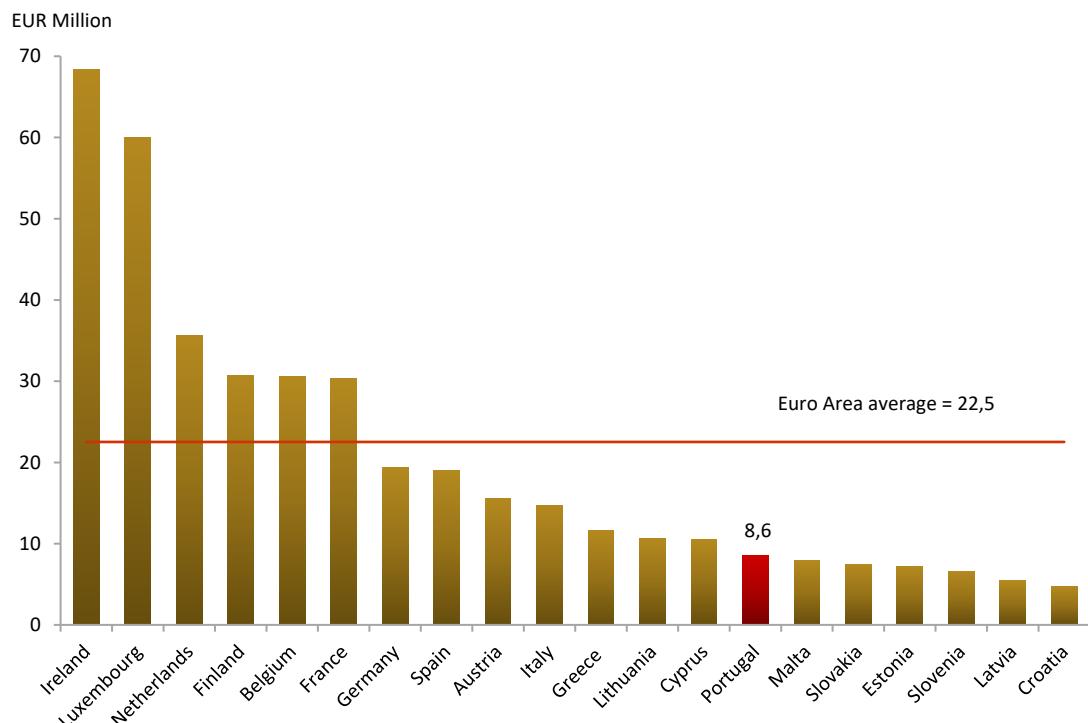
Source: Eurostat, ECB.

**Graph 57: Inhabitants per branch in the Euro Area, as at 31 December 2024**

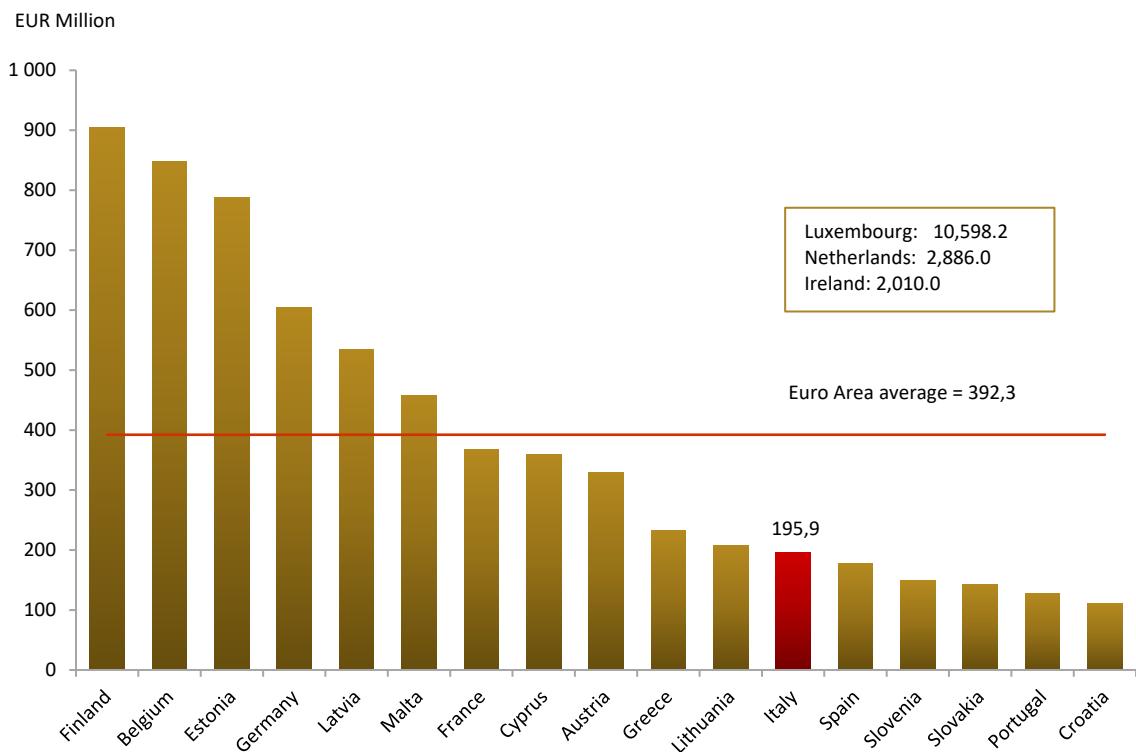


Source: Eurostat, ECB.

**Graph 58: Total assets per employee, as at 31 December 2024**



Source: ECB.

**Graph 59: Total assets per branch, as at 31 December 2024**


Source: BCE.

Note: The chart does not include Luxembourg, Netherlands and Ireland due to scale reasons.

**Table 17: Productivity indicators (2021-2024)**

	2021	2022	2023	2024
<b>Number of employees<sup>a)</sup></b>				
Total	37 914	37 276	36 885	36 964
Annual change rate		-1.7%	-1.0%	0.2%
<b>Inhabitants per employee</b>				
Total (number of inhabitants)	275	282	288	291
Annual change rate		2.6%	2.2%	0.8%
<b>Average total assets<sup>b)</sup> per employee</b>				
Total (thousands €)	9 742	10 070	9 881	9 955
Annual change rate		3.4%	-1.9%	0.7%
<b>Average cost<sup>c)</sup> per employee</b>				
Total (thousands €)	51	59	57	59
Annual change rate		15.6%	-3.1%	3.6%
<b>Operating income per employee</b>				
Total (thousands €)	189	214	322	322
Annual change rate		13.2%	49.9%	0.2%
<b>Number of branches<sup>a)</sup></b>				
Total	3 552	3 325	3 280	3 239
Annual change rate		-6.4%	-1.4%	-1.3%
<b>Inhabitants per branch</b>				
Total (number of inhabitants)	2 934	3 163	3 244	3 319
Annual change rate		7.8%	2.6%	2.3%
<b>Branches per 100.000 inhabitants</b>				
Total (number of branches)	34	32	31	30
Annual change rate		-7.2%	-2.5%	-2.3%
<b>Average total assets<sup>b)</sup> per branch</b>				
Total (thousands €)	103 983	112 892	111 114	113 605
Annual change rate		8.6%	-1.6%	2.2%
<b>Deposits per branch</b>				
Total (thousands €)	69 838	78 501	77 834	83 970
Annual change rate		12.4%	-0.9%	7.9%
<b>Operating income per branch</b>				
Total (thousands €)	2 022	2 404	3 616	3 676
Annual change rate		18.9%	50.4%	1.6%

Source: Fls, APB.

Note: Excludes one APB member due to its specific business activity.

<sup>a)</sup> Number of employees (in domestic and international activity) and number of branches (bank branches in Portugal and branches and representative offices abroad).

<sup>b)</sup> Arithmetic average of assets in period n and assets in period n-1.

<sup>c)</sup> Only staff costs.

**Table 18: Efficiency indicators by institution size (2021-2024)**

	Large				Medium-sized				Small			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
<b>Number of employees<sup>a)</sup></b>												
Total	29 345	28 592	28 109	27 902	5 866	5 824	5 875	6 228	2 703	2 860	2 901	2 834
Annual change rate	-	-2.6%	-1.7%	-0.7%	-	-0.7%	0.9%	6.0%	-	5.8%	1.4%	-2.3%
<b>Inhabitants per employee</b>												
Total (number of inhabitants)	355	368	379	385	1 777	1 806	1 811	1 726	3 855	3 677	3 668	3 793
Annual change rate	-	3.6%	2.9%	1.8%	-	1.6%	0.3%	-4.7%	-	-4.6%	-0.3%	3.4%
<b>Average total assets<sup>b)</sup> per employee</b>												
Total (thousands €)	10 878	11 279	11 053	11 172	4 991	4 992	4 859	4 833	7 713	8 322	8 692	9 227
Annual change rate	-	3.7%	-2.0%	1.1%	-	0.0%	-2.7%	-0.5%	-	7.9%	4.4%	6.2%
<b>Average cost<sup>c)</sup> per employee</b>												
Total (thousands €)	55	65	63	65	24	25	26	27	62	62	64	68
Annual change rate	-	18.2%	-3.9%	4.1%	-	5.8%	3.1%	3.2%	-	0.9%	2.6%	6.4%
<b>Operating income per employee</b>												
Total (thousands €)	209	242	369	374	61	64	110	105	262	248	289	291
Annual change rate	-	15.9%	52.7%	1.2%	-	5.4%	71.8%	-4.4%	-	-5.0%	16.5%	0.7%
<b>Number of branches<sup>a)</sup></b>												
Total	2 328	2 116	2 073	2 047	883	870	870	859	341	339	337	333
Annual change rate	-	-9.1%	-2.0%	-1.3%	-	-1.5%	0.0%	-1.3%	-	-0.6%	-0.6%	-1.2%
<b>Inhabitants per branch</b>												
Total (number of inhabitants)	4 476	4 970	5 133	5 251	11 802	12 088	12 230	12 514	30 560	31 022	31 572	32 281
Annual change rate	-	11.0%	3.3%	2.3%	-	2.4%	1.2%	2.3%	-	1.5%	1.8%	2.2%
<b>Branches per 100.000 inhabitants</b>												
Total (number of branches)	22	20	19	19	8	8	8	8	3	3	3	3
Annual change rate	-	-9.9%	-3.2%	-2.3%	-	-2.4%	-1.2%	-2.3%	-	-1.5%	-1.7%	-2.2%
<b>Average total assets<sup>b)</sup> per branch</b>												
Total (thousands €)	137 123	152 406	149 875	152 281	33 156	33 419	32 814	35 037	61 141	70 211	74 821	78 531
Annual change rate	-	11.1%	-1.7%	1.6%	-	0.8%	-1.8%	6.8%	-	14.8%	6.6%	5.0%
<b>Deposits per branch</b>												
Total (thousands €)	96 919	112 179	110 704	118 509	12 124	12 227	13 224	11 696	34 400	38 374	42 438	58 092
Annual change rate	-	15.7%	-1.3%	7.1%	-	0.8%	8.2%	-11.6%	-	11.6%	10.6%	36.9%
<b>Operating income per branch</b>												
Total (thousands €)	2 629	3 266	5 005	5 093	403	428	742	762	2 074	2 095	2 490	2 480
Annual change rate	-	24.2%	53.2%	1.8%	-	6.2%	73.3%	2.6%	-	1.1%	18.8%	-0.4%

Source: FIs, APB. Note: Excludes one APB member due to its specific business activity.<sup>a)</sup> Number of employees (domestic and international activity) and number of branches (bank branches in Portugal and branches and representative offices abroad). <sup>b)</sup> Arithmetic average of assets in period n and assets in period n-1.

**Table 19: Efficiency indicators by origin / type of legal structure (2021-2024)**

	Domestic				Subsidiary				Branch-office			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
<b>Number of employees<sup>a)</sup></b>												
Total	26 887	26 465	26 167	26 285	10 155	9 942	9 826	9 793	872	869	892	886
Annual change rate	-	-1.6%	-1.1%	0.5%	-	-2.1%	-1.2%	-0.3%	-	-0.3%	2.6%	-0.7%
<b>Inhabitants per employee</b>												
Total (number of inhabitants)	388	397	407	409	1 026	1 058	1 083	1 098	11 951	12 102	11 928	12 133
Annual change rate	-	2.5%	2.3%	0.6%	-	3.1%	2.4%	1.4%	-	1.3%	-1.4%	1.7%
<b>Average total assets<sup>b)</sup> per employee</b>												
Total (thousands €)	9 584	9 889	9 656	9 706	10 128	10 507	10 417	10 582	10 110	10 584	10 552	10 395
Annual change rate	-	3.2%	-2.3%	0.5%	-	3.7%	-0.9%	1.6%	-	4.7%	-0.3%	-1.5%
<b>Average cost<sup>c)</sup> per employee</b>												
Total (thousands €)	47	59	54	55	58	58	64	68	67	71	72	77
Annual change rate	-	23.4%	-8.1%	2.2%	-	-0.2%	9.9%	6.5%	-	5.9%	0.8%	7.4%
<b>Operating income per employee</b>												
Total (thousands €)	168	196	306	302	234	253	357	374	344	343	377	359
Annual change rate	-	16.9%	56.3%	-1.5%	-	7.9%	41.5%	4.6%	-	-0.3%	10.1%	-4.9%
<b>Number of branches<sup>a)</sup></b>												
Total	2 757	2 565	2 537	2 513	710	678	659	642	85	82	84	84
Annual change rate	-	-7.0%	-1.1%	-0.9%	-	-4.5%	-2.8%	-2.6%	-	-3.5%	2.4%	0.0%
<b>Inhabitants per branch</b>												
Total (number of inhabitants)	3 780	4 100	4 194	4 278	14 678	15 511	16 145	16 744	122 601	128 251	126 663	127 972
Annual change rate	-	8.5%	2.3%	2.0%	-	5.7%	4.1%	3.7%	-	4.6%	-1.2%	1.0%
<b>Branches per 100.000 inhabitants</b>												
Total (number of branches)	26	24	24	23	7	6	6	6	0.8	0.8	0.8	0.8
Annual change rate	-	-7.8%	-2.2%	-2.0%	-	-5.4%	-3.9%	-3.6%	-	-4.4%	1.3%	-1.0%
<b>Average total assets<sup>b)</sup> per branch</b>												
Total (thousands €)	93 465	102 029	99 598	101 524	144 858	154 079	155 328	161 417	103 716	112 162	112 053	109 638
Annual change rate	-	9.2%	-2.4%	1.9%	-	6.4%	0.8%	3.9%	-	8.1%	-0.1%	-2.2%
<b>Deposits per branch</b>												
Total (thousands €)	63 612	72 676	72 734	78 452	97 207	103 497	100 018	108 848	43 168	54 042	57 842	58 919
Annual change rate	-	14.2%	0.1%	7.9%	-	6.5%	-3.4%	8.8%	-	25.2%	7.0%	1.9%
<b>Operating income per branch</b>												
Total (thousands €)	1 634	2 021	3 158	3 154	3 347	3 704	5 328	5 703	3 526	3 630	4 004	3 782
Annual change rate	-	23.7%	56.3%	-0.1%	-	10.7%	43.8%	7.0%	-	2.9%	10.3%	-5.5%

Source: FIs, APB. Note: Excludes one APB member due to its specific business activity.<sup>a)</sup> Number of employees (domestic and international activity) and number of branches (bank branches in Portugal and branches and representative offices abroad). <sup>b)</sup> Arithmetic average of assets in period n and assets in period n-1.

### VIII. International activity analysis<sup>17</sup>

The analysis of international activity was based on the aggregated consolidated activity of six associated banking groups (BCP, BPI, CGD, Novo Banco, BIG and Haitong). The total net assets of the international activity of these financial institutions amounted to EUR 58.3 billion, an increase of 11.5% compared with 2023 (+EUR 6 billion).

The assets of the international activity of the associated institutions represented 22.7% of total consolidated assets, compared with 18.5% in 2023.

**Table 20: Evolution of the consolidated balance sheet of international activity (2021-2024)**

	2021	2022	2023	2024
<b>Aggregate Assets</b>				
Total (million €)	43 913	47 586	52 260	58 274
Annual change rate	-	8.4%	9.8%	11.5%
As % of total consolidated net assets	15.2%	16.8%	18.5%	22.7%

Source: Fls, APB.

In terms of profitability, the contribution of international activity remained positive, with net profit amounting to EUR 525 million, compared with EUR 499 million in 2023 (+5.2%). This development was mainly driven by net interest income (+EUR 129 million) and other income (+EUR 215 million, mainly explained by the reduction of taxes in one the banking group).

In comparative terms, in 2024, provisions and impairments accounted for a significantly higher share in international activity than in domestic activity.

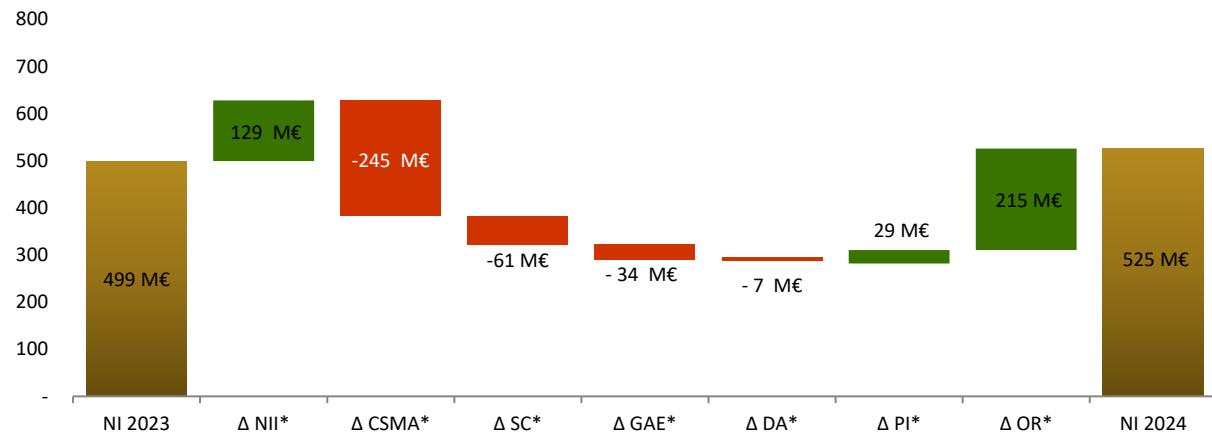
<sup>17</sup> International activity includes the activity carried out by subsidiaries.

**Table 21: Evolution of the consolidated income statement related to international activity (2021-2024)**

	2021	2022	2023	2024
<b>Net interest income</b>				
Total (million €)	1 230	1 769	1 981	2 110
Annual change rate	-	43.8%	12.0%	6.5%
As % of total consolidated net interest income	33.4%	36.7%	25.1%	30.5%
<b>Operating income</b>				
Total (million €)	1 658	2 167	2 536	2 420
Annual change rate	-	30.7%	17.0%	-4.6%
As % of total consolidated operating income	27.6%	29.9%	25.0%	27.8%
<b>Operating costs</b>				
Total (million €)	719	802	871	973
Annual change rate	-	11.4%	8.7%	11.7%
As % of total consolidated operating costs	25.1%	24.1%	26.2%	32.3%
<b>Provisions and impairment</b>				
Total (million €)	677	1 014	802	773
Annual change rate	-	49.7%	-20.9%	-3.6%
As % of total consolidated provisions and impairment	38.8%	65.9%	39.0%	71.3%
<b>Other results</b>				
Total (million €)	-16	-122	-364	-149
Annual change rate	-	659.8%	198.3%	-59.1%
As % of total consolidated other results	23.1%	49.4%	27.4%	12.2%
<b>Net income</b>				
Total (million €)	245	230	499	525
Annual change rate	-	-6.2%	116.6%	5.2%
As % of total consolidated net income	20.4%	11.6%	14.4%	15.4%

Source: FIs, APB.

**Graph 60: Contribution from the main components of NI from the international activity to the change in NI between 2023 and 2024**

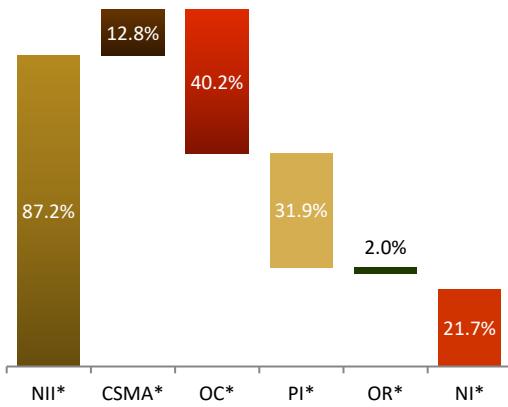


Source: FIs, APB.

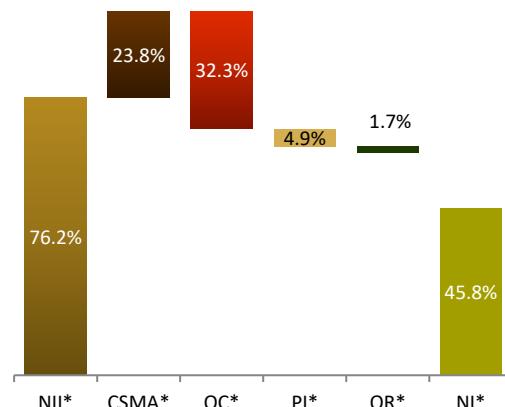
Note: NI – Net income; Δ NII\* – change in net interest income; Δ CSMA\* – change in customer services and market activities; Δ SC\* – change in staff costs; Δ GAE\* – change in general and administrative expenses; Δ DA\* – Change in depreciation and amortisation; Δ PI\* – Change in provisions and impairments; Δ OR\* – Change in other results.

**Graph 61: Breakdown of net profit as a percentage of operating income, 2024**

**a) International activity**



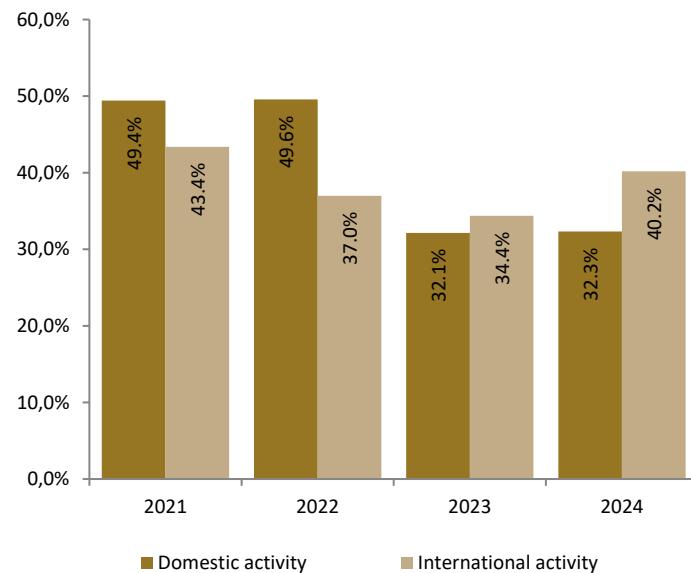
**b) Domestic activity**



Source: FIs, APB.

Note: \* NII – net interest income; CSMA – customer services and market activities; OC – operating costs; PI – provisions and impairments; OR – other results; NI – net income.

**Graph 62: Cost-to-income ratio: domestic vs. international activity (2021-2024)**



Note: FIs, APB.

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**List of financial institutions that are members of the APB**
**Financial institutions – Domestic**

<b>Financial Institutions</b>	<b>Name of the Group used in the presentation of consolidated accounts</b>
Banco BIC Português, S.A.	
Banco Comercial Português, S.A.	Banco Comercial Português Group
Banco ActivoBank, S.A.	
Banco CTT, S.A.	Banco CTT Group
Banco de Investimento Global, S.A.	Banco de Investimento Global Group
Banco Finantia, S.A.	Finantia Group
Banco Invest, S.A.	Alves Ribeiro Investimentos, SGPS, S.A.
Banco L.J. Carregosa, S.A.	Banco L.J. Carregosa Group
Banco Português de Fomento, S.A.	Banco Português de Fomento Group
Caixa Central - Caixa Central de Crédito Agrícola Mútuo, CRL (SICAM - Sistema Integrado de Crédito Agrícola Mútuo)	Crédito Agrícola Group
Caixa de Crédito Agrícola Mútuo de Leiria	
Caixa de Crédito Agrícola Mútuo de Mafra	
Caixa Económica da Misericórdia de Angra do Heroísmo	
Caixa Económica Montepio Geral	Caixa Económica Montepio Geral Group
Montepio Investimento, S.A.	
Caixa Geral de Depósitos, S.A.	Caixa Geral de Depósitos Group
Caixa - Banco de Investimento, S.A.	Caixa – Banco de Investimento Group
Novo Banco, S.A.	Novo Banco Group
BEST – Banco Eletrónico de Serviço Total, S.A.	
Novo Banco dos Açores, S.A.	

Financial institutions – Subsidiaries

Financial Institutions	Name of the Group used in the presentation of consolidated accounts
Banco BPI, S.A.	
Banco Credibom, S.A.	Banco Credibom Group
Banco Santander Totta, S.A.	Santander Totta, SGPS, S.A.
Haitong Bank, S.A.	Haitong Bank Group

Financial institutions – Branch offices

Financial Institutions	Name of the Group used in the presentation of consolidated accounts
ABANCA Corporación Bancaria, S.A. – Sucursal em Portugal	
Banco Bilbao Vizcaya Argentaria (Portugal), S.A.	
Bankinter, S.A. – Sucursal em Portugal	
BNP Paribas – Sucursal em Portugal	
Deutsche Bank, AG – Sucursal em Portugal	
WiZink Bank, S.A. – Sucursal em Portugal	

Source: APB.



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