

# THE SIZE OF OUR AMBITION

"I AM THE SIZE OF WHAT I SEE  
AND NOT THE SIZE OF MY HEIGHT"

Alberto Caeiro, in "O Guardador de Rebanhos - Poema VII"



"I AM THE SIZE OF WHAT I SEE  
AND NOT THE SIZE OF MY HEIGHT"

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At Banco CTT, size is not measured only in numbers. It is measured by the reach of what we dare to see and by the horizon we set out to cross.

Inspired by one of the greatest Portuguese poets, we are reminded that true greatness is born from our vision and our ambition.

bancoc**ctt**

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“LET US FULFILL  
WHAT **WE ARE**  
NOTHING MORE  
IS GIVEN.”

Ricardo Reis, in “Odes de Ricardo Reis”

# MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Ten years after its establishment, Banco CTT remains the only banking franchise of domestic origin created in the aftermath of the global financial crisis.

The Bank's development has been supported by two core foundational assets inherited from its shareholder, CTT: a **trusted and widely recognised brand**, anchored in the values of transparency, simplicity and proximity; and a **capillary, relationship-based distribution network**, ensuring nationwide reach, including in areas less served by fully digital operators.

These differentiating factors, combined with the continued investment in a modern and robust technological platform and in advanced distribution channels, position Banco CTT as a distinctive and resilient banking project.

Over the past decade, Banco CTT has consolidated its position as a relevant player in the Portuguese financial system, focused on the retail mass market segment.

The Bank currently serves more than 900 thousand customers, with a strong presence in urban areas and increasing levels of digital engagement.

Business volumes reached €7.9 billion, reflecting a sustained growth trajectory above the sector average. In consumer finance, through 321 Crédito, production exceeded €300 million, achieving a new record level. Operating income surpassed €130 million, while net profit totalled €21 million.

These results demonstrate the soundness of the business model, while also highlighting the significant growth potential that remains ahead.

Banco CTT will continue to invest in strengthening its technological capabilities and in enhancing its commercial and service model, maintaining a value proposition that is both simple and comprehensive.

The Bank remains confident in its ability to sustain a trajectory of profitable growth, supported by increased customer engagement, higher product penetration and continued market share gains.

The year was also marked by changes in governance, with the appointment of a new Board of Directors, which I have the honour to chair.

A new Executive Committee was appointed, now led by Francisco Barbeira, reflecting a natural process of leadership renewal. Francisco brings extensive experience in retail banking, particularly in the areas of marketing, distribution and technology, and I wish him every success in his new role.

I would also like to acknowledge the contribution of Luís Pereira Coutinho, who has served as Chief Executive Officer since the Bank's foundation. His leadership was instrumental in defining the Bank's strategic vision, building a strong management team and navigating a complex operating environment, marked by historically low interest rates, the pandemic and the challenges inherent to establishing a bank from inception. The results achieved over the first decade are a clear reflection of his leadership.

I also welcome Inês Maia to the Executive Committee, whose international experience in banking risk will further strengthen the Bank's

## ***What we have managed to build in just 10 years is remarkable***



**João Castello Branco**

Chairman of the Board of Directors

capabilities in this area, and extend my appreciation to Luís Paúl, who continues to lead the Financial Crime function, for his relevant contributions to risk management over recent years.

The Board of Directors will follow this new cycle with full commitment, closely monitoring the strict compliance with all sector regulations, with a view to a business model that is scalable, profitable and sustainable over time.

I conclude by once again thanking all employees of Banco CTT Group.

What we have managed to build in just 10 years is remarkable.

There is still a long road ahead and significant potential yet to be captured.

Our ambition is great, and I wish everyone every success and strength for this new cycle.

# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

In June 2025, I was honoured to be appointed Chief Executive Officer of Banco CTT.

During the Bank's first decade, I observed its journey closely. While the creation of a bank from scratch in the aftermath of the financial crisis naturally raised structural doubts, subsequent developments clearly demonstrated that boldness combined with sound strategy pays off.

What Banco CTT has achieved in its first ten years is truly remarkable.

Building on the legacy of CTT - its brand, branch network and people - a retail banking franchise focused on the mass-market segment was created.

A true market attacker, with a unique positioning that combines a strong digital presence with a distinctive physical and human footprint covering the entire national territory.

Alongside this, 321 Crédito represents a highly specialised consumer finance model, now further strengthened by the funding synergies generated by retail banking activities.

The results speak for themselves.

Banco CTT has progressively increased its market share, repeatedly challenging incumbent players and emerging as one of the leading references for account openings and new banking relationships in Portugal.

The first ten years set a high benchmark. We have a recognised franchise.

Now is the time for a new momentum.

## A new momentum!

The future of Banco CTT is highly promising.

We serve more than 900,000 customers, with significant untapped potential.

Our technology architecture is in place, though many processes and capabilities remain to be developed.

We operate a large, capillary and repeatedly award-winning branch network, with room to further increase commercial effectiveness.

Against this backdrop, we designed a new strategic plan that preserves the fundamentals of our strategy and business model, while accelerating investments and defining a renewed ambition through to 2030.

We will remain firmly focused on being "**the everyday bank**", delivering accessible, simple solutions that meet the financial needs of families.

We will introduce a new account structure with simplified and highly competitive fees.

Our ambition is to become the primary bank for the majority of our customers, where income is credited.

We will further strengthen our **savings** proposition.

Off-balance-sheet products will be expanded through selected investment funds, while remaining competitive in core deposit offerings.

In **credit**, our ambition increases significantly.

***I count on everyone to continue making history.***



**Francisco Barbeira**

Chief Executive Officer

In point-of-sale auto loans, we are already a clear market reference and aim to go further. Building on the excellent work developed by 321 Crédito, we intend to increase penetration among major intermediaries through dedicated processes, technology and competitive commercial proposals.

In mortgage lending, we will fight for our “natural share”, offering the best possible customer experience in a complex and multi-stage process, with a strong focus on reducing turnaround times through automation and simplification.

The three business development pillars - everyday banking, savings and credit - will be enabled by increased technology investment, enhancing capabilities, productivity and the pace of transformation.

At the same time, we will conduct a health check of our organisational structure, focusing on people, talent management, agile methodologies and productivity-oriented tools.

The ambition is significant, but the strategy is clear and supported by a robust and feasible plan.

We benefit from two strong shareholders that support and validate this renewed vision, as well as strong institutional alignment with business partners and supervisory authorities, in particular Banco de Portugal.

Most importantly, we have an exceptional group of people with the right mindset to continue delivering this project.

The first decade set a high bar.

I count on everyone to continue making history.

# INFORMATION ON BANCO CTT

## Banco CTT Group

### History

---

2013

#### **august**

On 5 August 2013, CTT submitted an application to the Bank of Portugal for a licence to establish Banco Postal.

#### **november**

On 27 November 2013, the Bank of Portugal granted authorisation for the creation of Banco Postal.

2015

#### **february**

CTT incorporated CTT Serviços, S.A. to carry out the preparatory work necessary and/or appropriate for the establishment of the Bank.

#### **august**

On 24 August 2015, following authorisation from the Bank of Portugal, CTT Serviços was converted into Banco CTT, with a share capital of €34 million.

#### **november**

On 18 November 2015, Banco CTT presented its corporate identity, defined by the core attributes of proximity, simplicity and transparency.

Banco CTT commenced operations on 27 November 2015 under a soft opening model, available only to employees of CTT and Banco CTT.

2016

**march**

Banco CTT opened to the public on 18 March, simultaneously launching 52 branches across Portugal's 18 districts, alongside its digital channels.

**july**

On 22 July, Banco CTT opened its 100th branch.

**december**

Banco CTT reached a presence of 202 branches.

2017

**january**

After nine months of activity, Banco CTT reached 100 thousand customers.

Banco CTT launched its mortgage product, offering a simple and low-cost solution for customers seeking to purchase or refinance their home, maintaining its core values of accessibility, clarity and usefulness.

**april**

Banco CTT obtained authorisation from ASF to distribute insurance products, enabling the offering of life insurance, home multi-risk insurance and health insurance.

2018

**january**

Payshop (Portugal), S.A. was incorporated into Banco CTT's consolidation perimeter through an in-kind capital increase of €6.4 million, fully subscribed and paid in by the shareholder CTT – Correios de Portugal, S.A., raising share capital to €131.4 million.

**july**

Banco CTT agreed to acquire 321 Crédito, a specialised consumer credit institution (used vehicles), expanding the Group's business portfolio.

**october**

Introduction of off-balance sheet savings products with the launch of the PPR (retirement savings plan) offering.

2019

**may**

On 2 May, Banco CTT completed the acquisition of 100% of the share capital of 321 Crédito, a company specialising in used vehicle financing.

Banco CTT reached €1 billion in customer deposits.

2020

**december**

Banco CTT achieved breakeven in its fifth full year of activity, with consolidated net profit of €233 thousand.

2021

**april**

Banco CTT and Sonae Financial Services entered into a new partnership in consumer credit, with Banco CTT responsible for financing the Universo credit card and managing the associated credit risk.

**september**

Banco CTT Group, through its subsidiary 321 Crédito, securitised and placed in the market an auto loan portfolio of €250 million (Ulisses Finance No.2).

2022

**june**

Banco CTT Group, through its subsidiary 321 Crédito, securitised and placed in the market an auto loan portfolio of €200 million (Ulisses Finance No.3).

**november**

A strategic partnership between Banco CTT Group and Generali Seguros, S.A. was announced, including:

- A long-term agreement for the distribution of life and non-life insurance products of Tranquilidade/Generali Seguros, with exclusivity renewable every five years;
- Subscription by Tranquilidade/Generali Seguros
- of a €25 million reserved share capital increase in Banco CTT, corresponding to an approximately 8.71% stake.

The transaction was subject to customary conditions precedent, including approvals from banking and insurance regulators.

**december**

Banco CTT and Universo, IME, S.A. ("Universo") revised the terms of their financial services partnership agreement, with a view to terminating the partnership by December 2023.

2023

**july**

Banco CTT was informed by the Bank of Portugal that it no longer met the criteria to be classified as a “small and non-complex institution” (SNCI). This reflects the Group’s growth across multiple areas and subjects it to additional regulatory requirements (e.g., reporting and disclosures).

**august**

Completion of the sale of Payshop (Portugal), S.A. to CTT – Correios de Portugal, S.A., following receipt of regulatory non-objection.

**september**

Banco de Portugal, as the National Resolution Authority (NRA), now considers the application of a resolution measure as the preferred resolution strategy, with a single point of entry (“SPE”), for the Banco CTT Group.

**december**

Completion of the termination of the partnership with Universo, IME, S.A., previously announced in December 2022. The transaction released approximately €300 million in liquidity and risk-weighted assets (RWA), strengthening the Group’s capital position.

2024

**june**

On 28 June 2024, the Group agreed the sale of a non-performing auto loan portfolio with a gross carrying amount of €20.4 million. Settlement occurred in September, at which point the derecognition criteria under IFRS 9 were met.

**november**

On 29 November, the strategic partnership between Banco CTT Group and Generali Tranquilidade, announced in November 2022, was completed.

As part of this partnership, Generali Tranquilidade entered Banco CTT’s share capital through a capital increase of €25 million, acquiring an 8.71% stake and appointing a non-executive director to the Board of Directors.

**october**

On 23 October 2025, the Group agreed to sell a written-off credit portfolio with a total exposure of approximately €88.4 million. This transaction aimed to maximise recoveries on non-performing exposures and had a positive impact on the Group's income statement.

**november**

CTT Capital Markets Day 2025

The Bank's strategy for 2026–2028 was presented, focusing on accelerating growth and profitability.

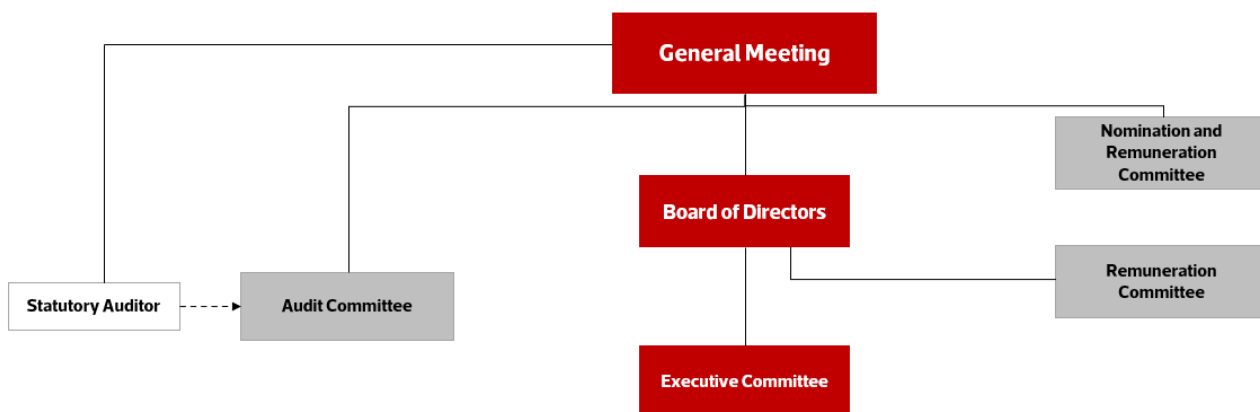
Issuance of €45 million in senior preferred debt with a three-year maturity. The issuance was fully subscribed by more than 20 institutional investors and was oversubscribed by approximately two times.

This transaction is aligned with the previously disclosed objective of meeting MREL requirements by June 2026, supporting the continued growth of Banco CTT's business.

This first senior preferred debt issuance by Banco CTT in the capital markets reflects institutional investors' recognition of the Bank's financial position, risk profile and strategic direction.

**Corporate Governance**

Banco CTT adopts an Anglo-Saxon governance model under which the Board of Directors is responsible for the management of the Company, while the Audit Committee (a body composed of non-executive and independent Directors, specifically appointed by the shareholders) and the Statutory Auditor (one effective member and one alternate) are responsible for its oversight.



The shareholders have also appointed a Nomination and Remuneration Committee, in accordance with Article 10 of the Bank’s Articles of Association, with delegated powers: (i) in matters relating to the selection and suitability assessment of members of the management and supervisory bodies, in line with the Policy for the Selection, Assessment and Succession of Members of the Management and Supervisory Bodies and the Diversity Policy of Banco CTT Group (available on the Bank’s website at [www.bancocctt.pt](http://www.bancocctt.pt)

); and (ii) to determine the remuneration of the members of the General Meeting Board, the Board of Directors, the Audit Committee and the Statutory Auditor (the “Corporate Bodies”), in accordance with Banco CTT Group’s Remuneration Policy.

The Board of Directors has delegated the day-to-day management of the Bank to the Executive Committee, pursuant to Article 407 of the Portuguese Companies Code.

This governance structure also includes a Remuneration Committee established within the Board of Directors.

As at 31 December 2025 and at the present date, the Board of Directors comprises 13 members, including eight Non-Executive Directors and five Executive Directors, elected for the 2025–2027 term of office.

Members	Board of Directors	Executive Committee	Audit Committee
João Nuno de Sottomayor Pinto de Castello Branco	Chairman		
Francisco Manuel Grade Barbeira	Member	Chairman (CEO)	
João Maria de Magalhães Barros de Mello Franco	Member	Member (CCMO)	
Pedro Rui Fontela Coimbra	Member	Member (CFO)	
Nuno Carlos Dias dos Santos Fórneas	Member	Member (CTO)	
Inês Isabel Maia Santos	Member	Member (CRO)	
João Manuel de Matos Loureiro	Member		Chairman
Sofia Luísa Corrêa Henriques Cardoso de Menezes Frère	Member		Member
Carla Maria de Castro Chousal	Member		Member
Guy Patrick Guimarães de Goyri Pacheco	Member		
António Domingues	Member		
Pedro Luís Francisco Carvalho	Member		
Sandra Marina Farinha Moás	Member		

For further details on the composition of the corporate bodies, as well as on Banco CTT's governance model and practices, reference should be made to the Corporate Governance Report.

As part of the CTT Group, and considering that CTT – Correios de Portugal, S.A. (“CTT”) is an issuer of shares admitted to trading on a regulated market and adopts a significant set of recommendations set out in the Portuguese Corporate Governance Code issued by the Portuguese Institute of Corporate Governance (“IPCG”), Banco CTT benefits from the best governance practices established within the CTT Group over several years.

These practices also constitute an additional driver for the continued strengthening of governance standards across the CTT Group, with particular emphasis on the CTT Group Code of Ethics, which provides an integrated framework for the Group's positioning on matters that have a transversal impact on its governance and management practices, in line with financial sector benchmarking.

Pursuant to Article 17 of the Legal Framework of Credit Institutions and Financial Companies (“RGICSF”) and the provisions of Bank of Portugal Notice no. 3/2020, Banco CTT has in place robust governance arrangements, which are comprehensive and proportionate to the risks inherent to its business model and to the nature, scale and complexity of its activities, including:

- A clear organisational structure, with well-defined, transparent and consistent lines of responsibility;
- Effective processes for identifying, managing, monitoring and reporting the risks to which the institution is or may become exposed;
- Adequate internal control mechanisms, including sound administrative and accounting procedures; and
- Remuneration policies and practices that promote and are consistent with sound and prudent risk management.

The governance principles and practices described above are supported by a robust organisational structure in which the Bank's control functions play a central role. In the case of Banco CTT, this framework enables the achievement of the following objectives:

- To promote an integrated risk culture across all areas of activity, ensuring the identification, assessment, monitoring and control of the risks to which the Bank is or may become exposed;
- To ensure the Bank's operational capacity, supported by an adequate scale of human, technical and material resources;
- To ensure the provision of banking services to customers through employees operating under multi-employer arrangements within the CTT branch network and, in parallel, through staff directly hired by the Bank to perform functions in "Specialised Branches", following the completion of a rigorous training programme and supported by employees with prior banking experience;
- To ensure alignment with the CTT structure regarding non-core functions (particularly in the area of shared services); and
- To establish an appropriate control environment tailored to Banco CTT's specific characteristics, supported by a strong organisational culture grounded in high ethical standards, underpinned by the CTT Group Code of Ethics and Banco CTT Group Code of Conduct, as well as by internal control and risk management policies and procedures, and an internal organisation based on the three lines of defence model.

Inês Isabel  
Maia Santos (CRO)

Pedro Rui  
Fontela Coimbra (CFO)

Nuno Carlos Dias  
dos Santos Fórneas (CIO)



Francisco Manuel  
Grade Barbeira (CEO)

João Maria de Magalhães  
Barros de Mello Franco (CCO)

## Governing Bodies and Internal Committees<sup>1</sup>

### General Meeting Board

**Chairman:**

Alexandre Cardoso Martha de Lucena e Vale

**Secretary:**

Nuno Miguel Cadima Henriques de Oliveira

### Board of Directors

**Chairman:**

João Nuno de Sottomayor Pinto de Castello Branco

**Members:**

Francisco Manuel Grade Barbeira  
João Maria de Magalhães Barros de Mello Franco  
Pedro Rui Fontela Coimbra  
Nuno Carlos Dias dos Santos Fórneas  
Inês Isabel Maia Santos  
João Manuel de Matos Loureiro  
Sofia Luísa Corrêa Henriques Cardoso de Menezes Frère  
Carla Maria de Castro Chousal  
Guy Patrick Guimarães de Goyri Pacheco  
António Domingues  
Pedro Luís Francisco Carvalho  
Sandra Marina Farinha Moás

### Executive Committee

**Chairman:**

Francisco Manuel Grade Barbeira (CEO)

**Members:**

João Maria de Magalhães Barros de Mello Franco (CCO)  
Pedro Rui Fontela Coimbra (CFO)  
Nuno Carlos Dias dos Santos Fórneas (CIO)  
Inês Isabel Maia Santos (CRO)

### Audit Committee

**Chairman:**

João Manuel de Matos Loureiro

**Members:**

Sofia Luísa Corrêa Henriques Cardoso de Menezes Frère  
Carla Maria de Castro Chousal

### Nomination and Remuneration Committee

**Chairman:**

Raúl Catarino Galamba de Oliveira

**Members:**

João Afonso Ramalho Sopas Pereira Bento  
Ana da Paz Ferreira da Câmara Perestrelo de Oliveira

### Remuneration Committee

**Chairman:**

João Nuno de Sottomayor Pinto de Castello Branco

**Members:**

Guy Patrick Guimarães de Goyri Pacheco  
António Domingues

### Statutory Auditor

**Statutory Auditor:**

Ernst & Young Audit & Associados – SROC, S.A.,  
represented by Silvia Maria Teixeira da Silva

**Alternate Statutory Auditor:**

Ana Rosa Ribeiro Salcedas Montes Pinto

### Company Secretary

**Company Secretary:**

Catarina Morais Bastos Gonçalves de Oliveira

**Deputy Company Secretary:**

Maria Filipa Rebelo Pereira de Matos Alves Torgo

<sup>1</sup>The members of the corporate bodies and internal committees in office as at the present date are presented herein.

## Key Highlights of the Year

# 01

The year 2025 marks the end of a strategic cycle, in which all the financial targets presented in 2023 were achieved or exceeded.

Business volume reached €7,851 million, increasing by 12% compared to 2024, and ending well above the ambition of more than €7,000 million. Retail customer funds grew by 11% compared to 2024, reaching €5,667 million (above the ambition of more than €5,000 million), with a particular highlight on the growth of off-balance sheet funds (+26%). Gross customer loans reached €2,058 million, with growth accelerating to 15%, supported by record loan production in the two main portfolios, Auto Loans and Mortgage Loans.

# 02

The results for 2025 also represent a record in the Group's short history, reaching €20.8 million, slightly above the previous year, and with profitability of 13.2% (normalised Return on Tangible Equity).

Profit before tax amounted to €26 million, within the target range for 2025 (€25 to €30 million).

These results benefited from strong growth in customer business (in both funds and loans), careful management of interest rate risk in a context of declining interest rates, and a 19% increase in fees and commissions. The cost of risk stood at 0.9%, within the expected range, and above the previous year, which had benefited from the favourable impact of the sale of a non-performing auto loan portfolio in 2024. In 2025, Group revenues were also positively impacted by a higher contribution from recoveries of written-off auto loan portfolios, including the sale of a significant portion of such exposures carried out in the second half of the year

03

The year was also marked by a significant increase in the number of employees (+12% to 689), reflecting the strengthening of the commercial workforce and central functions, as well as the continued investment in technological platforms, aimed at a very significant upgrade of the core system and customer digital applications.

04

Banco CTT maintained its strong capital position, with a Total Capital Ratio of 21.7%, fully composed of own funds, and is well positioned to support its future growth. In 2025, the Group successfully completed its first issuance of senior preferred debt with institutional investors (domestic and international), demonstrating market confidence and the increasing maturity of the Group. Following this issuance, Banco CTT reports an MREL-RW ratio of 26.3%, already meeting the requirement of 24.7% set for June 2026.

The business model continues to show a relatively low loan-to-deposit ratio of 46% (43% in 2024), supporting the Group's strong liquidity position, as reflected in the high levels of LCR and NSFR, well above regulatory requirements.

## KEY FIGURES

	Unit	2025	2024	Δ		
				Abs.	%	
Income Statement	Net Interest Income	€'000	101,982	97,693	4,289	4%
	Operating Income	€'000	133,998	120,871	13,127	11%
	Operating Expenses	€'000	(90,658)	(81,559)	(9,098)	11%
	Impairment and Provisions	€'000	(17,953)	(13,043)	(4,910)	38%
	Income Taxes	€'000	(4,622)	(6,221)	1,599	-26%
	Net Income	€'000	20,765	20,048	717	4%
	Net Income excluding specific items	€'000	21,161	20,136	1,025	5%
Balance Sheet	Total Assets	€'000	5,006,224	4,727,525	278,699	6%
	Loans and Advances to Customers	€'000	1,994,804	1,742,032	252,772	15%
	Deposits from Customers	€'000	4,348,430	4,060,462	287,968	7%
	Total Equity	€'000	336,002	315,075	20,927	7%
	Loan-to-Deposit Ratio	%	46%	43%	3%	7%
Credit Quality	Cost of Risk	%	0.9%	0.7%	0.1%	19%
	NPE ratio ( <i>Non-performing exposures / Gross Loans and advances to customers</i> )	%	5.4%	4.8%	0.6%	12%
	NPE coverage	%	45.1%	39.2%	5.9%	15%
Business Indicators	Number of Bank Accounts	Number	707,009	681,319	25,690	4%
	Mortgage Loan Production	€'000	270,493	187,522	82,971	44%
	Stock of saving products (bancassurance)	€'000	1,318,110	1,045,467	272,643	26%
	Deposits from Customers <i>pro forma</i> <sup>1</sup>	€'000	5,666,540	5,105,929	560,611	11%
	Auto Loans Production	€'000	301,286	272,513	28,773	11%
	Business volumes <sup>4</sup>	€'000	7,851,019	7,009,411	841,608	12%
Profitability and Efficiency	Return on Assets (ROA)	%	0.4%	0.5%	0.0%	-3%
	Return on Tangible Equity (Normalised ROTE) <sup>5</sup>	%	13.2%	13.0%	0.2%	2%
	Return on Equity (ROE)	%	6.5%	7.1%	-0.6%	-8%
	Cost-to-Income ratio <sup>2</sup>	%	67.3%	67.4%	0.0%	0%
Capital and Liquidity	Own Funds <sup>3</sup> (fully implemented)	€'000	258,239	239,731	18,508	8%
	Risk-Weighted Assets - RWA (fully implemented)	€'000	1,189,543	1,129,948	59,595	5%
	Common Equity Tier 1 Ratio (fully implemented) <sup>3</sup>	%	21.7%	21.2%	0.5%	2%
	MREL - RW Ratio	%	26.3%	22.2%	4.1%	19%
	Leverage Ratio (fully implemented)	%	5.4%	5.4%	0.0%	0%
	Liquidity Coverage Ratio (LCR)	%	100.4%	136.1%	-35.6%	-26%
	Net Stable Funding Ratio (NSFR) <sup>3</sup>	%	244%	261%	-17%	-7%
Employees and Distribution Network	No. of Employees	Number	689	613	76	12%
	No. of Branches	Number	212	212	-	0%
Indicators in accordance with Bank of Portugal Instruction No. 16/2004, currently in force <sup>6</sup>	Return on Assets	%	0.4%	0.4%	0.0%	0%
	Operating income to total assets	%	2.7%	2.7%	0.0%	0%
	Return on Equity	%	6.2%	6.4%	-0.2%	-3%
	Cost-to-income ratio	%	66.0%	63.6%	2.4%	4%
	Staff costs to operating income	%	27.5%	25.9%	1.6%	6%
	Loans and advances to deposits ratio (non-financial corporations and households only)	%	46.0%	43.0%	3.0%	7%

<sup>1</sup> Includes on-balance sheet deposits and the stock of bancassurance products.

<sup>2</sup> Excluding specific items.

<sup>3</sup> Includes the net income for the year.

<sup>4</sup> Deposits from customers + Loans and advances to customers (gross; *pro forma* including intermediation of credit).

<sup>5</sup> ROTE considering results excluding specific items, assuming normalized tangible equity at 15% of average RWA.

<sup>6</sup> Indicators in accordance with Bank of Portugal Instruction No. 16/2004, as amended by Instruction No. 17/2025.

# PURPOSE, MISSION, VISION AND VALUES

## OUR PURPOSE

01

To help individuals and families turn their dreams into reality

## OUR VISION

03

To be the natural choice within the national financial system.

## OUR MISSION

02

To provide simple and accessible financial solutions and a close, high - quality service, built on relationships of trust.



*Simplicity*

We offer simple products and services that enable our customers to manage their day - to - day financial needs conveniently, at a fair and accessible price.



*Relevance*

We develop solutions designed around our customers' real needs, with a comprehensive and tailored offering that supports them across different life stages.



*Proximity*

We foster close relationships based on personalised service, through our physical branch network with extended opening hours, complemented by the availability of digital channels for full convenience.



*Trust*

We are a 100% Portuguese bank, rooted in a historic brand, which reinforces our commitment to placing customers first and building long - lasting relationships.

## BUSINESS MODEL

### RETAIL BANKING FOR INDIVIDUALS

#### Offer

In 2025, Banco CTT consolidated its positioning in the savings and investment market, strengthening its offering with the launch of five new unit-linked products, which contributed significantly to the sustained growth of customer funds. In the second half of the year, the Bank diversified its range of solutions with the introduction of its first structured deposits, enabling it to address different customer risk profiles and return objectives. In the lending segment, Youth Mortgage Loans continued to experience strong demand, reflecting the recognition of Banco CTT's competitive value proposition in this segment, while Personal Loans reached record production levels, driven by commercial campaigns launched on a regular basis throughout the year.

#### Branch Channel

Banco CTT operates a network of 212 branches, distributed across the entire national territory, with extended opening hours until 6:00 p.m. Of these, 210 operate in shared spaces with CTT, with segregated and distinct banking service areas, while two correspond to the head office branches in Lisbon and Porto, with spaces exclusively dedicated to the Bank.

Customer proximity remains one of the Bank's core pillars, supported by a comprehensive physical network and by a relationship of trust built through in-person contact. In parallel, the Bank has consistently strengthened the efficiency and quality of branch service, through the continuous improvement of its processes, systems and service conditions.

In 2025, the transformation of branch operations continued, with a focus on the dematerialisation and simplification of processes, making customer service more agile and efficient. Particular emphasis is placed on the evolution of the account opening process, which now allows more than 50% of accounts to be opened exclusively using the Citizen Card, through integration with State platforms.

The Bank also continues to develop the concept of Specialised Branches, aimed at providing differentiated service and enhanced commercial capacity. Currently, 62 branches operate under this model, with refurbishment works already completed in 12 units, featuring more modern layouts designed to enhance privacy and service quality.

The Bank will continue to invest in the development of its branch channel capabilities, ensuring integration with other channels and reinforcing the role of branches as spaces for proximity, advisory and commercial development.

## Digital Channels

Digital channels play a central role in the Bank's relationship with its customers, supporting a growing share of service usage and product origination. The Bank is present through its mobile application for iOS, Android and Huawei, as well as through a homebanking platform in a PC version, ensuring a consistent experience across devices and channels. Currently, close to 60% of customers are regular users of these channels, with a clear predominance of the mobile application in customer interaction with the Bank.

The year 2025 was particularly significant, with the completion of a highly complex technological migration, which now fully supports digital channels on the Bank's own architecture, based on cloud technologies and on principles of cross-application reuse across mobile applications, homebanking and the branch platform. The migration of customers from the previous platform to the new infrastructure took place in November and December, without any impact on regular usage, namely without the need for new authentication processes or credential resets.

Relevant improvements were also introduced to the digital experience, with emphasis on the new homepage, enhancements in the consultation of balances and transactions, the availability of self-service credential recovery, instant transfers, standing orders, as well as improvements in several other functionalities.

Following the completion of the technological migration, 2026 will mark the beginning of a new cycle in the development of digital channels, fully supported by the new platform, with a focus on the digital onboarding and subscription of products and services, as well as on strengthening the commercial and promotional capabilities of these channels.

## SPECIALISED CREDIT

### Auto Loans

321 Crédito has been consolidating a relevant position in the auto loan market and is now recognised as a leading institution at national level, positioning itself as one of the largest players in specialised financing for the purchase of used or nearly new vehicles.

The business model is based on a strongly specialised market positioning, particularly focused on retail customers, and on an approach guided by the corporate values of simplicity, relevance, proximity and trust.

The distribution strategy follows a mono-channel model, with auto loan solutions made available at the point of sale, supported by partnerships with more than 1,100 credit intermediaries, whether tied or acting on an ancillary basis, ensuring a broad network with extensive nationwide coverage. This strategy is further supported by the simplicity and efficiency of the credit process, based on an automated and predominantly digital decision model. In 2025, particular emphasis is placed on the consolidation of the digital signature solution for credit agreements, which supported more than 70% of new loan contracts, as well as the completion of the implementation of a new Origination Portal.

In 2025, the strong momentum in the used car market is noteworthy, with an all-time record of 868 thousand vehicles registered, representing growth of 6.1% and surpassing the levels recorded in 2018 and 2019. The evolution of the used car market was further supported by the increase in imports, with 2025 marking a record year for imported used vehicles, with 121 thousand passenger cars entering Portugal, an increase of 13.7% compared to 2024.

Consequently, according to data from the Bank of Portugal, the amount of new consumer credit for the purchase of vehicles reached approximately €3.6 billion in 2025, reflecting growth of 12.2% compared to the previous year. Although significant, this pace of expansion was slightly below that recorded in 2024 (14.9%). Market data continued to highlight the relevance of new credit for the purchase of used vehicles, which in 2025 represented 75% of the total amount of credit for vehicle acquisition. Accordingly, market performance was driven by financing for new vehicles, which increased by 17.9% compared to 2024, while financing for used vehicles also followed this positive trend, growing by 10.4%, reflecting the strong momentum across the auto loan market.

Against this market backdrop, 321 Crédito recorded, in 2025, another year of growth, with new loan production of €301.3 million, corresponding to a new all-time high for the company, enabling it to exceed €1 billion in net loan portfolio and reach a total of 125 thousand customers holding active loan contracts. This evolution reflects dynamics aligned with the demand observed in the market, supported by rigorous and appropriate credit underwriting criteria.

This performance resulted in a market share of 10.9% in the used vehicle financing segment in 2025, compared to 10.5% in the previous year (Source: Bank of Portugal – Evolution of New Consumer Credit).

The results achieved reflect the investment made in strengthening commercial capacity in higher-potential geographies, while continuing to invest in process simplification, digitalisation and the development of new technological solutions to make the credit process even simpler, faster and more personalised, enhancing integration with partners and ensuring an increasingly intuitive customer experience. The year was marked by the completion of the implementation of a new Origination Portal (EasyClosing), resulting in greater operational efficiency in the integrated credit process, and by the launch of the implementation of a new technological solution to support collection and recovery activities.

In 2025, Banco CTT Group once again saw its commitment to service quality, customer trust and the sustainability of its financial solutions recognised through the award of prizes and distinctions by independent entities.

# AWARDS 2025

## BECX AWARD 2025

PRÉMIO BECX 2025



Banco CTT ranked first in Customer Experience 2025, according to the results of the BECX (Best European Customer Experience) study for the banking sector, achieving the highest Customer Experience index among the banks assessed. This study is internationally recognised and results from a partnership between NOVA University Lisbon and the Portuguese Association for Quality, evaluating eight dimensions: quality, value, experience, emotions, effort, incidents, loyalty and customer interaction channels.

Award granted by BECX – Best European Customer Experience, for the banking sector. This award is the sole responsibility of the awarding entity.

## FIVE STARS AWARD 2025

PRÉMIO CINCO ESTRELAS 2025

Banco CTT was the winner of the Five Stars Award 2025, in the Banking – Customer Service category, a recognition that reflects the high perceived quality of its service among Portuguese consumers.

The Five Stars Award identifies the best products, services and brands in the national market, based on a methodology that evaluates the key dimensions influencing consumer decision-making. Banco CTT stood out among the nine banks assessed, particularly in the criteria of Satisfaction and Experience, Brand Trust, Innovation and Recommendation Intention, reinforcing the consistency of Banco CTT's performance in its relationship with customers.

Award granted by Five Stars Consulting. This award is the sole responsibility of the awarding entity.



## SUSTAINABLE CHOICE 2025

ESCOLHA SUSTENTÁVEL 2025

Banco CTT's Sustainable Mortgage Loan was distinguished as Sustainable Choice 2025 by ConsumerChoice.

The award resulted from the assessment of criteria such as Sustainability, Investment, Innovation, contribution to the Sustainable Development Goals (SDGs), product design and innovation.

This distinction recognises Banco CTT's efforts in developing responsible financial solutions, aligned with environmental and social concerns, as well as with the expectations of more conscious consumption.

Award granted by ConsumerChoice – Consumer Satisfaction Evaluation Centre. This award is the sole responsibility of the awarding entity.



## GOOD CHOICE AWARD

PRÉMIO BOA ESCOLHA



321 Crédito received the “Boa Escolha” distinction in the Auto Financing category.

The “Boa Escolha” distinction is awarded to brands and products that stand out for their excellent value for money, customer satisfaction, trust, innovation and superior service in the Portuguese market. The brand was evaluated against more than 2,000 brands across 208 categories during 2024, achieving a final score above the category average.

This distinction is the sole responsibility of ConsumerChoice, the leading brand evaluation system in Portugal, with 14 years of experience placing consumers at the centre of decision-making.



## BRAND OF THE MONTH

### MARCA DO MÊS

321 Crédito was awarded the “Brand of the Month” distinction for 12 consecutive months, in the Auto Financing category, in recognition of its excellent customer service and relationship with consumers.

This distinction is awarded to the brands with the highest monthly Satisfaction Index in their respective category by Portal da Queixa, based on criteria such as response time and the effectiveness of the solutions provided to customers.

## RECOMMENDED BRAND

### MARCA RECOMENDADA

Portal da Queixa also distinguished 321 Crédito as Recommended Brand of the Year 2025.

With an average annual satisfaction index of 94, the brand stood out for its consumer satisfaction ratings, based on customer interactions when submitting complaints and on the close and responsive manner in which it addressed consumers through the Portal da Queixa platform.

This result demonstrates the brand’s commitment to ensuring customer satisfaction and support, constituting an indicator of trust and a positive reputation in the market.

The “Brand of the Month” and “Recommended Brand” distinctions are the sole responsibility of Portal da Queixa by Consumer Trust, a reputation marketplace that enables users to search for, submit complaints about and compare brands. Banco CTT

**Banco CTT Group thanks its customers and the general public for their trust, reaffirming its commitment to continue evolving, innovating and to continuing to earn such recognition.**



## PEOPLE

### EMPLOYEE DEVELOPMENT AT BANCO CTT GROUP

In order to support its growth strategy, Banco CTT Group implemented several initiatives aimed at ensuring talent attraction, always taking into account the principles of productivity, profile adequacy, employee recognition and well-being.

From the perspective of workforce expansion, 2025 was marked by a 12% increase in the number of employees across the Group, with particular emphasis on the strengthening of teams in Specialised Branches and the creation of a new Remote Sales Department, with the objective of enhancing the commercial potential of the Bank's customer base.

The Bank's Human Resources team also expanded its scope in order to support the ambitions of the Strategic Plan, known as "Impulso", incorporating the internal communication function as a lever to reinforce and promote a distinctive culture within the Portuguese banking market. In addition to this expanded scope, the department's designation was updated to reflect this new positioning, and is now referred to as the Talent Department.

The first initiative consisted of engaging the organisation, and in the summer of 2025, a Climate Survey was conducted across Banco CTT Group, with a strong participation rate of 82.7% - a clear indication of the commitment and engagement of all employees in the Group's development.

The results reflect an overall positive level of satisfaction, with particular emphasis on the dimensions of motivation, team spirit and vision/values, demonstrating that there is strong emotional capital to support "Impulso". The area identified for improvement relates to remuneration and career management.

Based on these results, the aforementioned High Performance Programme defined objectives beyond strengthening internal communication dynamics, namely: redesigning talent management processes, particularly with regard to performance evaluation, compensation, job model, career progression and leadership development.

### Performance, Assessment, Recognition and Gender Equality

Banco CTT Group continuously enhances its recognition policy with regard to the merit and individual commitment of each employee, particularly through variable remuneration based on the performance evaluation model, while consistently ensuring appropriate levels of equity.

With regard to gender equality, Banco CTT Group is an organisation with a balanced representation of men and women, with men accounting for 42% and women for 58% of the workforce.

In 2025, Banco CTT prepared a report on gender pay disparities and, based on this analysis, calculated the gender pay gap for roles of equal value. Based on the data obtained, it cannot be concluded that there are remuneration differences between employees on the basis of gender for equal work.

## Benefits

Recognising that employees value additional components of the overall remuneration package, Banco CTT continued the Flexible Benefits Plan (Banco CTT Flex Plan), implemented in 2023. This Plan consists of providing a set of social benefits under advantageous conditions for employees and their families, through the allocation of an individual monthly allowance (Flex Allowance), which can be easily used via the Banco CTT Flexible Benefits Portal. This Portal enables employees to select the benefits that best suit their personal and family situation. These benefits aim to enhance psychological, social, financial and physical well-being, adapting to the lifestyle of employees and their families.

In 2025, 321 Crédito launched the Employee Auto Loan, aimed at providing employees with more advantageous conditions compared to the general public in auto financing solutions, namely exclusive benefits such as a 50% reduction in initial fees in line with the applicable pricing, more competitive interest rates and no retention of title.

Banco CTT Group also offers a solution known as Subsidised Mortgage Loans, aimed at providing employees with more advantageous conditions compared to the general public in variable-rate mortgage contracts, namely through the granting of financing at a 0% spread for the acquisition, construction and renovation of primary residence properties, including transfers. In 2025, this benefit was enhanced, including an increase in the maximum loan amount and the inclusion of Youth Mortgage Loans under Decree-Law 44/2024. During 2025, 45 applications from Banco CTT Group employees were approved.

In 2025, 321 Crédito maintained its Employee Assistance Programme (321 EAP), launched in 2022. This programme aims to support employees in dealing with personal and/or professional difficulties that may negatively affect their work performance, as well as their health and well-being. 321 Crédito thus continues to provide its employees, free of charge, with counselling and various support services for themselves and their respective households.

## Family-Responsible Company

Work-life balance, already embedded in Banco CTT Group's culture and evidenced by its Family-Responsible Company (EFR) Certification, is further reinforced through a number of initiatives, such as the inclusion of the EFR label in employees' email signatures and the reference to EFR status in job postings. This communication helps to raise awareness among the various stakeholders with whom Banco CTT Group employees interact on a daily basis, as well as among prospective employees, of the organisation's culture of work-life balance.

Following a continuous improvement approach and in response to employee feedback, Banco CTT enhanced three of its most valued work-life balance measures in 2025. The Subsidised Mortgage Loan incorporated the improvements described above, the entitlement to a full day off on employees' birthdays was extended to those whose birthday falls on a public holiday on a weekday, and new health insurance coverages were introduced, namely psychology consultations and infertility treatments. In addition, Banco CTT Group introduced new initiatives, including the Banco CTT Group Library, the Employee Auto Loan and a Lactation Room.

In 2025, Banco CTT Group once again promoted Kids Day, an initiative aimed at bringing the organisation closer to employees' families, through visits by employees' children to the office during the Christmas period, gathering more than 70 children across two events held in Lisbon and Porto.

## Training

At Banco CTT Group, it is understood that, in order to ensure the organisation's sustained growth, it is essential to invest in employee training and development, not only at a technical level but also at a behavioural level.

In a sector where technological evolution is increasingly rapid and the importance of data has become a key differentiating factor, Banco CTT Group reinforced its training initiatives in 2025 in areas such as Power BI, Artificial Intelligence and Information Security Best Practices. In parallel, additional licences for the Udemy platform were made available to employees in technological roles, enabling access to a broad range of relevant technical content. For the remaining employee base, the Learninghubz platform remained available, also used by 321 Crédito, providing a catalogue of short videos and courses across more than 150 topics, with the possibility of customising learning paths.

With the objective of continuing to promote the development of middle management, Banco CTT Group enabled fourteen employees to participate in the 4th edition of the Leadership Trust programme, an annual initiative aimed at personal development and the strengthening of leadership skills.

Mandatory and regulatory training continued to play a key role in the employee training plan. Accordingly, in 2025, training programmes in Code of Conduct, Prevention and Combating Workplace Harassment, Code of Ethics, Anti-Money Laundering and Counter-Terrorist Financing, Business Continuity Plan and General Data Protection Regulation were maintained. Training related to banking activities also accounted for a significant number of training hours, namely Mortgage Credit Distribution, MiFID II (Provision of Information on Financial Instruments), Persons Directly Involved in Insurance Distribution and respective continuous training, Cash Handling, and PARI/PERSI.

A total of 37,558 training hours were recorded for Banco CTT Group employees (28,190 at Banco CTT and 9,368 at 321 Crédito), in line with the previous year.

## Recruitment and Internal Mobility

The recruitment of new talent, combined with employee retention, has represented an ongoing challenge for Banco CTT in recent years, in a context of a strong need to expand the workforce and a labour market close to “full employment”.

In this context, Banco CTT implemented the LinkedIn Recruiter platform, a solution that has contributed to expanding the reach of published vacancies, enabling opportunities to reach a broader and more qualified audience. In addition, LinkedIn Recruiter allows for targeted sourcing, facilitating the identification of profiles better aligned with business requirements.

Internal mobility has also remained one of the sources of recruitment, while simultaneously representing an effective strategy to retain and develop talent within the Group. In 2025, 15 employees changed roles through internal mobility, either within the same company or by moving to another company within the Group.

## Community Support

Since 2017, Banco CTT Group has been developing Corporate Social Responsibility initiatives. Initially, it focused mainly on a partnership with Crevide, a social solidarity institution based in Moscovide, enabling employees to participate in volunteering activities with a social and financial literacy focus. In 2023, following the relocation of Banco CTT’s premises, as well as the intention to promote greater participation in volunteering initiatives, the need arose to consult employees in order to redefine and strengthen the Group’s approach to Corporate Social Responsibility.

Following the analysis of the employee survey and the consolidation of the Corporate Social Responsibility team with new members, this area was strengthened through the establishment of partnership agreements with associations across various fields of activity and the launch of social responsibility initiatives involving employees. In 2025, Banco CTT Group’s partnerships were as follows:

Contribution	Area of Activity	South	North
Financial Literacy	Children / Youth	Junior Achievement	Junior Achievement
Financial Literacy	Children / Youth	APB	APB
Volunteering	Social Support / Children	Banco do Beb� (Lisboa)	Amor Perfeito (Porto)
Volunteering	People with Disabilities	Associa�o Salvador	Associa�o Salvador
Volunteering	Animal Welfare	Animalife	Animalife

The Group’s Corporate Social Responsibility initiatives are structured into two distinct models: one-off initiatives, which may or may not include a monetary contribution; and volunteering initiatives carried out on a regular basis by groups of employee volunteers during working hours, in collaboration with partner institutions.

In 2025, several initiatives were carried out with the following partners:

- **Portuguese Banking Association (APB)** – Banco CTT continued its participation in the “No Banco da Minha Escola” initiative, which brings together a group of volunteers from member banks who deliver educational sessions on financial topics (household budget management; banking products and services; and online security). In 2025, Banco CTT participated in 28 sessions, involving 940 students.

- **Junior Achievement (JA)** – a non-governmental organisation whose mission is to inspire and prepare young people to succeed in the future. Throughout 2025, several Banco CTT Group volunteers delivered classes under the primary education programme in schools across the country and participated in the “Braço Direito” programme, providing practical experience to secondary school students.

- **Banco do Beb ** – an association supporting newborns, based at Maternidade Alfredo da Costa, whose mission is to promote dignity at the beginning of life by ensuring essential goods for babies and children aged 0 to 6, while empowering parents and caregivers in the care of their children. Throughout the year, Banco CTT Group employees supported the association on a weekly basis by sorting clothing and preparing care packages for the families assisted by Banco do Beb . In addition, the Group’s Christmas initiative was carried out in partnership with Banco do Beb , involving the purchase and wrapping of Christmas gifts for children supported by the association.

- **Amor Perfeito** – an association formed by a group of volunteers whose mission is to support homeless people in the city of Porto. It also provides transitional support to individuals being reintegrated into shelters. In 2025, several employees participated in weekly initiatives distributing meals to homeless individuals in downtown Porto. A Solidarity Children’s Day initiative was also held in partnership with Amor Perfeito, involving employee participation through the donation of new and used toys.

- **Associa o Salvador** – an association whose mission is to promote the inclusion of people with motor disabilities in society and to improve their quality of life, by fostering their talents and raising awareness of equal opportunities. The partnership between 321Cr dito and this association was extended to the Group, with employees from Banco CTT and 321 Cr dito participating in the 4th edition of the Walkathon solidarity event in Lisbon and Porto.

- **Animalife** – an association that addresses the issue of pet abandonment in Portugal, with a key objective of supporting low-income families with pets by providing access to food and veterinary care, including vaccination and sterilisation. In 2025, Banco CTT Group employees participated in a campaign organised by Animalife under the “Animal Solidarity Bank”, aimed at promoting donations of goods for dogs and cats in supermarkets.

## Culture

The internal culture of Banco CTT Group is characterised by valuing a horizontal and close organisational structure, fostering simple, direct and human relationships. There is a culture of accessibility that promotes a collaborative working environment, employee engagement and open, direct communication across hierarchies, thereby encouraging innovation, the exchange of ideas and the swift resolution of challenges.

The consolidation of this organisational culture has been supported by a set of initiatives developed for employees, including actions designed in response to employee feedback. Accordingly, throughout the year, regular initiatives were maintained, such as Beatnews, a weekly newsletter that shares Banco CTT Group initiatives, employee testimonials, projects and suggestions, contributing to internal communication and engagement. Another recurring initiative is Conversas Cruzadas, held monthly, which brings together two members of the Executive Committee and a group of employees from different areas of Banco CTT Group for an informal lunch, enabling the sharing of ideas and professional experiences, and fostering proximity between employees and management. These lunches take place at Banco CTT's headquarters in Lisbon and, on a quarterly basis, at the headquarters of 321 Crédito in Porto.

Other initiatives, such as internal social events held throughout the year, also play a relevant role in strengthening organisational culture and employee engagement by promoting moments of interaction, sharing and inclusion among employees, reinforcing a sense of belonging to the Group.

The Banco CTT Group General Meeting, the annual event bringing together all employees, took place in March in Caldas da Rainha. Under the theme "Amplifica", a review of the previous year was presented, along with the objectives and commitments for 2025. The event also included a recognition moment, with awards presented for the performance and results of commercial teams, as well as for the success of central teams' projects. The meeting concluded with a social lunch among employees.

In September, the Rentrée event was held in Lisbon and Porto, once again organised in an "arraial"-style format, bringing together branch and central services employees of Banco CTT Group in an informal setting marked by social interaction, engagement, entertainment and traditional games. This gathering aims to promote reconnection and well-being among employees following the holiday period, while reinforcing team spirit and motivation to approach the final quarter of the year with energy and focus.

In addition, informal social moments were organised in the lounge at Banco CTT's headquarters, such as the Tardes Imperiais, and in Porto, the Tardes Finais, consisting of happy hour gatherings during the month of July, as well as the traditional Christmas snacks in December. Taking into account the hybrid working model, these events are scheduled across at least two different days, allowing each employee to choose the date that best suits their presence in the office, thereby supporting work-life balance and flexibility.

The company also brought employees together for the traditional 321 Crédito Christmas Dinner, which once again reaffirmed team spirit and the importance of people in building a successful organisation, projecting a future based on experience, innovation and proximity. In a highly convivial atmosphere, the dinner was marked by the presentation of the 25-Year Career Awards, a distinction that recognises the dedication and long-term commitment of professionals who have contributed to the organisation over a quarter of a century.

During the Christmas season, the company also promotes the "Bons Momentos" initiative, whereby each department organises a team-building activity outside the professional context, further supporting employee engagement and well-being.

Throughout the year, various in-person team-building initiatives were also promoted across different departments, strengthening team cohesion and encouraging interaction among colleagues in an informal environment.

In parallel with these internal initiatives, and following the presentation of the new Strategic Plan in September, the “Impulso” Programme was launched, designed to support a more ambitious growth agenda. High Performance is one of its key workstreams, aimed at fostering strategic alignment and organisational effectiveness. Based on the motto Impulso: Simplify – Act – Grow, the programme seeks to motivate each employee to feel actively engaged in this journey, inspiring, informing and rapidly involving the entire organisation in the implementation of the new plan.

## Staff<sup>1</sup>

Number of employees	2025	2024
Employees	689	613

Banco CTT Group’s workforce continued in 2025 to be characterised by a higher proportion of female employees.

Gender	2025	2024
Female	58%	56%
Male	42%	44%

In terms of age distribution, 59% of Banco CTT Group employees are under 45 years of age.

Age group	2025	2024
< 30 years	16%	14%
30 – 34 years	12%	12%
35 – 44 years	31%	33%
>= 45 years	41%	41%

65% of employees hold a university degree or an equivalent or higher academic qualification.

Level of qualification	2025	2024
Basic Education	2%	1%
Secondary Education	30%	34%
Bachelor’s Degree	3%	4%
Bachelor’s Degree (Pre-Bologna)	51%	48%
Postgraduation / Master’s Degrees	14%	13%

<sup>1</sup>Not considering employees with a multiple-employer arrangement.

## OUTLOOK FOR 2026

Following the achievement of the main objectives defined for the 2023–2025 cycle, Banco CTT’s strategy for 2026–2028, presented at CTT’s Capital Markets Day at the end of 2025, is focused on accelerating growth and profitability. To achieve these ambitions, Banco CTT will further strengthen its distinctive business model, complete its product offering and enhance its digital capabilities, combined with a non-replicable physical presence.

The focus is on catalysing the next growth cycle through three strategic pillars:

- (i) increasing the customer base and level of engagement,
- (ii) strengthening its positioning in savings, and
- (iii) competing for a fair share in lending.

These growth pillars will be supported by investment in two key business enablers:

- (i) a hybrid distribution model, and
- (ii) digital transformation.

In the context of investing in growth, Banco CTT has set the following key targets for 2028<sup>1</sup>:

1. Increase the number of accounts, including 321 Crédito customers, from more than 800 thousand to over 1 million;
2. Increase business volumes to €12–14 billion;
3. Significantly increase profit before tax to €40–50 million by 2028; and
4. Maintain a fully self-funded plan, with 100% of profits reinvested, resulting in a normalised ROTE of approximately 12–13% and a CET1 ratio above 17%.

In the short term, however, uncertainty remains regarding the future evolution of economic conditions, particularly in light of the escalation of the conflict in the Middle East.

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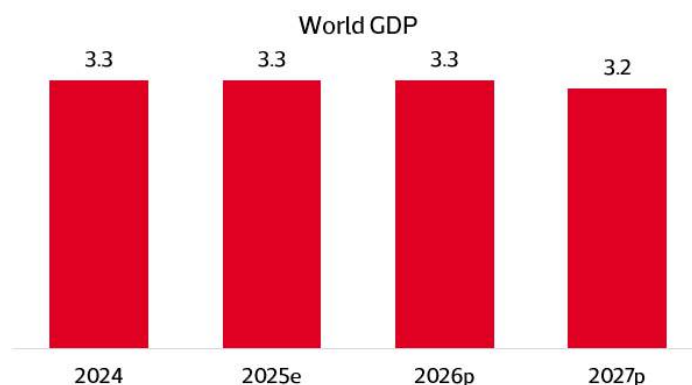
<sup>1</sup> Assuming a favourable economic environment, with Euribor at approximately 2.2% in 2028.

## FINANCIAL INFORMATION

### ECONOMIC ENVIRONMENT

#### International Economy<sup>1</sup>

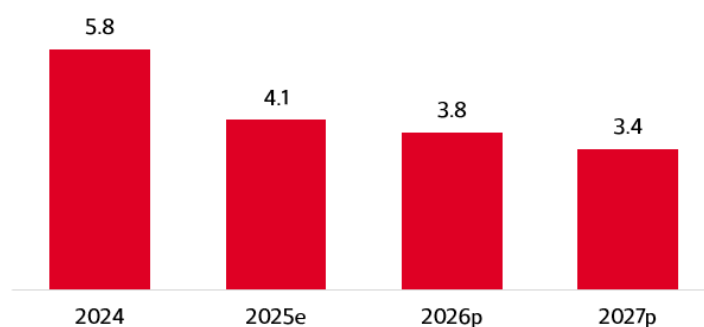
In 2025, the global economy maintained resilient growth, despite an environment marked by trade tensions, geopolitical uncertainty and still relatively restrictive financial conditions in the early months of the year. According to the International Monetary Fund (IMF), global GDP is estimated to have grown by 3.3% in 2025 – maintaining the pace recorded in 2024 – reflecting the robust performance of both advanced and emerging economies, supported by strong consumption, investment linked to new technologies and expansionary fiscal policies across several geographies.



Global inflation continued its disinflationary trajectory in 2025. Following the peaks recorded in 2022 and the significant decline observed in 2023 and 2024, global inflation moved closer to levels consistent with the price stability objectives of major economies. This development was supported by the normalisation of supply chains, the decline in energy commodity prices and the cumulative impact of restrictive monetary policies implemented in previous years.

<sup>1</sup> World Economic Outlook – Update, International Monetary Fund | January 2026

Global Inflation



In the euro area, economic activity recorded moderate growth in 2025, at around 1.4%, benefiting from the gradual dissipation of uncertainty, improved financial conditions and the resilience of the labour market. Inflation converged towards levels close to 2%, allowing the European Central Bank (ECB) to continue, in a prudent manner, the cycle of reductions in key interest rates initiated in 2024.

In the United States, the economy maintained a solid performance in 2025 – growing, according to IMF estimates, by 2.1% – supported by a robust labour market and high levels of investment, particularly in sectors related to artificial intelligence. Inflation continued to ease, creating room for a less restrictive monetary policy stance by the Federal Reserve, although remaining dependent on macroeconomic developments.

### National Economy<sup>1</sup>

The Portuguese economy delivered a robust performance in 2025, with GDP growth reaching 1.9%, outperforming the euro area average. This growth was primarily supported by domestic demand, with a particular emphasis on private consumption, benefiting from the favourable evolution of household disposable income and the fiscal measures implemented throughout the year.

Inflation in Portugal remained contained in 2025, with the Harmonised Index of Consumer Prices (HICP) recording an average annual increase of around 2.2%, reflecting the stabilisation of energy prices and the easing of underlying inflationary pressures, in line with the trend observed in the euro area.

The labour market remained particularly resilient. The unemployment rate stood at around 6.0%, remaining at historically low levels. Employment continued to grow, albeit at a more moderate pace than in previous years, reflecting demographic constraints and a lower contribution from migration flows.

Public finances maintained a favourable position in 2025. The budget balance was close to equilibrium, benefiting from the expansion of the tax base and favourable budget execution, despite the impact of tax reduction measures and increased current expenditure.

The trajectory of public debt reduction continued throughout the year, albeit at a more moderate pace. At the end of 2025, public debt stood at around 94% of GDP, remaining on a downward path over the medium term, which continues to support a favourable perception of Portugal’s sovereign risk in international markets.

<sup>1</sup>Instituto Nacional de Estatística (INE), Statistics Portugal

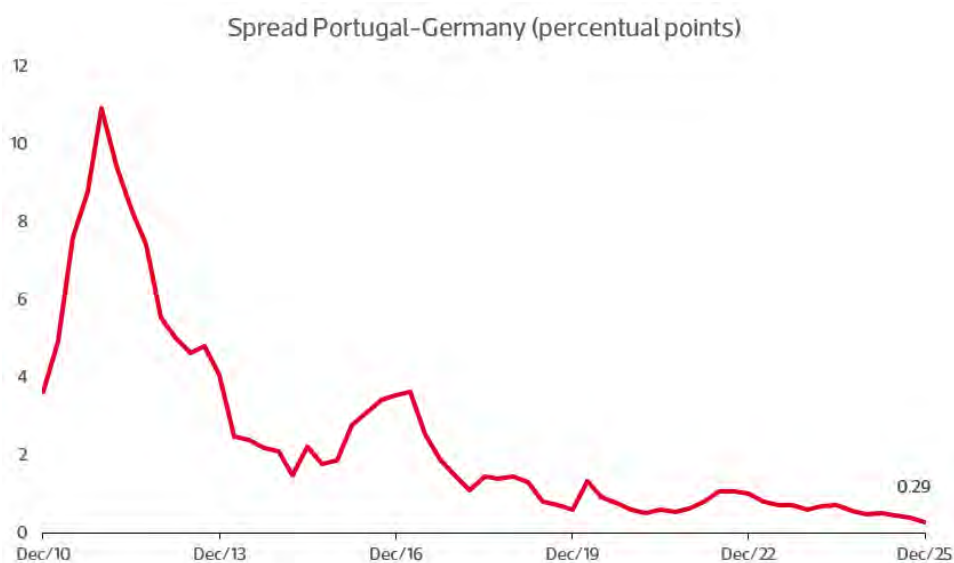
## Financial Markets<sup>1</sup>

In 2025, global financial markets maintained a strong risk appetite. Equity markets recorded significant gains – of around 20% in the main stock exchanges – supported by robust corporate earnings and expectations of a less restrictive monetary environment. The European banking sector delivered a particularly strong performance, with the main European banking index nearly doubling in value, reflecting high levels of profitability and a sustained improvement in asset quality.

The ECB continued in 2025 the gradual cycle of reductions in key interest rates, following a prolonged period of restrictive monetary policy. This normalisation contributed to the stabilisation of money market rates and to improved financing conditions for households and companies.

Sovereign debt interest rates remained relatively stable throughout 2025. Yields on 10-year German and US Treasury bonds showed some volatility, reflecting concerns related to fiscal sustainability and the evolution of monetary policy, respectively.

The spread of Portuguese sovereign debt over German bonds reached its lowest level ever in 2025, reflecting investor confidence in Portugal's macroeconomic and fiscal outlook. At the end of the year, Portugal remained among the euro area countries with the lowest sovereign risk premium. In addition, the rating agencies DBRS and S&P upgraded Portugal's credit rating to A (high) and A, respectively.



Corporate credit spreads remained benign in 2025. The 5-year iTraxx Europe Senior index remained at historically low levels, reflecting stable financial conditions and a contained perception of risk among investors.

<sup>1</sup>Bloomberg

## Portuguese Banking System<sup>1</sup>

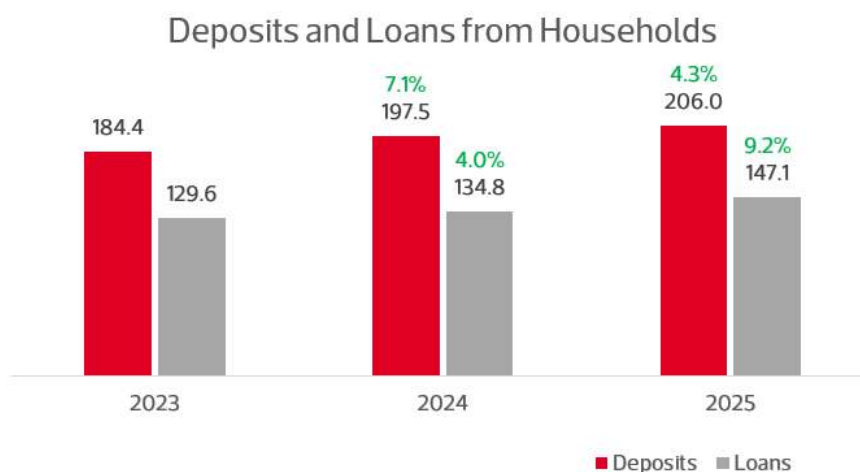
The Portuguese banking system remained robust and resilient throughout 2025. In the third quarter, the sector's total assets recorded moderate growth, mainly driven by the increase in mortgage lending and debt securities portfolios.

Customer deposits continued to grow in 2025, reflecting the high liquidity of the private sector. Customer lending also expanded, with a particular focus on mortgage loans, benefiting from the gradual decline in interest rates and improved financing conditions.

Liquidity and funding indicators remained comfortable. The loan-to-deposit ratio stood at around 76%, and the liquidity coverage ratio (LCR) remained well above regulatory requirements, evidencing a solid funding structure.

The profitability of the banking system declined slightly compared to the peaks observed in 2024, reflecting the gradual compression of the net interest margin in a context of declining interest rates. Nevertheless, levels of return on assets and return on equity remained high in historical terms.

The Portuguese banking system remained well capitalised. Capital ratios stayed at comfortable levels, ensuring a strong capacity to absorb adverse shocks and reinforcing the sector's resilience in a more challenging macroeconomic environment.



Source: European Central Bank via Bloomberg  
 Values in million euros  
 Percentages represent the year-on-year change

<sup>1</sup>Portuguese Banking System: Recent Developments – Q3 2025 – Bank of Portugal

## RESULTS, BALANCE SHEET, CAPITAL AND LIQUIDITY

### Consolidated Results

The evolution of the Group's results, on a management basis (including specific items), is presented as follows:

(amounts in thousands of euros)

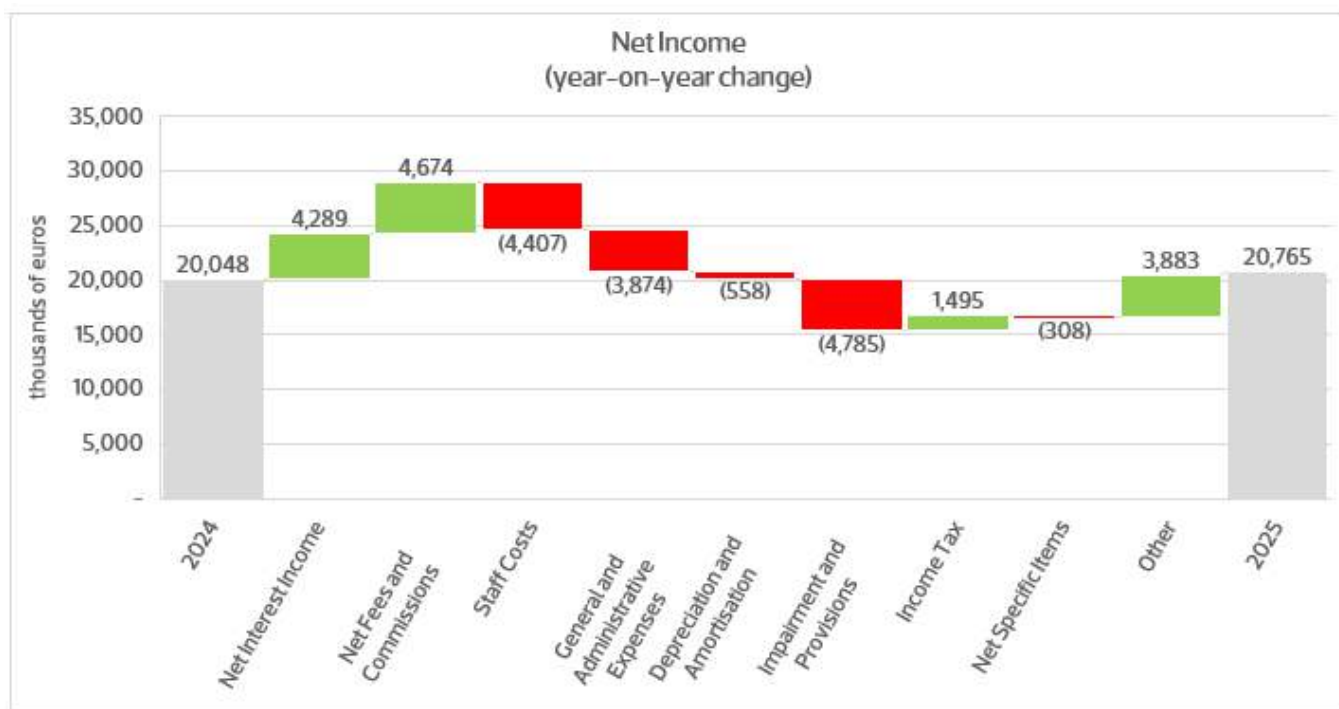
	2025	2024	Δ	
			Abs.	%
Net Interest Income	101,982	97,693	4,289	4%
Net Fees and Commissions	29,430	24,756	4,674	19%
Other Results	2,526	(1,665)	4,191	252%
<b>Operating Income</b>	<b>133,938</b>	<b>120,784</b>	<b>13,512</b>	<b>11%</b>
Staff Costs	(37,408)	(33,001)	(4,407)	13%
General and Administrative Expenses	(43,853)	(39,979)	(3,874)	10%
Depreciation and Amortisation	(8,931)	(8,373)	(558)	7%
<b>Operating Expenses</b>	<b>(90,192)</b>	<b>(81,353)</b>	<b>(8,839)</b>	<b>11%</b>
Impairment and Provisions	(17,828)	(13,043)	(4,785)	37%
<b>Profit Before Tax</b>	<b>25,918</b>	<b>26,388</b>	<b>(470)</b>	<b>-2%</b>
Income Tax	(4,757)	(6,253)	1,495	-24%
<b>Net Income (excluding specific items)</b>	<b>21,161</b>	<b>20,136</b>	<b>1,025</b>	<b>5%</b>
Net Specific Items	(396)	(88)	(308)	351%
<b>Net Income (statutory)</b>	<b>20,765</b>	<b>20,048</b>	<b>717</b>	<b>4%</b>

### Net Income

In the financial year 2025, Banco CTT achieved consolidated net income of €20,765 thousand, compared to €20,048 thousand in 2024, representing a positive variation of €717 thousand (+4%). This net income is the highest in Banco CTT's history.

Excluding the effect of specific items and discontinued operations, Banco CTT's consolidated net income in 2025 amounted to €21,161 thousand (2024: €20,136 thousand), representing an increase of €1,025 thousand compared to the 2024 financial year (+5%). Normalised Return on Tangible Equity (ROTE) reached 13.2% in 2025 (2024: 13.0%).

The drivers of the change in net income between 2024 and 2025 are presented in the figure below:



## Net Interest Income

In 2025, Net Interest Income amounted to €101,982 thousand (2024: €97,693 thousand), with a net interest margin of 2.1% (2024: 2.2%), representing an increase of €4,289 thousand (+4%) compared to the previous year.

The increase in Net Interest Income (+4%), albeit with a slightly lower net interest margin, was driven by volume effects and the management of the net interest margin, which increased from 3.7% in 2024 to 3.9% in 2025, in a year in which average loan and deposit volumes grew by 13% and 12%, respectively.

(amounts in millions of euros)	2025			2024		
	Average balance	Average rate	Interest	Average balance	Average rate	Interest
Loans and advances to customers	1,920	5,0%	95,6	1,696	5,4%	92,5
Securities and other financial assets <sup>1</sup>	2,723	2,2%	60,6	2,598	3,2%	83,6
<b>Financial assets</b>	<b>4,643</b>	<b>3,4%</b>	<b>156,2</b>	<b>4,294</b>	<b>4,0%</b>	<b>176,1</b>
Deposits from customers (retail)	4,116	1,1%	45,7	3,679	1,7%	63,6
Other financial liabilities <sup>2</sup>	244	3,4%	8,4	311	4,9%	15,4
<b>Financial liabilities</b>	<b>4,360</b>	<b>1,2%</b>	<b>54,1</b>	<b>3,990</b>	<b>1,9%</b>	<b>79,1</b>
Net Interest Margin <sup>3</sup>		3,9%	49,9		3,7%	28,9
<b>Net Interest Income</b>		<b>2,1%</b>	<b>102,1</b>		<b>2,2%</b>	<b>97,7</b>

1. Includes cash and cash equivalents, Investments at credit institutions and debt securities

2. Other financial liabilities at amortised cost

3. Average interest rate on loans and advances to customers – Average interest rate on deposits from customers (retail)

## Net Fees and Commissions

In 2025, Net Fees and Commissions amounted to €29,430 thousand (2024: €24,756 thousand), representing an increase of €4,674 thousand (+19%) compared to 2024.

This variation is mainly explained by:

- Fees received from insurance intermediation services, which amounted to €11,274 thousand (2024: €8,943 thousand). The increase of €2,331 thousand (+26%) is explained by higher commissions from non-life insurance intermediation (+€374 thousand) and from off-balance sheet savings products related to PPR and Life Financial Insurance products (+€1,957 thousand).
- Interbank fees, which amounted to €3,903 thousand (2024: €3,168 thousand), representing an increase of €735 thousand (+23%), driven by increased use of Banco CTT accounts for customers' day-to-day financial management.
- Fees received from credit intermediation services, which amounted to €3,051 thousand (2024: €2,184 thousand), representing an increase of €867 thousand (+40%).

(amounts in thousands of euros)

	2025	2024	Δ	
			Abs.	%
Insurance Intermediation	11,274	8,943	2,331	26%
Accounts and Cards	6,547	6,498	49	1%
Interbank Fees	3,903	3,168	735	23%
Credit Intermediation	3,051	2,184	867	40%
Other	4,655	3,963	692	17%
<b>Net Fees and Commissions</b>	<b>29,430</b>	<b>24,756</b>	<b>4,674</b>	<b>19%</b>

## Other Results

In 2025, Other Results totalled €2,526 thousand (2024: -€1,665 thousand), representing an increase of €4,191 thousand compared to the previous year, mainly driven by higher recoveries from written-off loan portfolios (+€5,218 thousand), including a significant impact from the sale of a large portion of the written-off auto loan portfolio in 2025.

## Operating Expenses

Operating expenses totalled €90,192 thousand (2024: €81,353 thousand), resulting in an adjusted cost-to-income ratio (excluding specific items) of 67%, in line with 2024 (67%).

## Staff Costs

- Staff costs amounted to €37,408 thousand (2024: €33,001 thousand), representing an increase of €4,407 thousand (+13%), driven by salary updates and the increase in the number of employees in 2025 compared to the previous year (+12%, from 613 to 689), particularly in the context of strengthening the Commercial Network through the expansion of the Specialised Branches concept, as well as the reinforcement of central functions teams.

## General and Administrative Expenses

- General and administrative expenses amounted to €43,853 thousand (2024: €39,979 thousand), representing an increase of €3,874 thousand (+10%).
- This increase is explained by higher IT expenses (+€1,985 thousand), lower advertising expenses (-€845 thousand), higher consulting expenses (+€1,139 thousand), and increases in other expenses related to transactional banking operations, servicing of banking operations and the use of payment networks.
- Costs related to the use of the physical and technical infrastructure of the CTT branch network amounted to €3,670 thousand (2024: €4,886 thousand), representing a decrease of €1,216 thousand (-25%).

## Depreciation and Amortisation

- Amortisation of intangible assets amounted to €6,248 thousand (2024: €6,153 thousand).
- Depreciation of other tangible assets amounted to €2,683 thousand (2024: €2,220 thousand).

(amounts in thousands of euros)

	2025	2024	Δ	
			Abs.	%
Staff Costs	37,408	33,001	4,407	13%
General and Administrative Expenses	43,853	39,979	3,874	10%
Depreciation and Amortisation	8,931	8,373	558	7%
<b>Operating Expenses</b>	<b>90,192</b>	<b>81,353</b>	<b>8,839</b>	<b>11%</b>

## Impairment and Provisions

### Credit Impairment and Provisions

The net charge for credit impairment and provisions amounted to €16,884 thousand in 2025 (2024: €12,733 thousand), representing an increase of €4,151 thousand (+33%) compared to 2024 and a cost of risk of 0.9% (0.7% in 2024). The 2024 figure is positively impacted by the capital gain arising from the sale of a non-performing auto loan portfolio (cost of risk excluding this capital gain: 0.9%).

This variation is explained by:

- Auto loans
  - Net impairment charge of €16,058 thousand (2024: €11,607 thousand), representing an increase of €4,451 thousand (+38%).
  - This increase is mainly due to the positive effect recorded in 2024, namely the adjustment of risk factors following the sale of the non-performing portfolio. Excluding this effect from the 2024 charge, the 2025 charge is broadly in line with the previous year, with no material deterioration, reflecting the normal evolution of risk parameters and portfolio behaviour in terms of delinquency and recoveries.
  - As at 31 December 2025, the coverage ratio of the auto loan portfolio stood at 5.4% (2024: 4.4%).
  
- Mortgage loans
  - Net charge of €433 thousand (2024: €351 thousand), representing an increase of €82 thousand (+23%).
  - As at 31 December 2025, the coverage ratio of the mortgage loan portfolio stood at 0.23% (2024: 0.22%).
  
- Overdrafts
  - Net charge of €377 thousand (2024: net charge of €775 thousand), representing a decrease of €398 thousand (-51%).
  - As at 31 December 2025, the coverage ratio of the overdraft portfolio stood at 34.8% (2024: 31.8%).

#### Other Impairment and Provisions

- Impairment of other financial assets recorded a net charge of €72 thousand (2024: net charge of €2 thousand).
- Impairment of other assets recorded a net charge of €154 thousand (2024: net reversal of €9 thousand).
- Other provisions recorded a net charge of €718 thousand (2024: €317 thousand), including provisions for contractual contingencies associated with the sale of a written-off loan portfolio in 2025.

(amounts in thousands of euros)

	2025	2024	Δ	
			Abs.	%
<b>Credit Impairment and Provisions</b>	<b>16,884</b>	<b>12,733</b>	<b>4,151</b>	<b>33%</b>
of which: auto loans	16,058	11,607	4,451	38%
of which: mortgage loans	433	351	82	23%
of which: overdrafts	377	775	(398)	-51%
of which: other	16	-	(16)	...
<b>Other Impairment and Provisions</b>	<b>944</b>	<b>310</b>	<b>634</b>	<b>205%</b>
of which: other financial assets	72	2	70	3,500%
of which: other assets	154	(9)	163	-1,811%
of which: other provisions	718	317	401	126%
<b>Impairment and Provisions</b>	<b>17,828</b>	<b>13,043</b>	<b>4,785</b>	<b>37%</b>

### Specific Items

Given their non-recurring nature, the effects of significant items considered as specific in 2025 and 2024 are presented below, in order to facilitate the year-on-year comparability of performance:

(amounts in thousands of euros)

Specific Items	2025	2024	Δ	
			Abs.	%
Net Interest Income	-	-	-	...
Net Fees and Commissions	-	-	-	...
Other Results	(60)	(87)	27	-31%
<b>Operating Income</b>	<b>(60)</b>	<b>(87)</b>	<b>27</b>	<b>-31%</b>
Staff Costs	94	-	94	...
General and Administrative Expenses	372	206	166	80%
Depreciation and Amortisation	-	-	-	...
<b>Operating Expenses</b>	<b>466</b>	<b>206</b>	<b>260</b>	<b>126%</b>
Impairment and Provisions	125	-	125	...
<b>Profit Before Tax</b>	<b>531</b>	<b>119</b>	<b>412</b>	<b>345%</b>
Income Tax	(135)	(32)	(104)	328%
<b>Net Income</b>	<b>396</b>	<b>88</b>	<b>308</b>	<b>351%</b>

## Consolidated Balance Sheet

(amounts in thousands of euros)

	2025	2024	Δ	
			Abs.	%
Loans and advances to customers	1,994,804	1,742,032	252,772	15%
Investment in Securities	2,100,680	2,059,137	41,543	2%
Liquidity	767,693	797,041	(29,348)	-4%
Goodwill and intangible assets	89,236	84,769	4,467	5%
Other assets	53,811	44,546	9,265	21%
<b>Total Assets</b>	<b>5,006,224</b>	<b>4,727,525</b>	<b>278,699</b>	<b>6%</b>
Deposits from customers	4,348,430	4,060,462	287,968	7%
Debt securities issued	229,615	262,912	(33,297)	-13%
Other liabilities	92,177	89,076	3,101	3%
<b>Total Liabilities</b>	<b>4,670,222</b>	<b>4,412,450</b>	<b>257,772</b>	<b>6%</b>
<b>Total Equity</b>	<b>336,002</b>	<b>315,075</b>	<b>20,927</b>	<b>7%</b>

### Loans and Advances to Customers

Gross customer loans stood at €2,057,807 thousand as at 31 December 2025 (2024: €1,788,601 thousand), representing an overall increase of €269,206 thousand (+15%), of which €163,148 thousand relates to the mortgage loan portfolio and €106,407 thousand to the auto loan portfolio.

The loan-to-deposit ratio reached 46%, slightly above the 43% recorded as at 31 December 2024.

During 2024, the Group sold a non-performing auto loan portfolio with a gross carrying amount of €20,405 thousand. This transaction resulted in a capital gain and a reduction in the NPL (non-performing loans) ratio.

As at 31 December 2025, the average coverage ratio of the loan portfolio stood at 3.1% (2024: 2.6%); this increase in impairment was observed across all portfolios.

## Investment in Securities

As at 31 December 2025, the securities investment portfolio had a gross carrying amount of €2,101,732 thousand (2024: €2,059,240 thousand), comprising 77% euro area sovereign debt securities (2024: 69%) and 21% European supranational debt securities (2024: 31%). The total portfolio increased by €42,492 thousand (+2%). The Bank's securities investment portfolio is almost entirely (98%) measured at amortised cost (2024: 100%).

As at 31 December 2025, the securities investment portfolio had a fair value of €2,079,349 thousand (a negative difference of approximately €22 million compared to its carrying amount).

As at 31 December 2024, the securities investment portfolio had a fair value of €2,036,925 thousand (a negative difference of approximately €22 million compared to its carrying amount).

The difference between the carrying amount and the fair value of these assets is explained by the significant increase in interest rates since 2021. The yield on 5-year German government bonds increased from -0.45% as at 31 December 2021 to 2.58% at the end of 2022, 1.95% at the end of 2023, 2.42% at the end of 2024 and 2.45% at the end of 2025.

## Liquidity

Liquidity - which includes cash, balances and placements with credit institutions and central banks - stood at €767,696 thousand as at 31 December 2025 (2024: €797,046 thousand), representing a decrease of €29,350 thousand (amounts before impairment).

Balances and placements with central banks totalled €651,829 thousand as at 31 December 2025 (2024: €685,220 thousand), representing a decrease of €33,391 thousand (before impairment) compared to 2024, despite customer funds having increased by €287,968 thousand (2024: +€954,283 thousand). This reflects the fact that the liquidity raised was primarily allocated to the customer loan portfolio, which increased by €268,847 thousand (before impairment).

## Deposits from Customers

Customer deposits amounted to €4,348,430 thousand as at 31 December 2025 (31 December 2024: €4,060,462 thousand), representing an increase of €287,968 thousand (+7%) compared to 31 December 2024.

This increase was driven by growth in demand deposits (+€160,389 thousand; +11%) and term and savings deposits (+€127,579 thousand; +5%).

Retail customer deposits represented 99.7% of the deposit portfolio (2024: 99.6%).

## Debt Securities Issued

Debt securities issued amounted to €229,615 thousand as at 31 December 2025 (2024: €262,912 thousand), representing a decrease of €33,297 thousand (-13%) compared to the previous year.

As at 31 December 2025, there are two active securitisation transactions placed with institutional investors (Ulisses Finance No.2 and Ulisses Finance No.3) and two senior preferred bond issuances (eligible for MREL – Minimum Requirement for Own Funds and Eligible Liabilities). One of these, amounting to €10 million, was issued in December 2024 and fully subscribed by the shareholder CTT – Correios de Portugal, S.A., and the other, amounting to €45 million, was issued at the end of 2025.

The €45 million senior preferred issuance carried out in November 2025, eligible for MREL, has a maturity in November 2028 and an option for early redemption 12 months prior to maturity. This issuance was fully subscribed by more than 20 institutional investors, with demand reaching twice the amount offered. International investors accounted for more than 40% of demand, with allocations distributed as follows: 51% to asset managers, 31% to insurance companies and 18% to banks.

## Capital and Liquidity

(amounts in thousands of euros)

	2025	2024
<b>Total Own Funds*</b>		
Common Equity Tier 1 (CET1)	258,239	239,731
Tier 1 Capital	258,239	239,731
Total Own Funds	258,239	239,731
<b>RWA (Risk-Weighted Assets)*</b>	1,189,543	1,129,948
<b>Solvency Ratios*</b>		
Common Equity Tier 1	21.7%	21.2%
Total Capital Ratio	21.7%	21.2%
Leverage Ratio	5.4%	5.4%
<b>Liquidity Ratios</b>		
Liquidity Coverage Ratio (LCR)	1,004%	1,361%
Net Stable Funding Ratio (NSFR)	244%	261%

\* CRR fully implemented

- Banco CTT reported a Common Equity Tier 1 (CET1) ratio of 21.7% as at 31 December 2025 (including net income for the period), representing an increase of 0.5 percentage points compared to December 2024. This level remains comfortably above the regulatory CET1 requirement of 8.7% and the Total Capital requirement of 13.5%. The evolution of CET1 reflects an increase of €18.5 million (+8%) in own funds, supported by net income of €20.8 million generated during the period. Risk-weighted assets

increased by €59.6 million (+5% compared to December 2024), as growth driven by business activity more than offset the reduction resulting from the adoption of CRR3.

- As at 31 December 2025, the leverage ratio stood at 5.4%, remaining broadly stable year-on-year and above the regulatory requirement of 3.0%, while liquidity ratios (LCR and NSFR) remained very comfortable and above regulatory requirements.

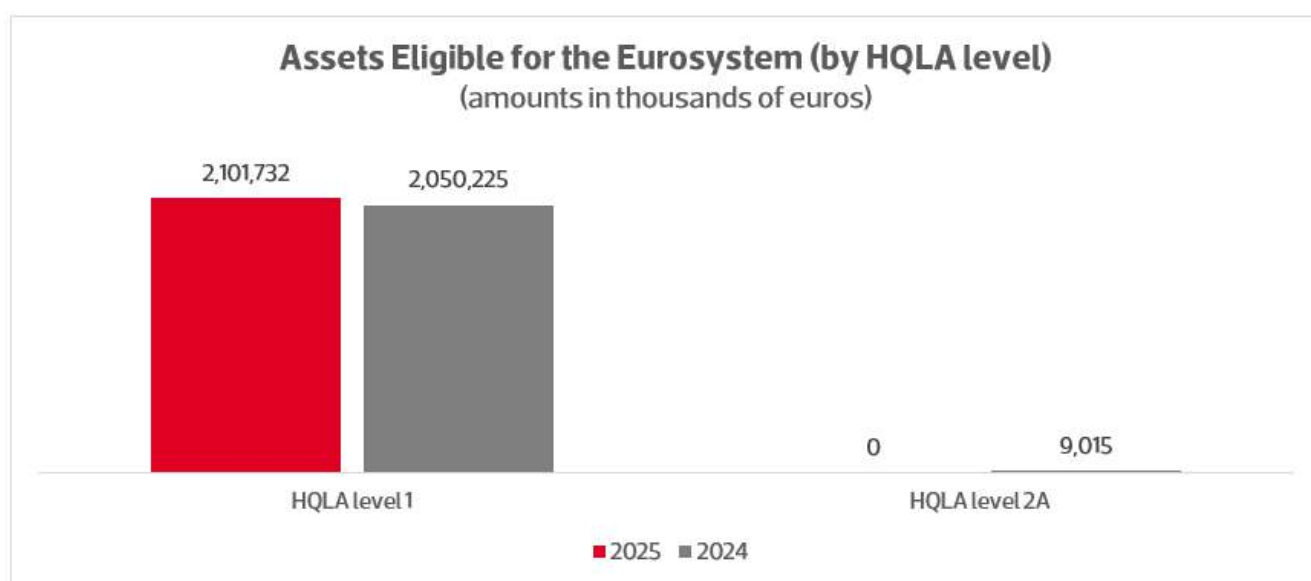
#### Minimum Requirement for Own Funds and Eligible Liabilities (MREL)

- As at 31 December 2025, the Group held €55 million in debt instruments eligible for MREL purposes, resulting in an MREL-RWA ratio of 26.3% and an MREL-LR ratio of 6.5%.
- Banco de Portugal, as the National Resolution Authority (NRA), started to consider the application of a resolution measure as the preferred resolution strategy, with a single point of entry (“SPE”), for Banco CTT Group. In this context, a minimum requirement for own funds and eligible liabilities (“MREL”) was set at the consolidated level, to be met as from 30 June 2026. The updated requirements amount to 24.66% of total risk exposure amount (“TREA”), including a combined buffer requirement of own funds (“CBR”) of 3.25%, and 5.31% of the leverage ratio exposure (“LRE”).

## LIQUIDITY AND FUNDING

### LIQUIDITY AND FUNDING

One of the key components of liquidity management is the proprietary portfolio, which prioritises diversification across countries and sectors. Accordingly, as at 31 December 2025, the Group held a portfolio of assets eligible for refinancing with the Eurosystem amounting to approximately €2,101,732 thousand (2024: €2,050,225 thousand).



Additionally, as at 31 December 2025, the Group held deposits with Banco de Portugal amounting to €607 million (€645 million in 2024), reflecting a high level of liquidity and funding capacity.

Accordingly, the consolidated liquidity indicator, the Liquidity Coverage Ratio (LCR), stood at a very comfortable level of 1,004% at the end of 2025 (1,361% at the end of 2024), significantly above minimum regulatory requirements.

In funding its assets, the Group prioritises customer deposits. These deposits amounted to approximately €4,348 million as at 31 December 2025 (2024: €4,060 million), representing around 87% of total assets.

Despite its surplus liquidity position, the Bank occasionally conducts tests to access the ECB funding facilities and repos with other financial institutions.

The Group analyses the residual maturity profiles of its assets and liabilities. Cash inflows and outflows are monitored across time buckets according to their residual maturities, allowing for the calculation of liquidity gaps, both for each period and on a cumulative basis. These analyses are conducted from both a contractual maturity perspective and a behavioural maturity perspective.

Liquidity risk management is carried out from the perspective of:

- Short-term liquidity;
- Structural liquidity; and
- Contingency liquidity.

The Group monitors its short-term liquidity levels through daily mismatch reports, including eligible assets and liquidity buffers, as well as key cash inflows and outflows, deposit evolution, investment in fixed assets and capital flows.

With regard to structural liquidity, the Group prepares a monthly liquidity report, taking into account both the effective maturity dates of the various products and their behavioural maturity. Based on this analysis, structural mismatches are determined for each time bucket. In line with the established budget targets, an annual funding plan is prepared and periodically reviewed.

The Group conducts liquidity stress tests to identify the main liquidity risk drivers affecting its balance sheet and to assess its resilience to liquidity crises.

The Group has defined a set of measures which, when activated, enable it to address and/or mitigate the effects of a liquidity crisis - its Liquidity Contingency Plan. These measures are designed to meet liquidity needs under stress scenarios.

In addition, the Group performs internal liquidity adequacy assessments (Internal Liquidity Adequacy Assessment Process - ILAAP), in compliance with Banco de Portugal Instruction No. 2/2019 and the EBA Guidelines (EBA/GL/2016/10).

The Capital, Risk and Sustainability Committee, which met 27 times in 2025, reviews the Group's liquidity position, including balance sheet developments, gap analysis and key business indicators (liquidity and commercial gaps, deposit and lending rates). Overall, a comprehensive assessment of liquidity risk and its evolution is performed, with a particular focus on current liquidity buffers and the generation and maintenance of eligible assets.

## SECURITISATION ACTIVITIES

When structuring securitisation transactions, Banco CTT Group may pursue the following objectives:

- Diversify funding sources through:
  - Securitisation transactions that allow the transformation of illiquid assets into liquid assets and, therefore, enable funding through the sale of those assets;
  - Retention of securitisations to obtain liquidity, namely by using the most senior tranches as collateral in funding operations with the market and/or the Eurosystem.
- Reduce the cost of funding, as the securitisation of assets allows the Group to obtain liquidity at a cost generally lower than that incurred in unsecured senior debt transactions.
- Achieve more efficient capital and credit risk management through diversification of on-balance sheet assets, considering that securitisation transactions and the subsequent sale of securities in the market contribute to reducing/managing credit risk arising (naturally) from commercial activity.
- Manage concentration risk through the selective sale of assets, reducing exposure to specific borrowers, as well as to certain asset classes (business lines, sectors of activity, etc.).

On an annual basis, as part of its liquidity and funding planning process, the Group may, based on available assets, include the use of securitisation transactions where deemed appropriate.

### Description of the Group's Securitisation Activities and Transactions

#### As Investor

As at the reporting dates, the Group does not hold positions in securitisation transactions originated by third parties or in securities resulting from re-securitisation transactions originated by third parties. However, in order to comply with Article 449(f) of the CRR, the Bank has developed and implemented a risk management and control process, including the monitoring of credit risk and market risk of securitisation positions held on its balance sheet. Additionally, given the limited materiality of the risks involved, and in accordance with Article 449(g) of the CRR, no hedging transactions or other forms of credit protection have been contracted with the objective of reducing the risk of these positions.

#### As Originator

As at 31 December 2024, the Group had four securitisation transactions in place involving assets originated by 321 Crédito:

##### **Chaves Funding No.8**

This private securitisation transaction was issued in November 2019 by Tagus – Sociedade de Titularização de Créditos, S.A., and included a consumer credit portfolio originated by 321 Crédito. The structuring of the transaction involved PLMJ and Deutsche Bank.

The structure of the transaction includes Class A and Class B tranches, both fully retained by the Group.

The transaction includes an optional early amortisation clause allowing the Issuer to redeem all Classes of Notes when the outstanding amount of the receivables represents 10% or less of the initial securitised portfolio.

The underlying assets of the Chaves Funding No.8 transaction were not derecognised from the Statement of Financial Position, as the Group retained substantially all the risks and rewards associated with their ownership.

### **Ulisses Finance No.2**

This securitisation transaction was created in September 2021 and issued by Tagus – Sociedade de Titularização de Créditos, S.A., under the public securitisation programme (Ulisses), with Ulisses Finance No.2 placed in the market. The structuring involved PLMJ and Deutsche Bank and included a consumer credit portfolio originated by 321 Crédito, with an initial total amount of €250,000 thousand, maintained throughout a 12-month revolving period.

The transaction structure includes six collateralised tranches (Classes A to F) and additional tranches G and Z. All tranches are placed in the capital markets, except for Class Z, which had an initial amount of €1.5 million and stood at €1,000 as at 31 December 2024.

The transaction obtained credit ratings from DBRS and Moody's for the tranches placed in the market (Classes A to G).

Ulisses Finance No.2 qualifies as an STS (Simple, Transparent and Standardised) securitisation.

For capital ratio calculation purposes, as the transaction complies with Article 244.1(b) of Regulation (EU) No. 575/2013 (full capital deduction), the Group reduced its Risk-Weighted Assets in respect of the securitised exposures under this transaction.

The transaction includes an interest rate cap as a risk mitigation mechanism for interest rate risk, benefiting both the transaction and its investors, including the Group. This cap was contracted by the issuer (Tagus – STC, S.A.), and the Group holds a back-to-back interest rate cap.

The underlying assets of the Ulisses Finance No.2 transaction were not derecognised from the Statement of Financial Position, as the Group retained substantially all the risks and rewards associated with their ownership.

### **Ulisses Finance No.3**

This securitisation transaction was created in June 2022 and issued by Tagus – Sociedade de Titularização de Créditos, S.A., and corresponds to a public credit securitisation programme (Ulisses), with Ulisses Finance No.3 placed in the market. The structuring of the transaction involved VdA and Deutsche Bank, and included a consumer credit portfolio originated by 321 Crédito, with an initial total amount of €200,000 thousand, to be maintained over a 12-month revolving period.

The structure of the transaction includes six collateralised tranches (Classes A to F) and, additionally, tranches G and Z. All tranches are placed in the capital markets, except for Class Z, which had an initial amount of €1.8 million and, as at 31 December 2024, stands at €1,000.

This transaction obtained credit ratings from DBRS and Moody's for the tranches placed in the market, namely Classes A to G.

Ulisses Finance No.3 has the characteristics of an STS (Simple, Transparent and Standardised) securitisation.

For capital ratio calculation purposes, as Ulisses Finance No.3 complies with Article 244.1(b) of Regulation (EU) No. 575/2013 (full capital deduction), the Group reduced its Risk-Weighted Assets in respect of the securitised exposures under this transaction.

The transaction incorporates an interest rate swap, a mechanism to mitigate interest rate risk for the transaction and its investors, including the Group, which was not contracted directly by the Group but by the issuer of the securitisation (Tagus – STC, S.A.). The Group also holds a back-to-back interest rate swap.

The underlying assets of Ulisses Finance No.3 were not derecognised from the Statement of Financial Position, as the Group retained substantially all the risks and rewards associated with their ownership.

### **Fénix 1**

Esta operação teve início em dezembro de 2014, tendo sido emitida pela Gamma – Sociedade de Titularização de Créditos, S.A. e titularizou uma parte significativa da carteira de locação financeira da 321 Crédito à data.

A 321 Crédito não reteve qualquer tranche, pelo que a carteira titularizada foi desreconhecida do balanço.

A 321 Crédito manteve a gestão da carteira titularizada, sendo remunerada por essa prestação de serviços através da cobrança de um *servicer fee*.

As at 31 December 2025, there were no loan portfolios pending securitisation.

### **As Servicer**

The Group, through 321 Crédito, ensures the management of securitised portfolios and is remunerated for this service through the collection of a servicing fee.

In the tables below, as at 31 December 2025 and 2024, the main characteristics of each securitisation transaction originated by the Group are presented, namely its level of involvement, whether or not there has been a significant transfer of credit risk, the initial securitised amounts and outstanding balances, as well as the start date, legal maturity and revolving period.

*(amounts in thousands of euros)*

2025				
	Chaves Funding No.8	Ulisses Finance No.2	Ulisses Finance No.3	Fenix
<b>Purpose of the Securitisation Transaction</b>	Funding	Funding and reduction of risk-weighted assets	Funding and reduction of risk-weighted assets	Funding and transfer of credit risk
<b>Type of Securitisation Transaction</b>	Tradicional Securitisation	Tradicional Securitisation	Tradicional Securitisation	Tradicional Securitisation
<b>Sponsors</b>	Tagus (Issuer) Deutsche Bank (Transaction Manager, Paying Agent and Transaction Accounts Bank)	Tagus (Issuer) Deutsche Bank (Transaction Manager, Paying Agent and Transaction Accounts Bank)	Tagus (Issuer) Deutsche Bank (Transaction Manager, Paying Agent and Transaction Accounts Bank); Law Debenture (Common Representative), Servdebt (Backup Servicer)	Gamma (Issuer) Banco Efisa (Arranger, Transaction Manager and Paying Agent) Santander (Transaction Accounts Bank)
<b>Securitisation Information:</b>				
<b>Start Date</b>	28/11/2019	28/09/2021	01/06/2022	12/12/2014
<b>Legal Maturity</b>	22/11/2034	23/09/2038	23/06/2039	30/06/2037
<b>Step-up date</b>				
<b>Revolving (years)</b>	2	1	1	-
<b>Securitized assets (initial)</b>	310,500	250,000	200,000	75,052
<b>Outstanding amount (year-end 2025)</b>	729,192	88,416	97,744	29,615
<b>Outstanding amount of notes</b>				
<b>Class A / Single Class</b>	649,193	67,172	77,258	33,030
<b>Class B</b>	75,051	3,298	3,679	n.a.
<b>Class C</b>	n.a.	6,595	5,518	n.a.
<b>Class D</b>	n.a.	3,726	2,759	n.a.
<b>Class E</b>	n.a.	1,220	2,299	n.a.
<b>Class F</b>	n.a.	429	460	n.a.
<b>Class G</b>	n.a.	0	0	n.a.
<b>Class Z</b>	n.a.	1	1	n.a.
<b>Existence of "implicit support" under Article 449(r) of the CRR</b>	Não	Não	Não	Não
<b>% of notes placed in the market</b>	0.0000%	99.9992%	99.9992%	100.0000%
<b>Initial gain / Value of reacquired first-loss positions</b>	16,025	1	1	0

*(amounts in thousands of euros)*

2024				
	Chaves Funding No.8	Ulisses Finance No.2	Ulisses Finance No.3	Fenix
<b>Purpose of the Securitisation Transaction</b>	Funding	Funding and reduction of risk-weighted assets	Funding and reduction of risk-weighted assets	Funding and transfer of credit risk
<b>Type of Securitisation Transaction</b>	Tradicional Securitisation	Tradicional Securitisation	Tradicional Securitisation	Tradicional Securitisation
<b>Sponsors</b>	Tagus (Issuer) Deutsche Bank (Transaction Manager, Paying Agent and Transaction Accounts Bank)	Tagus (Issuer) Deutsche Bank (Transaction Manager, Paying Agent and Transaction Accounts Bank)	Tagus (Issuer) Deutsche Bank (Transaction Manager, Paying Agent and Transaction Accounts Bank); Law Debenture (Common Representative), Servdebt (Backup Servicer)	Gamma (Issuer) Banco Efisa (Arranger, Transaction Manager and Paying Agent) Santander (Transaction Accounts Bank)
<b>Securitisation Information:</b>				
<b>Start Date</b>	28/11/2019	28/09/2021	01/06/2022	12/12/2014
<b>Legal Maturity</b>	22/11/2034	23/09/2038	23/06/2039	30/06/2037
<b>Step-up date</b>				
<b>Revolving (years)</b>	2	1	1	-
<b>Securitised assets (initial)</b>	310,500	250,000	200,000	75,052
<b>Outstanding amount (year-end 2025)</b>	556,478	126,254	133,196	31,195
<b>Outstanding amount of notes</b>				
<b>Class A / Single Class</b>	501,603	99,581	109,546	35,010
<b>Class B</b>	57,352	4,889	5,216	n.a.
<b>Class C</b>	n.a.	9,777	7,825	n.a.
<b>Class D</b>	n.a.	5,524	3,912	n.a.
<b>Class E</b>	n.a.	1,809	3,260	n.a.
<b>Class F</b>	n.a.	636	652	n.a.
<b>Class G</b>	n.a.	0	0	n.a.
<b>Class Z</b>	n.a.	1	1	n.a.
<b>Existence of "implicit support" under Article 449(r) of the CRR</b>	Não	Não	Não	Não
<b>% of notes placed in the market</b>	0.0000%	99.9992%	99.9992%	100.0000%
<b>Initial gain / Value of reacquired first-loss positions</b>	16,025	1	1	0

No significant events related to securitisation transactions occurred during 2025 and 2024.

## Management of Investments in Securitisation Transactions and Calculation of Capital Requirements

Investments in debt instruments arising from securitisation or re-securitisation transactions comply with the investment policies in force within the Group at any given time, aligned with the risk appetite framework, and respect the limits defined within the risk management framework.

During 2025, the Group did not act as an investor in securitisations, within the meaning of the Capital Requirements Regulation (CRR – Capital Requirements Regulation).

At the individual level, for positions where the Bank acts as an investor in securitisation transactions originated by 321 Crédito, and given that no external rating is assigned, but considering that the Bank has detailed knowledge of the underlying loan portfolio, the Bank applied the look-through approach, treating the positions in accordance with Article 253(1) of the CRR. As at 31 December 2025, these positions amounted to €649,193 thousand.

For the Ulisses Finance No.2 and Ulisses Finance No.3 securitisation transactions, the Group applies Article 244(1)(b) of the CRR, opting for the deduction from own funds of the retained tranche and the exclusion of the securitised exposures from risk-weighted assets.

## CAPITAL MANAGEMENT

Banco CTT Group maintains a strong financial position, reflected in the maintenance of a total capital ratio (ratio between own funds and risk-weighted assets) above the minimum requirements set out in Directive 2013/36/EU and Regulation (EU) No. 575/2013 (“CRR” – Capital Requirements Regulation), approved on 26 June 2013 by the European Parliament and the Council of the European Union. The definition of the capital management strategy is the responsibility of the Board of Directors.

### ICAAP

The ICAAP (Internal Capital Adequacy Assessment Process) is a key process in the Group’s risk management framework, aimed at identifying the capital required to adequately cover the risks incurred in the execution of its current business strategy.

The Group performs an annual self-assessment exercise to determine the adequacy of capital levels in relation to its business model. This process, governed by Banco de Portugal Instruction No. 3/2019 and EBA guidelines, seeks to ensure that the risks to which institutions are exposed are properly assessed and that the internal capital available is adequate in light of their risk profile.

ICAAP is a tool that enables the Board of Directors to assess the adequacy of the Group’s capitalisation in relation to the risks arising from its activities, by evaluating the sustainability of the strategic plan and the budget over the medium term, as well as their alignment with the limits defined in the Risk Appetite Statement.

ICAAP allows the Group to assess and quantify the main risks to which it may be exposed, and therefore also constitutes an important tool in decision-making regarding the levels of risk to be assumed and the activities to be undertaken.

The Group calculates internal capital using regulatory models, and therefore its internal capital is composed of its regulatory own funds.

The approaches used to quantify economic capital for each risk are as follows:

Risks	Metrics
<b>Operational Risk</b> + Information Systems Risk + Compliance Risk	<b>Regulatory Model</b> Methodology for calculating own funds requirements for operational risk under the Business Indicator Component (BIC), in accordance with CRR rules.
<b>Credit Risk</b> Sovereigns  Central Banks, Equities, Other Assets, UCIs  CVA Corporate and Institutions  Retail Covered Bonds	<b>Internal Models</b> BCBS model: exposure at risk multiplied by a risk weight and by the applicable capital ratio. Regulatory model: Standardised Approach.  Regulatory model: Simplified Approach. Based on the IRB Foundation regulatory model, depending on PDs, LGDs and maturity of exposures. Standardised Approach.
<b>Concentration Risk</b> Individual Sectoral Sovereign	<b>Internal Models</b> Models based on Banco de España guidelines, with adjustments recommended by Banco de Portugal. These involve the calculation of concentration indices to determine an add-on to credit risk capital requirements.
<b>Interest Rate Risk</b>	<b>Internal Model</b> Most adverse exposure recorded over the last 12 months in relation to SOT – EVE and SOT – NII.
<b>Climate and Environmental Risks</b>	<b>Internal Model</b> Methodology for calculating an add-on through the application of an adjustment factor to the Risk Weight (“RW”) used in the calculation of capital requirements for credit risk exposures. <u>Mortgage Loans</u> Physical risks: the adjustment factor is calculated based on the risk class of the district corresponding to the location of the collateral. Transition risks: the adjustment factor is determined based on the Energy Performance Certificate (EPC) of the property. <u>Auto Loans</u> Transition risks: the adjustment factor is determined based on CO <sub>2</sub> emissions.

## Regulatory Capital

Prudential solvency indicators are based on the applicable regulatory framework, namely the European Regulation on prudential requirements (CRR), as well as Banco de Portugal Notices No. 6/2013 and No. 10/2017, which govern the transitional regime provided for in the Regulation regarding own funds. The CRR includes a set of transitional provisions that allow for the phased implementation of requirements, enabling credit institutions to gradually adapt to the new requirements, both in terms of own funds and minimum capital ratios.

The Group uses, for the calculation of capital requirements, the Standardised Approach for credit and counterparty risk, the Basic Indicator Approach for operational risk, and the Standardised Approach with the maturity-based method for market risk.

The Group's Common Equity Tier 1 capital includes: (a) paid-up share capital, reserves and retained earnings eligible for inclusion, (b) regulatory deductions related to intangible assets, goodwill and losses for the current financial year, and (c) prudential filters. As at 31 December 2025, the Group does not hold any Additional Tier 1 or Tier 2 capital instruments, and therefore its total regulatory capital consists entirely of Common Equity Tier 1 capital.

Own funds and consolidated capital ratios as at 31 December 2025 and 31 December 2024 are as follows:

(amounts in thousands of euros)

	2025		2024	
	CRR Phasing in	CRR Fully Implemented	CRR Phasing in	CRR Fully Implemented
<b>OWN FUNDS</b>				
Share Capital	321,400	321,400	321,400	321,400
Retained Earnings	(12,820)	(12,820)	(30,868)	(30,868)
Legal Reserve	6,830	6,830	4,830	4,830
Eligible Results <sup>(1)</sup>	20,765	20,765	20,048	20,048
Other Reserves	494	494	360	360
Prudential Filters	(33)	(33)	(11)	(11)
Fair Value Reserves <sup>(2)</sup>	27	27	-	-
Additional Valuation Adjustment (AVA) <sup>(3)</sup>	(60)	(60)	(11)	(11)
<b>Deductions from CET1</b>	<b>(78,397)</b>	<b>(78,397)</b>	<b>(74,088)</b>	<b>(76,028)</b>
Intangible assets	(15,720)	(15,720)	(14,454)	(14,454)
Goodwill	(60,679)	(60,679)	(60,679)	(60,679)
IFRS 9 adoption	(695)	(695)	1,245	(695)
Insufficient coverage of NPLs	(1,301)	(1,301)	(198)	(198)
Securitisation deduction (1250%)	(2)	(2)	(2)	(2)
<b>Items not deducted from own funds under Article 437 CRR</b>	<b>1,818</b>	<b>1,818</b>	<b>1,695</b>	<b>1,695</b>
Deferred tax assets	1,818	1,818	1,695	1,695
Holdings in financial entities	-	-	-	-
<b>Common Equity Tier 1 (CET1)</b>	<b>258,239</b>	<b>258,239</b>	<b>241,671</b>	<b>239,731</b>
<b>Tier 1 Capital</b>	<b>258,239</b>	<b>258,239</b>	<b>241,671</b>	<b>239,731</b>
<b>Total Own Funds</b>	<b>258,239</b>	<b>258,239</b>	<b>241,671</b>	<b>239,731</b>
<b>RWA</b>	<b>1,189,543</b>	<b>1,189,543</b>	<b>1,131,228</b>	<b>1,129,948</b>
Credit Risk	1,010,588	1,010,588	892,183	892,183
Operational Risk	173,392	173,392	219,138	219,138
Market Risk	-	-	-	-
CVA	5,563	5,563	19,907	19,907
IFRS 9 adjustments	-	-	-	(1,280)
<b>RÁCIOS DE CAPITAL</b>				
Common Equity Tier 1	21.7%	21.7%	21.4%	21.2%
Tier 1 Ratio	21.7%	21.7%	21.4%	21.2%
Total capital Ratio	21.7%	21.7%	21.4%	21.2%
<b>SREP REQUIREMENTS</b>				
Common Equity Tier 1	8.7%	8.7%	8.7%	8.7%
Tier 1 Ratio	10.8%	10.8%	10.8%	10.8%
Total capital Ratio	13.5%	13.5%	13.5%	13.5%

(1) Includes net income for 2025 and 2024.

(2) Fair value reserve relating to gains or losses on financial assets measured at fair value.

(3) Additional valuation adjustments required to adjust assets and liabilities measured at fair value.

With regard to Common Equity Tier 1 capital, it should be noted that net income for 2025, amounting to €20,765 thousand (31 December 2024: €20,048 thousand), was included in own funds.

As at 31 December 2025, risk-weighted assets amounted to €1,189,543 thousand (31 December 2024: €1,131,228 thousand), of which €1,010,588 thousand (31 December 2024: €892,183 thousand) relate to credit risk.

The table below presents the geographical distribution of exposures relevant for the calculation of the countercyclical capital buffer. It should be noted that, as at 31 December 2025, Banco CTT Group does not have material exposures to jurisdictions with a non-zero countercyclical buffer.

(amounts in thousands of euros)

Exposures	2025	2024
Portugal	968,735	857,115

The breakdown of risk-weighted assets relating to credit risk as at the end of 2025 and 2024 was as follows:

(amounts in thousands of euros)

Risk classes	2025			
	Original exposure	Risk-weighted assets <sup>(1)</sup>	Risk weight <sup>(2)</sup>	Capital Requirement <sup>(2)</sup>
Central governments or central banks	2,266,401	-	0%	-
International organisations	434,749	-	0%	-
Other credit institutions	101,784	22,736	22%	1,819
Corporates	16,272	12,654	78%	1,012
Retail customers	812,935	591,819	73%	47,346
Loans secured by real estate	974,772	260,147	27%	20,812
Defaulted exposures	48,577	48,602	100%	3,888
Covered bonds	51,965	5,197	10%	416
Other items	89,740	69,433	77%	5,555
<b>Total</b>	<b>4,797,195</b>	<b>1,010,588</b>	<b>21%</b>	<b>80,848</b>

<sup>(1)</sup> Risk weight: Risk-weighted assets / Original exposure

<sup>(2)</sup> In accordance with CRR, Article 438(c)

*(amounts in thousands of euros)*

Rubricas de risco	2024			
	Original exposure	Risk-weighted assets <sup>(1)</sup>	Risk weight <sup>(2)</sup>	Capital Requirement <sup>(2)</sup>
Central governments or central banks	2,097,911	-	0%	-
International organisations	637,434	-	0%	-
Other credit institutions	96,483	25,607	27%	2,049
Corporates	10,714	8,080	75%	646
Retail customers	663,142	477,752	72%	38,220
Loans secured by real estate	811,202	290,068	36%	23,205
Defaulted exposures	39,714	39,741	100%	3,179
Covered bonds	9,015	902	10%	72
Other items	71,457	50,033	70%	4,003
<b>Total</b>	<b>4,437,072</b>	<b>892,183</b>	<b>20%</b>	<b>71,374</b>

<sup>(1)</sup> Risk weight: Risk-weighted assets / Original exposure

<sup>(2)</sup> In accordance with CRR, Article 438(c)

### Use of External Credit Ratings:

Banco CTT Group uses ratings from External Credit Assessment Institutions (ECAIs), namely those issued by Moody's, S&P, Fitch and DBRS, for exposures to credit institutions with a residual maturity exceeding three months and for exposures to corporates. Accordingly, the Group applies the standard mapping published by the EBA between ECAIs and credit quality steps.

For the purpose of determining the risk weight to be applied in the calculation of RWA, the allocation of credit assessments to exposures is performed as follows:

- a) exposures to debt securities are assigned the ratings specifically attributed to those issuances;
- b) where no issue-specific ratings are available, as referred to in (a), issuer ratings are used, where available; and
- c) credit exposures not represented by debt securities are assigned, where available, only the ratings of the respective issuers.

As at the reporting dates, the Bank had the following exposures:

(amounts in thousands of euros)

Credit Quality Step	2025				2024			
	Institutions (residual maturity >3m)	Sovereigns	Central Banks	International Organisations	Institutions (residual maturity >3m)	Sovereigns	Central Banks	International Organisations
1	-	105,440	-	434,767	-	747,380	-	637,440
2	55,911	1,026,702	-	-	65,956	565,073	-	-
3	-	-	-	-	-	100,331	-	-
4	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	-
6	-	-	-	-	-	-	-	-
Unrated	-	-	607,033	-	-	-	644,361	-

## Leverage Ratio

The leverage ratio is calculated in accordance with the definition of the own funds measure set out in Article 499(1)(a) of the CRR, with the objective of monitoring the level of leverage of institutions. It is defined as the ratio between the measure of own funds and the total exposure measure, expressed as a percentage.

The introduction of a minimum leverage ratio requirement aims primarily to control the excessive growth of an institution's balance sheet relative to its available capital. The minimum requirement of 3% became binding in June 2021, in accordance with the rules established under Basel III Pillar 1.

Pillar 1 defines the minimum capital and solvency requirements that banks must meet to ensure their financial stability.

In addition to this minimum requirement, CRD V provides that supervisory authorities may impose additional own funds requirements to cover excessive leverage risk. These additional requirements are known as P2R-LR (Pillar 2 Requirement – Leverage Ratio), which ensures an additional safety margin in case of elevated leverage risk, and P2G-LR (Pillar 2 Guidance – Leverage Ratio), which addresses leverage risk under stress scenarios.

Banco CTT monitors this ratio on a regular basis and ensures its full and continuous compliance within its strategic planning framework.

As at 31 December 2025, the leverage ratio stood at 5.4% (31 December 2024: 5.5%), significantly above the minimum benchmark of 3% defined by the Basel Committee on Banking Supervision. The ratio is calculated using Tier 1 Capital.

The exposures used for the calculation of the leverage ratio as at 31 December 2025 and 31 December 2024 are presented in the following tables:

*(amounts in thousands of euros)*

Summary reconciliation of book values to leverage ratio exposures	2025	2024
<b>Total assets as per financial statements</b>	<b>5,006,224</b>	<b>4,727,525</b>
Intangible assets deducted from own funds	(76,401)	(75,134)
Adjustments for derivative financial instruments	(17,144)	(13,961)
Revaluation reserves	(27)	-
Adjustments for securities financing transactions (SFTs)	-	-
Adjustments for off-balance sheet items	32,715	28,494
Other adjustments	-	1,280
Prudential adjustments	(160,204)	(242,762)
<b>Leverage ratio total exposure measure – phased-in</b>	<b>4,785,163</b>	<b>4,425,442</b>

*(amounts in thousands of euros)*

Leverage Ratio	2025	2024
<b>Exposure amounts</b>		
Off-balance sheet exposures in accordance with Article 429(10) of the CRR	32,715	28,494
Other assets in accordance with Article 429(5) of the CRR	4,752,448	4,396,948
Deducted asset amounts – Tier 1 capital – fully implemented	-	(1,280)
Leverage ratio total exposure – fully implemented	4,785,163	4,424,162
Leverage ratio total exposure – phased-in	4,785,163	4,425,442
<b>Capital and regulatory adjustments</b>		
Tier 1 capital – fully implemented definition	258,239	239,731
Tier 1 capital – phased-in definition	258,239	241,671
<b>Leverage ratio – fully implemented Tier 1 capital</b>	<b>5.4%</b>	<b>5.4%</b>
<b>Leverage ratio – phased-in Tier 1 capital</b>	<b>5.4%</b>	<b>5.5%</b>

## INTERNAL CONTROL AND RISK MANAGEMENT

### REGULATORY FRAMEWORK

Throughout 2025, banking activity was carried out in an economy with a moderate growth pace and in a context of successive reductions in benchmark interest rates.

At the same time, financing conditions became more favourable for consumers and companies, households' disposable income increased and consumer confidence showed a recovery.

It was also a year of regulatory consolidation in which, with strong influence from European legislative production, the national implementation of rules aimed at protecting consumers and improving and modernising payment systems was observed, namely through the generalisation of the use of digital payments that are easier to use and less prone to fraud, with the objective of increasing the security and efficiency of the financial system.

In this demanding context of continuous updating of procedures and resources, financial institutions confirmed their robustness and economic resilience, complying with rules arising from the finalisation of the implementation of the Basel III Agreements (CRR/CRD VI) and cybersecurity measures, also noting the entry into force of the DORA Regulation and, within the scope of Banco de Portugal supervision, new internal governance obligations arising from Notice No. 2/2025.

Positioned within the legislative framework, Banco CTT is considered a “less significant institution” and, since January 2025, given its relevance within the banking system, has been considered as having high impact (“LSI High Impact”). It is therefore an institution directly supervised and regulated by Banco de Portugal (BdP), but also by the Autoridade de Supervisão de Seguros e Fundos de Pensões (ASF) and, more recently, by the Comissão do Mercado de Valores Mobiliários (CMVM).

#### Key national and european regulatory developments impacting the banking sector:

##### Internal Governance

- **Banco de Portugal Notice No. 2/2025**, of 20 March – Introduced significant amendments to Notice No. 3/2020, which regulates organisational culture and the internal governance and control systems of entities subject to Banco de Portugal supervision, establishing a wide set of new requirements, aimed at following the evolution of the European legal framework and the needs identified in the financial sector, as well as ensuring more efficient supervision, with institutions having been granted a deadline until September to comply with the new obligations;
- **Banco de Portugal Instruction No. 4/2025**, of 20 March – Amends Instruction No. 18/2020, regarding reporting obligations associated with Notice No. 3/2020, namely updating risk categories and subcategories and the methodology for classifying deficiencies;
- **Banco de Portugal Instruction No. 13/2025**, of 15 October – Partially amends Instruction No. 23/2018, regarding the authorisation for the exercise of functions by members of the management and supervisory bodies of institutions subject to its supervision.

Reference should be made to **EBA Public Consultation EBA/CP/2025/20**, of 7 August – Revision of the EBA Guidelines on internal governance – Directive 2013/36/EU – under and following the Capital Requirements Directive (CRD) and the Digital Operational Resilience Act (DORA).

### Credit Management

- **Decree-Law No. 103/2025**, of 11 September – Transposing, with a significant delay (end of 2023), Directive (EU) 2021/2167, which harmonises access to and the exercise of non-performing loan (NPL) servicing and defines requirements for credit purchasers, the national legal framework approves the Regime for the assignment and management of bank loans (RCGCB), establishing new rules for so-called “non-performing loans”, achieving a balance between the interests of consumers and banking institutions, placing consumer protection at the centre and providing institutions with greater legal certainty and predictability, allowing them to dispose of non-performing loans under clear and transparent rules, strengthening their capacity to grant new financing. The decree also amends the Securitisation Framework and approves a new regime for the Central Credit Register (CRC), with the collection, centralisation and provision of information on assigned loans.
- **Banco de Portugal Notice No. 6/2025**, of 4 December – Regulates procedures and criteria for assessing the authorisation requirements of credit servicers, the elements required for authorisation requests, the registration of credit servicers and its updating, as well as communications relating to the provision of services in other Member States and outsourcing of credit servicing activities.

Reference should also be made to **Banco de Portugal Public Consultation No. 8/2025**, aimed at revising, through an Instruction, the regulation governing the operation of the Central Credit Register (CRC), to incorporate the measures necessary for the implementation of the aforementioned regime for the assignment and management of bank loans and reporting requirements to Banco de Portugal.

### Digitalisation, Artificial Intelligence and Security

- **Decree-Law No. 125/2025**, of 4 December – Cybersecurity Legal Framework – Transposed Directive (EU) 2022/2555 of the European Parliament and of the Council of 14 December 2022 (NIS 2 Directive), which aims to require Member States to ensure a high level of cybersecurity and that key operators in essential sectors adopt the necessary security measures, establishing measures to ensure a high common level of cybersecurity within the Union.
- A set of European Regulations – **Delegated Regulation 2025/301** and **Implementing Regulation 2025/302**, both of 20 February, and **Delegated Regulation 2025/532** of 2 July – Complement or establish implementing rules for the application of the DORA Regulation (Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022), applicable since 17 January 2025, which established uniform rules on the security of network and information systems of financial entities. Of particular importance is Law No. 73/2025, of 23 December, which ensures the implementation of European legal acts into national law regarding the digital operational resilience of the financial sector.
- **EBA Guidelines EBA/GL/2025/2** of 11 February – Amend Guidelines EBA/2019/04 on ICT and security risk management, simplifying the ICT risk management framework and providing legal clarity to the market, following the harmonised requirements set out in the DORA Regulation.
- **ESMA Guidelines (ESMA-294529287-2639) of 11 July** – Outsourcing to cloud service providers.

## Sustainability and Diversity

- **EBA Guidelines EBA/GL/2025/1** of 9 January – Management of environmental, social and governance (ESG) risks.
- **Banco de Portugal Circular Letter No. 2025/36**, of 19 December – Disseminates EBA Guidelines EBA/GL/2025/01 and complements supervisory expectations regarding climate and environmental risks defined in Circular Letter No. 10/2021.
- **Directive (EU) 2025/794**, of 14 April – Establishes the dates from which Member States must apply certain corporate sustainability reporting requirements and corporate sustainability due diligence requirements.
- **Banco de Portugal Instruction No. 1/2025**, of 23 January – Regulates the reporting by credit institutions of information for the assessment of diversity practices, including diversity policies and gender pay gaps at the level of members of management and supervisory bodies.

## Payment Services and Instant Transfers

- **Banco de Portugal Circular Letter No. 2025/09**, of 24 April – Clarifies the rules on the use of the unique identifier of payment accounts (IBAN PT).
- **Banco de Portugal Instruction No. 9/2025**, of 26 June – Introduces the possibility of using the tax identification number (NIF) as an additional identifier within the SPIN functionality.
- **Implementing Regulation (EU) 2025/1979**, of 6 October – Establishes implementing technical standards for the application of Regulation (EU) No. 260/2012 with regard to uniform templates, instructions and the methodology for reporting information on the level of charges relating to credit transfers, instant credit transfers and payment accounts, as well as on the percentage of refusals.
- **Law No. 68/2025**, of 19 December – Ensures the implementation of Regulation (EU) No. 2024/886, with regard to instant credit transfers in euro.
- **Banco de Portugal Notice No. 5/2025** and **Instruction No. 10/2025**, both of 7 August – Regulate the information and elements that entities operating within payment systems must report to Banco de Portugal.
- **Banco de Portugal Instruction No. 2/2025**, of 30 January – Amends the Regulation of the Interbank Clearing System (SICOI), namely clarifying the prohibition of charging fees to payment service users for the use of the Confirmation of Payee – Single functionality (CoPS) and the Confirmation of Payee/Debtor – Bulk functionality (CoPB).
- **Banco de Portugal Instruction No. 11/2025**, of 17 September – Repeals Instruction No. 8/2018 and aims to regulate the clearing and financial settlement of operations processed in the clearing and settlement subsystems of the Interbank Clearing System (SICOI), as well as the provision of services by Banco de Portugal within the scope of SICOI.
- **ECB Guideline ECB/2025/28** of 31 July and **Guideline (EU) 2025/1889** of 19 September, both of the European Central Bank – Amend Guideline (EU) 2022/912 on a new generation Trans-European Automated Real-time Gross Settlement Express Transfer system (TARGET), and Banco de Portugal Instruction No. 12/2025, of 30 September – Regulates the operation of the national component system – TARGET-PT.

## Consumer

- **Banco de Portugal Notice No. 4/2025**, of 14 July – Amends Notice No. 5/2024, which establishes the principles and rules to be observed in the advertising of financial products and services subject to Banco de Portugal supervision, in activity-related advertising and institutional advertising, and amends rules regarding minimum font size.
- **Banco de Portugal Circular Letter No. 2025/03**, of 23 January – Establishes interpretations and best practices to be observed in the termination of account and payment card agreements, in the provision of account switching services and in the handling of joint accounts following the death of one of their holders.
- **Law No. 1/2025**, of 6 January – Implements a set of European regulations on financial services and infrastructures, promoting their full application in Portugal, and amends Decree-Law No. 80-A/2022, which establishes measures aimed at mitigating the effects of increases in reference index rates applicable to credit agreements for the acquisition or construction of primary and permanent residence.
- **Banco de Portugal Notice No. 1/2025**, of 17 January, and **Notice No. 3/2025**, of 1 July – both of Banco de Portugal – Amend Notice No. 6/2024 regarding the provision of information to banking customers on the State personal guarantee scheme for granting housing loans for primary and permanent residence to young people up to 35 years of age, the former modifying the information template to be provided to such customers and the latter extending its scope of application, reflecting the amendment introduced by **Decree-Law No. 24/2025**, of 19 March. In turn, **Order No. 187/2025**, of 15 April, amends Order No. 236-A/2024/1, of 27 September, which regulates the conditions for granting a State personal guarantee to ensure the execution of credit operations aimed at the acquisition of a first primary and permanent residence, and **Order No. 11225/2025**, of 24 September, reinforces the State personal guarantee to credit institutions with a view to enabling the granting of housing loans for primary and permanent residence to young people up to 35 years of age.

## Risk

- **Banco de Portugal Instruction No. 17/2025**, of 19 December – Publishes the benchmark indicators to be used by credit institutions in the disclosure of information to the public regarding profitability, efficiency and transformation metrics, in accordance with the definitions and criteria used by the EBA, in order to ensure the harmonisation of reporting requirements and the availability and comparability of data.

## Anti-Money Laundering and Counter-Terrorist Financing

- **CMVM Regulation No. 5/2025**, of 8 August – Amends Regulation No. 2/2020 on the Prevention of Money Laundering and Terrorist Financing, expanding the range of entities required to report information to the CMVM, as well as the level of detail of such reporting obligations.

- **Decree-Law No. 115/2025**, of 27 October – Amends the legal framework of the Central Register of Beneficial Ownership (transposing provisions of Directive (EU) 2024/1640), relating to the mechanisms to be established by Member States to prevent the use of the financial system for the purposes of money laundering or terrorist financing.
- **Law No. 72/2025**, of 23 December – Transposes Directive (EU) 2024/1226 on the definition of criminal offences and sanctions applicable to breaches of restrictive measures of the European Union.
- **Law No. 9/2025**, of 13 February, and Decree-Law No. 85-B/2025, of 30 June – Amend the validity of residence permits for foreign nationals, the former concerning citizens of Member States of the Community of Portuguese Language Countries and the latter temporarily extending the validity of residence permits relating to the stay of foreign citizens in national territory, in order to address the exceptional and transitional regime established by Decree-Law No. 10-A/2020 in the context of the COVID-19 pandemic.

### **Regulatory Outlook for 2026:**

The transposition into national law of the **Consumer Credit Directive** (2023/2225 – CCD).

The revision of the **Legal Framework for Credit Intermediaries** (RJIC).

The regulatory process of Law No. 75/2021 (“**Right to be Forgotten**”), which enshrines the right of persons who have overcome situations of aggravated health risk or disability not to be discriminated against in access to credit and insurance, following the path already taken by ASF in the insurance sector.

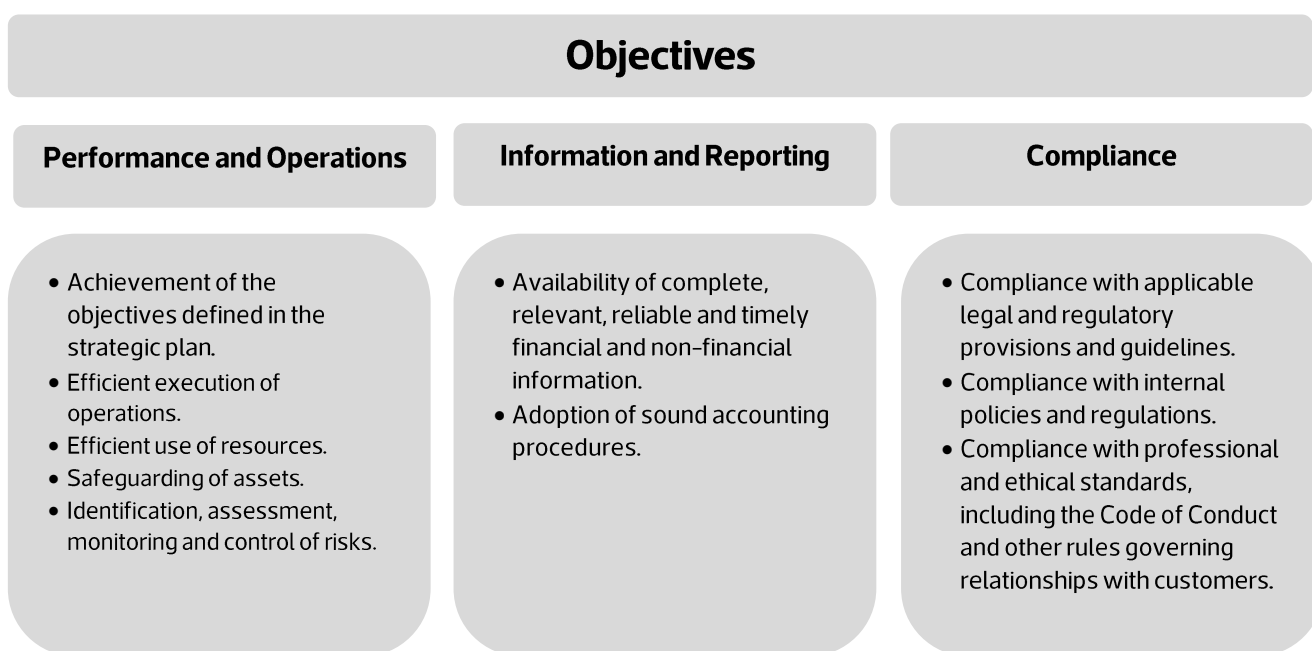
The implementation of banking systems technology arising from PSD2, which allows banking institutions to share financial information securely, transparently and with express consent, with a view to innovative services – **Open Banking**.

The completion of the implementation of the legal acts transposing Directive 2019/882 on the **Accessibility Requirements for products and services**, initiated in June 2025 and subject to a transitional regime until 2030.

## INTERNAL CONTROL SYSTEM

### OBJECTIVES

The Group's internal control system (ICS) comprises a set of strategies, policies, processes, systems and procedures implemented with the purpose of ensuring the sustainability of the Bank and its subsidiaries over the medium and long term, as well as the prudent conduct of its activities, through the objectives summarised in the figure below::



The ICS covers the entire institution, including the responsibilities and functions of the management and supervisory bodies, all business segments, organisational units, namely the internal control functions, outsourced activities and product distribution channels.

## GOVERNANCE MODEL

The management body ensures that the internal control system in place is implemented taking into account the principle of proportionality and the degree of centralisation of authority and delegation established within the Group (the Bank and its subsidiaries).

The Group's internal control system is based on the three lines of defence model, which relies on the allocation of distinct responsibilities in terms of governance and risk management across the different functions comprising each line, summarised as follows:

<p><b>1st Line</b> <b>Business Areas and Process Owners</b></p>	<p>Is primarily responsible for the day-to-day management of risks: identification, assessment, monitoring and control of risks. It is composed of the business units and related areas that generate risk for the Group (the Bank and its subsidiaries) and that implement first-line controls.</p>
<p><b>2nd Line</b> <b>Risk and Compliance</b></p>	<p>Is responsible for ensuring the monitoring of risks, carrying out assessments of the effectiveness of the controls implemented by the first line, interacting with it with a view to the proper identification, assessment, monitoring and control of risks</p>
<p><b>3rd Line</b> <b>Internal Audit</b></p>	<p>Is responsible for independently examining and evaluating the adequacy and effectiveness of the policies, processes and procedures that support the governance system, risk management and internal control, through the performance of effectiveness testing of the implemented controls.</p>

**First Line of Defence:** corresponds to the business-generating units and related areas, which generate risk for the institution and are primarily responsible for the identification, assessment, monitoring and control of the risks they incur.

It is the line responsible for the day-to-day management of risks, in accordance with the policies, procedures and controls defined based on the Group's risk strategy. The first line includes:

- Heads of Departments and other organisational units not included in the second and third lines, who must have an adequate understanding of the risks associated with their area, ensuring their proper management within the defined risk appetite limits and the implementation and execution of controls that mitigate those risks;
- Process Owners, who play a key role in the identification, control and monitoring of risks associated with the Group's processes, and who must participate in the definition of action plans related to events and/or deficiencies reported within the scope of their processes, as well as participate in any meeting or interaction requested in this context. Process Owners are responsible for implementing and assessing the controls defined within the scope of their processes, as well as promoting a control culture among the employees under their responsibility;

- All other employees who, within the scope of their respective functions, must comply with the established procedures and contribute to the improvement of the controls in place, promptly reporting any risks and deficiencies of which they become aware.

**Second Line of Defence:** includes support and control functions, namely the risk management and compliance functions, which interact with the functions of the first line with a view to the proper identification, assessment, monitoring and control of the risks inherent to the activities carried out by the first line functions.

The second line of defence is composed of the Risk Management Function (comprising the Risk Department and the Technological Risk and Cybersecurity Department), the Compliance Department (responsible for the Compliance Function) and the Financial Crime Prevention Department. The second line of defence is responsible for the monitoring process and for performing assessments of the effectiveness of first-line controls.

Additionally, the second line of defence also includes areas that have responsibilities for supporting the Control Functions in the monitoring and control of the first line of defence, including, in this context, the Planning and Control, Cybersecurity, Legal Services and Human Resources functions (or their equivalents, in the case of Subsidiaries).

**Third Line of Defence:** corresponds to the Internal Audit Function, which performs independent and risk-based assessments.

It is ensured by the Internal Audit Department, which is responsible for independently examining and evaluating the adequacy and effectiveness of the policies, processes and procedures that support the governance system, risk management and internal control, through the performance of effectiveness testing of the implemented controls.

Additionally, the following bodies form part of the governance model of the Group's Internal Control System:

<p><b>Board of Directors</b></p>	<ul style="list-style-type: none"> <li>• Establish and maintain a robust and effective internal control system;</li> <li>• Promote a control environment that values internal control;</li> <li>• Implement an objective, transparent and perceptible organisational structure;</li> <li>• Define a long-term sustainable strategy appropriate to its risk profile;</li> <li>• Interact regularly and effectively with the Supervisory Body.</li> </ul>
<p><b>Audit Committee</b></p>	<ul style="list-style-type: none"> <li>• Monitor the Group's strategy in a constructive manner;</li> <li>• Oversee the integrity of financial information and reporting, as well as the internal control system and the risk management model;</li> <li>• Monitor the execution of the activity plans of the Control Functions.</li> </ul>
<p><b>Internal Control Committee</b></p>	<ul style="list-style-type: none"> <li>• Monitor the effectiveness of the internal control system, through the follow-up of identified deficiencies and the respective associated action plans;</li> <li>• Support the Board of Directors in the implementation of an effective and robust internal control system and sound risk management.</li> </ul>
<p><b>Remuneration Committee</b></p>	<ul style="list-style-type: none"> <li>• Assess the definition and implementation of remuneration policies and oversee the definition and application of the remuneration of those responsible for risk-taking within the control functions.</li> </ul>

The **Board of Directors** is primarily responsible for the Group's internal control system, being entrusted with ensuring its implementation, robustness and effectiveness, in compliance with internal and external regulations on the matter, namely in areas relating to conduct and organisational culture; internal governance; organisational structure; strategic planning; internal control system and risk management; related parties and conflicts of interest; whistleblowing; outsourcing of operational tasks of the internal control functions and of the IT system supporting whistleblowing; policies for the selection and appointment of external auditors; and remuneration policies and practices.

Similarly, it is the responsibility of the Board of Directors to monitor management information regarding the Group's internal control deficiencies, analyse the results of the annual self-assessment exercise of the internal control system and issue an overall opinion on the adequacy and effectiveness of the Group's internal control system (including the Bank and its subsidiaries).

The **Audit Committee** is responsible for monitoring and constructively challenging Banco CTT's strategy, and should assess and influence, in a constructive manner, the activities of the control functions, namely with regard to their annual activity plan, ensuring to the management body that the heads of the internal control

functions are able to act independently and have adequate human and material resources to perform their responsibilities effectively.

The **Internal Control Committee** is the body responsible for the continuous monitoring and assessment of the effectiveness of the internal control system, namely through the follow-up of identified deficiencies, adopting a risk-based approach.

The **Remuneration Committee** is responsible for assessing and overseeing the remuneration policies and practices applicable to all employees, including members of the corporate bodies, as detailed in the Corporate Governance Report.

## COMPONENTS

In line with regulatory requirements and best practices, the Group’s internal control system is based on four components aimed at ensuring that internal control objectives are achieved adequately and in a timely manner.

The following figure summarises these components, as well as their respective dimensions:



## Control Environment

Within the development of its organisational culture, the Group provides for the implementation of clear risk management and internal control methodologies aimed, among others, at ensuring a robust control environment, with the involvement and accountability of all employees.

The management body, the supervisory body, the body performing executive functions and the Directors, whether in the case of Banco CTT or its Subsidiaries, play a fundamental role in creating the conditions that enable the development of an effective control environment, allowing the Group to achieve its objectives.

On the other hand, these bodies and functions, in particular the management body, the supervisory body, the body performing executive functions and the Directors of Banco CTT and its Subsidiaries, are also responsible for the exercise of supervision, accountability and authority in the management and monitoring of risk management and internal control, formalised within the strategy, objectives, policies, processes, actions and day-to-day decisions.

The control environment of institutions reflects their attitude and actions towards internal control, resulting from:

- (i) the beliefs, preferences and value judgements expressed by the management body and by the other employees of the institution in relation to the internal control system; and
- (ii) the emphasis placed on internal control, the measures taken, the policies and procedures approved and the definition and implementation of the organisational structure.

The control environment is influenced, namely, by:

- (i) the standard of ethical values followed by the institution;
- (ii) the existence of sufficient and appropriate material, technical and human resources;
- (iii) the degree of transparency of the organisational structure and its adequacy in light of the complexity, size and nature of the institution's activity;
- (iv) the clarity of the hierarchical chain and of the responsibilities and competences assigned to each function;
- (v) the quality of the strategic planning process; and
- (vi) the degree of involvement of the management body in the activities carried out.

## Risk Management Systems

The risk management model defined by the Group is supported by a set of concepts, principles, rules and an organisational model applicable and tailored to the Group, in compliance with the relevant regulatory framework.

The risk management model comprises five essential stages, namely the definition of the risk strategy, risk identification, risk assessment, risk response and the monitoring, control and reporting of risks.

The Group defines a specific strategy for the management of each risk, documenting it in specific risk management policies.

In order to preserve the adequacy of the risk strategy, the Risk Management and Compliance Functions are involved in the strategic planning, business planning and budgeting processes. In particular, these organisational units review the Business Plan, assessing its impact on the Group's risk profile (and on the alignment of the risk profile with the risk appetite), on its risk strategy and on its internal control system, as well as on compliance with applicable regulatory provisions (e.g. with regard to new products and services).

The risk response strategy is described in the Group's Risk Management Policy.

Risk control is the most common response and is implemented through the adoption of appropriate and effective controls, which ensure the reduction of the probability and/or impact of inherent risk to residual risk levels within the Group's risk appetite.

The assessment of the controls implemented is essential to ensure that appropriate decisions are taken regarding risk responses.

### Information and Communication System

In order to ensure sound and prudent management, the analysis and decision-making process must be risk-sensitive and based on credible, complete and as up-to-date as possible information.

The Group ensures the implementation of mechanisms for the collection and processing of information, for the purposes of supporting management, decision-making and compliance with obligations towards supervisory authorities. The Group's information and communication are governed by the principles of substance, timeliness, clarity, consistency and reliability.

Deficiencies identified in the internal control system, particularly those with a material impact on the Group, must be recorded, documented and communicated to senior management, ensuring their effective remediation and the timely implementation of corrective measures.

The methodology for assessing such deficiencies is based on the classification table set out in Banco de Portugal Instruction No. 18/2020, regarding reporting obligations relating to conduct and organisational culture and internal governance and control systems.

In compliance with the aforementioned Instruction, the Group annually submits to Banco de Portugal its self-assessment report on the adequacy and effectiveness of organisational culture and internal governance and control systems.

Similarly, and within the scope of Comissão do Mercado de Valores Mobiliários ("CMVM") Regulation No. 9/2020, the annual self-assessment report of Banco CTT must be submitted to the CMVM by 31 December of each year.

The preparation of the aforementioned reports is the responsibility of the Group's Compliance Department.

### Monitoring

The Group's internal control system comprises a set of processes whose main objective is to ensure the effectiveness and efficiency of the controls implemented. In this context, the internal control system establishes the use of controls as a means to mitigate risk or to reduce the occurrence of certain risk events, the impact of which may jeopardise the Group's activity, particularly those exceeding the defined risk appetite.

In order to operationalise the internal control model, an Internal Control System Framework has been defined, which establishes the procedures aimed at promoting the efficient and effective management of the internal control system, enhancing the Group's ability to achieve its objectives and enabling it to adapt to operational and business changes. The framework also defines the procedures to be followed by the various areas in the identification, management and mitigation of internal control deficiencies, as well as in the monitoring of the respective action plans by the Control Functions and the role of the Compliance Function in systematising information, in order to ensure the effectiveness of the internal control system.

## Control Activities

The Risk Management Function and the Compliance Function, with the support of the organisational units, are responsible for ensuring the continuous monitoring of risks and of the controls implemented, namely through control and monitoring activities.

These activities allow for the detection of potential anomalies, breaches or deficiencies and provide an understanding of the adequacy of such controls in relation to the risks they are intended to prevent/detect. Monitoring activities should cover all implemented controls, with their criticality nevertheless serving as a prioritisation criterion.

## Independent Assessment

The Internal Audit Function, as the third line of defence, reporting to the Group's management and supervisory bodies, performs audit activities to independently assess the effectiveness and adequacy of governance, risk management and controls within the first and second lines of defence. Internal Audit verifies the Group's level of compliance with the risk management and internal control framework, recommending improvements and corrective actions whenever necessary.

Additionally, the Internal Audit Function assesses the adequacy and effectiveness of the measures implemented to mitigate identified risks, preparing reports that indicate the degree of effectiveness and efficiency of the controls performed.

As a result of the continuous monitoring of the internal control system, internal control deficiencies are identified and duly recorded, documented and reported to senior management and to the management body, together with the action plans defined to ensure the remediation and mitigation of identified risks.

The management of the information resulting from control activities and assessments, whether internal or external, is the responsibility of the Compliance Function, which compiles information on the follow-up of the implementation status of corrective actions relating to identified internal control deficiencies, for the purposes of applicable reporting.

## RISK MANAGEMENT

The risk management system is part of the Group’s internal control system (ICS), providing an appropriate control environment within which the Group conducts its activities, in accordance with its Risk Appetite Statement (RAS).

The risk management system defined by Banco CTT Group is supported by a set of concepts, principles and rules and by an organisational model applicable and tailored to the Group, in compliance with the applicable regulatory framework. The risk management model comprises five essential stages, namely the definition of the risk strategy, risk identification, risk assessment, risk response and the monitoring, control and reporting of risks.

### Risk Management Model



Within the scope of its activities, the Group is exposed to various types of risks arising from both external and internal factors, namely as a result of the characteristics of the market in which it operates.

The risk strategy is reviewed annually and defines the qualitative principles, as well as the rules and quantitative limits for the management of the different risks arising from the Group’s activities, which are formalised in its Risk Appetite Statement (RAS), establishing the risk appetite framework that will support the growth of Banco CTT Group’s business over the next three years.

The Group’s Risk Management Policy aims to ensure, on an ongoing basis, an appropriate relationship between its own funds and its business activity, and also establishes the procedures for assessing the Group’s risk profile. Risk management also aims to support the decision-making process, enabling, both in the short and long term, the capacity to manage the risks to which the Group is exposed, and allowing for clear

communication of the manner in which risks arising from the business should be managed, thereby creating the basis for a sound operating environment.

In this context, the monitoring and control of the main types of risks to which the Group is exposed are of particular importance. This monitoring and control are carried out, in a first stage, by the Departments that constitute the first line of defence in relation to the risks they manage, and subsequently by the Departments of the second line of defence, with regard to all risk categories and the overall risk profile of the Group.

In defining its risk management processes, the Group adopts tools and methodologies that allow it to identify, assess, monitor and report risks both on an individual basis and on an integrated basis, ensuring a comprehensive view of the risks to which the Group is exposed, and enabling the anticipation and assessment of the potential impacts that these may have on solvency and liquidity.

### **Risk Management Governance**

The Board of Directors is responsible for defining and maintaining the Risk Management Policy of Banco CTT Group, including the approval of the highest-level principles and the risk management model in place. It is also the responsibility of the Board of Directors to establish the Group's strategic direction and the accepted levels of risk, to ensure that activities are carried out in accordance with the provisions set out in that Policy and that the material risks to which the Group is exposed remain within the defined levels.

The Audit Committee of Banco CTT, as the supervisory body, is responsible for overseeing the effectiveness of the risk management system, the internal control system and the internal audit system, in particular through the internal audit function and the External Auditor, and also performs the role of Risk Committee under the terms and for the purposes set out in Article 115-L of the RGICSF. The Audit Committee is responsible for (i) assisting the Board of Directors in supervising the implementation of the Bank's risk strategy by the Executive Committee and advising it on risk appetite, presenting, when necessary, a remediation plan to the Board of Directors, and (ii) accessing information on the Bank's risk situation and, if necessary, accessing the Bank's risk management function and external expert advice.

In order to support the Board of Directors and the Executive Committee in risk management matters, support structures to the Executive Committee have been established (e.g. Capital, Risk and Sustainability Committee, Internal Control Committee, Compliance and Financial Crime Prevention Committee, Security and Data Protection Committee), whose meetings are held regularly for the purpose of monitoring risks and which, in line with the decisions of the Board of Directors, play an important role in the management and control of financial and non-financial risks.

These Committees are responsible for defining and implementing the criteria and tools for risk management, capital allocation, liquidity management, non-financial risk management, continuous monitoring and assessment of the effectiveness of the internal control system, namely through the follow-up of identified deficiencies and events, as well as for monitoring risks, with the aim of supporting the Executive Committee in related matters.

The Risk Management Function is composed of the Risk Department and the Technological Risk and Cybersecurity Department and is independent from the business areas, consistently incorporating risk and capital concepts into the Group's strategy and business decisions. The Risk Department is responsible for implementing the risk policies defined by the Board of Directors and ensuring the integrated management of the risks to which the Group is or may become exposed, ensuring that they are appropriately managed across the various areas of the Group and within the established limits. Additionally, the Risk Department identifies and assesses risks, develops methodologies and metrics for risk measurement and monitors and controls the evolution of risks, defining effective and appropriate controls for their mitigation. The Risk Department is also responsible for reporting relevant risks, preparing periodic and timely reports that enable a reliable assessment

of risk exposure and identifying the control procedures implemented to manage those risks, thereby supporting the decision-making process in the Group's risk management area.

The Compliance Function is composed of the Compliance Department and the Financial Crime Prevention Department. The Compliance Department is primarily responsible for managing compliance and reputational risk, promoting and independently monitoring the adoption, by all bodies and employees of the Group, of best banking practices, compliance with ethical principles, as well as with internal and external rules governing its activity, preventing financial or reputational losses arising from non-compliance events and contributing to customer satisfaction and the long-term sustainability of the business. Additionally, the Financial Crime Prevention Department prevents the Group's involvement in criminal practices of money laundering and terrorist financing, monitoring customer acceptance policies and customer transactions and, whenever suspicions arise, reporting them to the competent authorities.

The internal audit function is ensured by the Internal Audit Department, which forms an integral part of the monitoring process of the internal control system, performing independent complementary assessments of the controls carried out, identifying potential deficiencies and recommendations, which are documented and reported to the management body, thereby contributing to the protection of the institution's value, reputation and solvency.

The three control functions (Risk Management, Compliance and Internal Audit) perform their duties across the different entities of Banco CTT Group.

### Credit Risk

Credit risk is associated with the degree of uncertainty of expected returns, arising from the inability of either the borrower (or its guarantors, if any), the issuer of a security or the counterparty to a contract to meet their obligations.

As the Group's main activity is commercial banking, with particular emphasis on the retail segment, the Bank offers simple credit products (mortgage loans and overdraft facilities associated with a current account with salary/pension domiciliation) and specialised point-of-sale lending through the activities of 321 Crédito.

Additionally, the Group is exposed to credit risk in other activities, namely direct exposure to the credit risk of placements and deposits with other credit institutions, sovereign debt securities and International Organisations within the euro area, debt instruments of other issuers (international organisations), and other portfolios of 321 Crédito, which are essentially in a run-off phase.

The control and mitigation of credit risk are carried out through the early detection of signs of deterioration in the portfolio, namely through early warning systems, the implementation of appropriate actions to prevent default risk, the regularisation of actual default and the creation of conditions that maximise recovery outcomes.

The Group considers that there is a concentration of risk when several counterparties are located in the same geographical region, carry out similar activities or have similar economic characteristics that affect their ability to meet contractual obligations in the event of significant changes in macroeconomic conditions or other relevant changes affecting the activities carried out by the counterparties. Banco CTT has defined and implemented concentration limits to mitigate this risk.

The analysis of risk concentration is essentially based on geographical concentration and on the economic sector in which the counterparties operate. In particular:

- The breakdown of exposure subject to credit risk by country and by risk class is presented in this section and evidences an increase in the geographical diversification of the Group's investments; and
- With regard to the economic sector of counterparties, there is some concentration in investments in sovereign debt instruments, particularly in euro area countries. This concentration is in line with the Group's risk appetite and supports the management of the Group's liquidity risk.

The quantification/measurement of credit risk is performed on a monthly basis through the calculation of impairment losses for expected credit losses on financial instruments, resulting from the application of collective and individual impairment models.

The monitoring of the Group's credit risk profile, including the monitoring of the evolution of credit exposures and the respective losses, is carried out regularly by the Capital, Risk and Sustainability Committee, the Audit Committee and the Board of Directors. Compliance with approved credit requirements and limits is also subject to regular review.

In order to limit potential negative impacts of credit risk on the proprietary portfolio, the Group has defined a set of limits to ensure that the levels of risk incurred in the Group's portfolios are in line with the predefined risk tolerance levels. These limits are reviewed at least annually and are regularly monitored by the Capital, Risk and Sustainability Committee, the Audit Committee and the Board of Directors.

The table below presents information on the Group's credit risk exposures (net of impairment and including off-balance sheet exposures) as at 31 December 2025 and 31 December 2024:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Central governments or central banks	2,266,401	2,097,907
Multilateral development banks	-	-
International organisations	434,749	637,434
Credit institutions	101,783	96,483
Corporates	16,272	10,712
Retail customers	812,935	662,772
Loans secured by immovable property	974,772	811,155
Defaulted exposures	48,577	38,725
Covered bonds	51,965	9,015
Other items	89,740	71,457
<b>Total risk categories</b>	<b>4,797,194</b>	<b>4,435,660</b>

Banco CTT Group, in line with its domestic footprint, has a predominance of credit risk exposures in Portugal. As at the reporting date, it presented the following exposures by country:

(amounts in thousands of euros)

	2025									
	Central governments or central banks	International organisations	Credit institutions	Corporates	Retail customers	Loans secured by immovable property	Defaulted exposures	Covered bonds	Outos elementos	Other items
Portugal	1,010,488	-	18,919	16,272	812,935	974,772	48,577	8,874	89,740	2,980,577
Spain	349,399	-	49,588	-	-	-	-	-	-	398,987
France	304,968	-	4,453	-	-	-	-	43,091	-	352,512
Italy	333,064	-	-	-	-	-	-	-	-	333,064
Austria	-	-	-	-	-	-	-	-	-	-
United Kingdom	-	-	15,593	-	-	-	-	-	-	15,593
Germany	-	-	13,230	-	-	-	-	-	-	13,230
Luxembourg	-	434,749	-	-	-	-	-	-	-	434,749
Belgium	268,482	-	-	-	-	-	-	-	-	268,482
<b>Total</b>	<b>2,266,401</b>	<b>434,749</b>	<b>101,783</b>	<b>16,272</b>	<b>812,935</b>	<b>974,772</b>	<b>48,577</b>	<b>51,965</b>	<b>89,740</b>	<b>4,797,194</b>

(amounts in thousands of euros)

	2024									
	Central governments or central banks	International organisations	Credit institutions	Corporates	Retail customers	Loans secured by immovable property	Defaulted exposures	Covered bonds	Outos elementos	Other items
Portugal	865,133	-	20,255	10,712	662,772	811,155	38,725	-	71,457	2,480,209
Spain	385,113	-	50,422	-	-	-	-	9,015	-	444,550
France	375,888	-	1,567	-	-	-	-	-	-	377,455
Italy	100,311	-	-	-	-	-	-	-	-	100,311
Austria	9,909	-	-	-	-	-	-	-	-	9,909
United Kingdom	-	-	11,286	-	-	-	-	-	-	11,286
Germany	-	-	12,953	-	-	-	-	-	-	12,953
Luxembourg	-	637,434	-	-	-	-	-	-	-	637,434
Belgium	361,553	-	-	-	-	-	-	-	-	361,553
<b>Total</b>	<b>2,097,907</b>	<b>637,434</b>	<b>96,483</b>	<b>10,712</b>	<b>662,772</b>	<b>811,155</b>	<b>38,725</b>	<b>9,015</b>	<b>71,457</b>	<b>4,435,660</b>

As at 31 December 2025 and 31 December 2024, gross exposures by sector of activity were as follows:

(amounts in thousands of euros)

	2025					
	Corporates		SMEs		Individuals	
	Performing Loans	Non Performing Loans	Performing Loans	Non Performing Loans	Performing Loans	Non Performing Loans
<b>Corporates</b>						
Construction	1,237	17	16,807	686	-	-
Wholesale/retail trade, repair of motor vehicles, motorcycles and personal and household goods	1,308	102	11,820	440	-	-
Transport, storage and communications	1,097	69	9,788	561	-	-
Accommodation and food service activities (restaurants and similar)	330	-	5,214	299	-	-
Real estate activities	205	-	1,011	65	-	-
Textile industry	53	-	2,863	124	-	-
Agriculture, animal production, hunting, forestry and fishing	1	-	102	-	-	-
Health and social work	79	-	1,092	50	-	-
Education	20	-	797	6	-	-
Unspecified manufacturing industries	211	-	1,113	38	-	-
Basic metals and fabricated metal products	23	30	1,498	83	-	-
Pulp, paper, printing and publishing industries	21	-	216	154	-	-
Food, beverage and tobacco industries	139	-	1,758	147	-	-
Electricity, gas and water supply	-	-	145	-	-	-
Leather and leather products industry	113	19	7,843	420	-	-
Extractive industries excluding energy products	-	-	-	-	-	-
Auxiliary financial intermediation activities	34	-	238	-	-	-
Wood, cork and related products industries	110	-	740	24	-	-
Manufacture of other non-metallic mineral products	16	-	184	-	-	-
Manufacture of electrical and optical equipment	-	-	17	-	-	-
Manufacture of machinery and equipment	-	-	179	-	-	-
Manufacture of rubber and plastic products	15	-	206	12	-	-
Manufacture of transport equipment	-	-	26	-	-	-
Financial intermediation excluding insurance and pension funds	131,316	-	17	-	-	-
Manufacture of chemicals and synthetic or artificial fibres	-	-	441	13	-	-
Public administration, defence and compulsory social security	-	-	41	-	-	-
Other	1,339	69	15,611	956	-	-
<b>Individuals</b>						
Housing / Mortgage	-	-	-	-	944,908	6,450
Consumer	-	-	-	-	850,853	44,610
	<b>137,667</b>	<b>306</b>	<b>79,767</b>	<b>4,078</b>	<b>1,795,761</b>	<b>51,060</b>

(amounts in thousands of euros)

	2024					
	Corporates		SMEs		Individuals	
	Performing Loans	Non Performing Loans	Performing Loans	Non Performing Loans	Performing Loans	Non Performing Loans
<b>Corporates</b>						
Construction	1,204	-	17,464	1,668	-	-
Wholesale/retail trade, repair of motor vehicles, motorcycles and personal and household goods	1,822	132	13,512	793	-	-
Transport, storage and communications	1,225	33	12,007	1,231	-	-
Accommodation and food service activities (restaurants and similar)	513	-	6,231	512	-	-
Real estate activities	404	-	1,656	121	-	-
Textile industry	58	-	2,740	261	-	-
Agriculture, animal production, hunting, forestry and fishing	6	-	63	24	-	-
Health and social work	133	42	1,453	4	-	-
Education	7	-	844	11	-	-
Unspecified manufacturing industries	277	9	1,279	56	-	-
Basic metals and fabricated metal products	28	-	1,711	157	-	-
Pulp, paper, printing and publishing industries	-	-	370	-	-	-
Food, beverage and tobacco industries	183	3	1,843	125	-	-
Electricity, gas and water supply	-	-	141	-	-	-
Leather and leather products industry	63	-	7,877	1,023	-	-
Extractive industries excluding energy products	-	-	-	-	-	-
Auxiliary financial intermediation activities	90	-	329	30	-	-
Wood, cork and related products industries	98	86	807	26	-	-
Manufacture of other non-metallic mineral products	17	-	176	37	-	-
Manufacture of electrical and optical equipment	17	-	12	-	-	-
Manufacture of machinery and equipment	-	-	142	44	-	-
Manufacture of rubber and plastic products	9	-	348	16	-	-
Manufacture of transport equipment	-	-	7	-	-	-
Financial intermediation excluding insurance and pension funds	82,575	-	18	-	-	-
Manufacture of chemicals and synthetic or artificial fibres	-	-	399	20	-	-
Public administration, defence and compulsory social security	-	-	74	-	-	-
Other	1,867	28	17,439	1,263	-	-
<b>Individuals</b>						
Housing / Mortgage	-	-	-	-	784,722	7,175
Consumer	-	-	-	-	840,530	41,001
	<b>90,596</b>	<b>333</b>	<b>88,942</b>	<b>7,422</b>	<b>1,625,252</b>	<b>48,176</b>

As at the reporting dates, the Bank's exposures had the following maturity profile:

(amounts in thousands of euros)

Residual maturity	2025										
	Central governments and central banks	Multilateral development banks	International organisations	Credit institutions	Corporates	Retail customers	Loans secured by immovable property	Defaulted exposures	Covered bonds	Other items	Total
Up to 1 year	1,597,485	-	434,749	101,783	11,750	803,585	-	-	-	-	2,949,352
From 1 to 5 years	368,233	-	-	-	-	-	-	-	35,252	-	403,485
More than 5 years	300,683	-	-	-	-	-	943,900	-	16,713	-	1,261,296
Indefinite	-	-	-	-	4,522	9,350	30,872	48,577	-	89,740	183,061
<b>Total</b>	<b>2,266,401</b>	<b>-</b>	<b>434,749</b>	<b>101,783</b>	<b>16,272</b>	<b>812,935</b>	<b>974,772</b>	<b>48,577</b>	<b>51,965</b>	<b>89,740</b>	<b>4,797,194</b>

<sup>(\*)</sup> Off-balance sheet exposures were included in the Indefinite maturity bucket.

(amounts in thousands of euros)

Maturidade Residual	2024										
	Central governments and central banks	Multilateral development banks	International organisations	Credit institutions	Corporates	Retail customers	Loans secured by immovable property	Defaulted exposures	Covered bonds	Other items	Total
Up to 1 year	1,731,717	-	637,434	96,483	7,419	652,777	-	-	9,015	-	3,134,845
From 1 to 5 years	127,698	-	-	-	-	-	-	-	-	-	127,698
More than 5 years	238,492	-	-	-	-	-	784,364	-	-	-	1,022,856
Indefinite	-	-	-	-	3,293	9,995	26,791	38,725	-	71,457	150,261
<b>Total</b>	<b>2,097,907</b>	<b>-</b>	<b>637,434</b>	<b>96,483</b>	<b>10,712</b>	<b>662,772</b>	<b>811,155</b>	<b>38,725</b>	<b>9,015</b>	<b>71,457</b>	<b>4,435,660</b>

<sup>(\*)</sup> Off-balance sheet exposures were included in the Indefinite maturity bucket.

## Impairment Model

During 2025, the Group used an impairment model based on the requirements of IFRS 9 and the respective reference criteria defined by Banco de Portugal in Circular Letter No. 62/2018. Additionally, the model takes into account definitions and criteria that have been published by the EBA, using a segmentation by financial product.

During this period, Banco CTT implemented improvements with regard to the calibration approaches of the risk parameters of the impairment model for the Mortgage Loans and Overdraft segments.

Banco CTT converts annual PDs ("Probability of Default" – PD) and LGD ("Loss Given Default" – LGD) into Lifetime Expected Losses using a survival rate methodology. The PD for each period of the instrument's life is multiplied by the Loss Given Default (LGD), which in turn is a function of the expected exposure in each period

and the collateral associated with the transaction. Finally, the Bank discounts the expected value of all periods considered.

The main inputs used for the measurement of expected credit losses on a collective basis, obtained through internal models and taking into account IFRS 9 requirements, include the following variables:

- Probability of Default (PD):

The probability of default represents the risk associated with the default of a given exposure over a certain time horizon. This parameter is used directly for the calculation of expected credit losses (ECL) for exposures in stages 1 and 2, and, in accordance with IFRS 9, the period considered for the calculation of PD varies depending on the stage. Accordingly, for stage 1 a 12-month period should be considered, or the estimated maturity if shorter, and for stage 2 the lifetime of the exposure should be considered. The universe used for PD calculation comprises all contracts within the risk class that, at the first observation of the selected interval, are in performing status. The calculation is carried out in terms of number of occurrences, by period and by vintage, in order to enhance monitoring in comparison with macroeconomic indicators.

- Loss Given Default (LGD):

Loss Given Default represents the estimated loss of a given exposure after default. This parameter is used directly for the calculation of ECL for exposures in stages 1, 2 or 3. LGD may incorporate two components:

- Collateral LGD, which estimates recoveries through collateral enforcement;
- Cash LGD, which estimates recoveries through other means.

- Exposure at Default (EAD):

EAD represents the expected exposure in the event that the exposure and/or the customer enters into default. The Group derives EAD values from the current exposure of the counterparty, which includes performing exposures, accrued interest, past due exposures and past due interest.

In the calculation of impairment, the Group considers the following main segments:

Financial Assets	Retail Offering	Mortgage Loans	Mortgage loans of the Bank secured by residential property, regardless of the stage of construction.
		Overdrafts	Bank overdrafts and credit overruns.
		Auto Loans	Used auto loans secured by retention of title in favour of 321 Crédito.
	Sovereigns and International Organisations		Public debt securities of the euro area and International Organisations.
	Corporate		Deposits and placements with other credit institutions, other financing granted to OCIs and corporate debt securities.
	Other		Legacy portfolios of 321 Crédito in run-off phase.

With regard to investments and placements with other credit institutions, the calculation of 12-month PD for sovereign and corporate exposures is based on external ratings from the four rating agencies (Moody's, S&P, Fitch and DBRS), applying the second-best rule.

Rating	Expected Loss				
	2025			2024	
	Corporate	Sovereigns		Corporate	Sovereigns
AAA	0.030%	0.015%		0.030%	0.015%
AA+	0.035%	0.018%		0.035%	0.018%
AA	0.040%	0.020%		0.040%	0.020%
AA-	0.043%	0.022%		0.043%	0.022%
A+	0.047%	0.023%		0.047%	0.023%
A	0.050%	0.025%		0.050%	0.025%
A-	0.090%	0.037%		0.090%	0.033%
BBB+	0.130%	0.048%		0.130%	0.042%
BBB	0.170%	0.060%		0.170%	0.050%
BBB-	0.333%	0.153%		0.337%	0.153%
BB+	0.497%	0.247%		0.503%	0.257%
BB	0.660%	0.340%		0.670%	0.360%
BB-	1.303%	0.877%		1.323%	0.877%
B+	1.947%	1.413%		1.977%	1.393%
B	2.590%	1.950%		2.630%	1.910%
B-	11.280%	9.840%		11.230%	9.840%
CCC/C	19.970%	17.730%		19.830%	17.770%
Unrated	1.303%	0.877%		1.323%	0.877%

For the segments that use parameters based on historical or internal data, the average parameters considered for the calculation of impairment across the different stages were, as at the reporting dates, as follows:

	2025							
	Mortgage Loans		Overdrafts		Auto Loans		Other	
	PD	LGD	PD	LGD	PD	LGD	PD	LGD
Stage 1	0.26%	11.23%	3.05%	51.82%	1.77%	29.17%	10.35%	29.17%
Stage 2	48.04%	11.11%	19.75%	51.82%	35.89%	29.17%	98.76%	29.17%
Stage 3	100.00%	10.78%	100.00%	51.82%	100.00%	47.22%	100.00%	100.00%

	2024							
	Mortgage Loans		Overdrafts		Auto Loans		Other	
	PD	LGD	PD	LGD	PD	LGD	PD	LGD
Stage 1	0.40%	10.37%	4.41%	52.70%	1.92%	28.70%	8.44%	28.70%
Stage 2	38.96%	10.15%	12.50%	52.70%	37.03%	28.70%	71.28%	28.70%
Stage 3	100.00%	10.00%	100.00%	52.70%	100.00%	41.56%	100.00%	100.00%

As at the reporting dates, Banco CTT Group presented the following breakdown of its credit risk exposures and impairment amounts:

(amounts in thousands of euros)

		2025							Total
		Central governments and central banks	International organisations	Financial institutions	Loan Portfolio				
					Mortgage Loans	Overdrafts	Auto Loans	Other	
Stage 1	Gross exposure	2,259,258	434,204	144,629	935,261	1,422	921,911	368	4,697,053
	Impairment losses	(149)	(18)	(13)	(269)	(22)	(4,770)	(9)	(5,250)
	<b>Net exposure</b>	<b>2,259,109</b>	<b>434,186</b>	<b>144,616</b>	<b>934,992</b>	<b>1,400</b>	<b>917,141</b>	<b>359</b>	<b>4,691,803</b>
Stage 2	Gross exposure	-	-	-	23,700	931	63,706	8	88,345
	Impairment losses	-	-	-	(1,250)	(104)	(6,702)	-	(8,056)
	<b>Net exposure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,450</b>	<b>827</b>	<b>57,004</b>	<b>8</b>	<b>80,289</b>
Stage 3	Gross exposure	-	-	-	6,520	2,117	101,260	-	109,897
	Impairment losses	-	-	-	(695)	(1,429)	(47,505)	-	(49,629)
	<b>Net exposure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,825</b>	<b>688</b>	<b>53,755</b>	<b>-</b>	<b>60,268</b>
POCI (Stage 3)	Gross exposure	-	-	-	-	-	174	430	604
	Impairment losses	-	-	-	-	-	(49)	(199)	(248)
	<b>Net exposure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125</b>	<b>231</b>	<b>356</b>
Total	Gross exposure	2,259,258	434,204	144,629	965,481	4,470	1,087,051	806	4,895,899
	Impairment losses	(149)	(18)	(13)	(2,214)	(1,555)	(59,026)	(208)	(63,183)
	<b>Net exposure</b>	<b>2,259,109</b>	<b>434,186</b>	<b>144,616</b>	<b>963,267</b>	<b>2,915</b>	<b>1,028,025</b>	<b>598</b>	<b>4,832,716</b>

(amounts in thousands of euros)

		2024							Total
		Central governments and central banks	International organisations	Financial institutions	Loan Portfolio				
					Mortgage Loans	Overdrafts	Auto Loans	Other	
Stage 1	Gross exposure	2,098,004	637,440	98,359	776,767	1,862	838,059	491	4,450,982
	Impairment losses	(97)	(6)	(5)	(318)	(44)	(4,620)	(10)	(5,100)
	<b>Net exposure</b>	<b>2,097,907</b>	<b>637,434</b>	<b>98,354</b>	<b>776,449</b>	<b>1,818</b>	<b>833,439</b>	<b>481</b>	<b>4,445,882</b>
Stage 2	Gross exposure	-	-	-	18,323	743	66,373	60	85,499
	Impairment losses	-	-	-	(740)	(56)	(7,084)	(3)	(7,883)
	<b>Net exposure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,583</b>	<b>687</b>	<b>59,289</b>	<b>57</b>	<b>77,616</b>
Stage 3	Gross exposure	-	-	-	7,243	2,026	75,877	-	85,146
	Impairment losses	-	-	-	(718)	(1,372)	(31,359)	-	(33,449)
	<b>Net exposure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,525</b>	<b>654</b>	<b>44,518</b>	<b>-</b>	<b>51,697</b>
POCI (Stage 3)	Gross exposure	-	-	-	-	-	334	444	778
	Impairment losses	-	-	-	-	-	(66)	(179)	(245)
	<b>Net exposure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>268</b>	<b>265</b>	<b>533</b>
Total	Gross exposure	2,098,004	637,440	98,359	802,333	4,631	980,643	995	4,622,405
	Impairment losses	(97)	(6)	(5)	(1,776)	(1,472)	(43,129)	(192)	(46,677)
	<b>Net exposure</b>	<b>2,097,907</b>	<b>637,434</b>	<b>98,354</b>	<b>800,557</b>	<b>3,159</b>	<b>937,514</b>	<b>803</b>	<b>4,575,728</b>

The Group considers that the most sensitive assumed parameters, as they are more susceptible to changes in the economic cycle, are the reference PDs, namely for Auto Loans and Mortgage Loans. In this context, a sensitivity analysis is presented below of what the impairment of the overall portfolio would be if those parameters were 10% higher than the values considered.

*(amounts in thousands of euros)*

2025	Impairment					Impairment (stressed)					Impact
	Stage 1	Stage 2	Stage 3		Total	Stage 1	Stage 2	Stage 3		Total	
			Stage 3	POCI				Stage 3	POCI		
Sovereigns	149	-	-	-	149	164	-	-	-	164	15
International organisations	18	-	-	-	18	20	-	-	-	20	2
Financial institutions	13	-	-	-	13	14	-	-	-	14	1
Corporate	-	-	-	-	-	-	-	-	-	-	-
Loan portfolio	5,070	8,056	49,629	248	63,003	5,577	8,625	49,625	249	64,076	1,073
Mortgage loans	269	1,250	695	-	2,214	296	1,374	695	-	2,365	151
Overdrafts	22	104	1,429	-	1,555	25	114	1,429	-	1,568	13
Auto loans	4,770	6,702	47,505	49	59,026	5,246	7,137	47,501	50	59,934	908
Credit Cards	-	-	-	-	-	-	-	-	-	-	-
Other	9	-	-	199	208	10	-	-	199	209	1
<b>Total</b>	<b>5,250</b>	<b>8,056</b>	<b>49,629</b>	<b>248</b>	<b>63,183</b>	<b>5,775</b>	<b>8,625</b>	<b>49,625</b>	<b>249</b>	<b>64,274</b>	<b>1,091</b>

## Operational Risk

Operational risk arises from the probability of losses resulting from the inadequacy or failure of internal procedures, systems, people or from external events.

The operational risk management framework of Banco CTT Group represents a fundamental factor for risk management and control, requiring, for its proper implementation, the continuous development of a strong risk culture and management.

For the management of this risk, concepts, principles and practices have been adopted and duly documented, which translate into control mechanisms subject to continuous improvement.

### Governance of Operational Risk Management

The operational risk management framework is based on a three lines of defence model, in which the first line, composed of all Banco CTT Group employees and Process Owners, is primarily responsible for the day-to-day management of risks, in accordance with the policies, procedures and controls in place.

These policies, procedures and controls aim, among others, to ensure the clear definition of responsibilities, segregation of duties, adequate access controls (physical and logical), reconciliation activities, exception reporting, a structured process for the approval of new products, monitoring of the Group's outsourcing contracts and internal training on processes, products and systems.

The second line of defence ensures the monitoring of operational risk and advises and supports the first line of defence in the identification of risks and associated controls across the various processes.

The third line of defence is ensured by the Internal Audit Function, the control function responsible for independently examining and evaluating the adequacy and effectiveness of the policies, processes and procedures that support the governance and risk management system, through the performance of effectiveness testing of the implemented controls.

The approach to operational risk management is supported by an end-to-end process structure, considering that a cross-functional view of the organisational structure is the most appropriate approach to perceive risks and assess the impact of corrective mitigation measures. The framework defines a process structure by entity of the Group, which is adjusted according to business evolution.

Process Owners are responsible for defining processes from an end-to-end perspective, ensuring the effective adequacy of controls, reporting operational risk events identified within their processes, identifying and assessing risks and controls through active participation in risk and control self-assessment exercises (RSA – Risk Self Assessment), detecting and implementing appropriate actions to mitigate risk exposures and monitoring risk indicators and process performance indicators.

The operational risk management framework includes tools such as the process for identification and recording of operational risk events and losses, the risk and control self-assessment process and the identification, quantification and monitoring of risk indicators (KRI – Key Risk Indicators), which allow the identification, assessment, monitoring and mitigation of operational risk, ensuring the minimisation of losses associated with this risk.

### **Collection of Operational Risk Events**

The recording of operational risk events is the tool used to qualitatively and quantitatively measure the historical exposure of processes to operational risk events, as well as to support the subsequent analysis of the actual effectiveness of existing controls.

This activity essentially consists of maintaining a dynamic repository of all risk events that have occurred, supported by procedures that ensure the analysis of the most relevant events, whether due to their impact or their probability of occurrence.

In this context, the analysis of loss events, as well as near-miss events, provides indications of the main risks and allows determining whether potential failures are isolated or systemic. Moreover, this practice accelerates the identification of emerging events, enabling a rapid response.

The detection and reporting of operational risk events is the responsibility of all employees, with Process Owners playing a key role in the characterisation of such events, including the description of their cause-effect relationship, loss quantification and the description of action plans for risk mitigation.

The Risk Management Function is responsible for recording and characterising operational risk events for all Group entities and for validating and monitoring the adequacy of action plans and their level of implementation. It is also responsible for identifying, reporting and monitoring internal control deficiencies and respective actions identified within the scope of operational risk event management and the risk and control self-assessment process.

### **Risk and Control Self-Assessment**

Risk and control self-assessment exercises are carried out through questionnaires and/or workshops promoted by the Risk Management Function, with the participation of Process Owners.

The Group assesses the risks to which its processes are exposed, considering the controls applied, following a risk-based approach, thereby determining the residual risk to which it is exposed. The definition of risk on a residual basis allows comparison with inherent risk data and conclusions regarding the overall level of response to identified risks.

This risk and control self-assessment exercise is an assessment of the level of operational risk and associated controls of the Bank and its subsidiaries and serves as a basis for identifying mitigation actions necessary to reduce risk levels and maximise improvement opportunities.

### **Risk Indicators (KRI)**

The definition of KRIs aims to obtain information that enables the identification of potential risks and the development of actions necessary to prevent their materialisation. Their definition should take into account the information available within the Bank and its subsidiaries and the ability/ease of collecting such information.

KRIs are associated with specific risks and serve as alerts for potential changes in the probability and impact of risk events.

For KRI monitoring, alert thresholds should be defined based on the Process Owner's knowledge. Whenever an indicator reaches the alert threshold, the Process Owner must justify the levels observed and identify improvement actions to reduce risk exposure levels.

### **Business Continuity Management**

At the end of 2025, Banco CTT Group continued the project for the comprehensive revision of its Business Continuity Plan (BCP), with the objective of making it applicable to both the Bank and its subsidiaries, from a perspective of simplification and optimisation of procedures to be adopted in the event of a disaster.

Business Continuity Management aims to identify the impact on the continuous operation of the activities carried out by Banco CTT Group, or their timely recovery in the event of incidents likely to disrupt normal business operations, namely due to the unavailability of information systems, human resources and/or facilities, whether individually or simultaneously.

In order to ensure effective business continuity management, specific teams have been defined with responsibilities for the definition, implementation and maintenance of Business Continuity Management.

To ensure continuous improvement of business continuity management, the following review and update activities are carried out annually:

- Business Impact Analysis (BIA), focused on subprocesses and resources (technological, human, service providers and partners);
- Risk Impact Analysis (RIA), identifying material threats and vulnerabilities;
- Response and Recovery Plan (RRP), aimed at supporting successful crisis management;
- Contingency operating procedures, focused on the continuity of critical subprocesses;
- Communication plan, focused on effective communication during crisis situations;
- IT Recovery Plan, aimed at addressing technological needs identified in the BIAs.

Additionally, the following are carried out on a regular basis: (i) testing and simulations of the Business Continuity Plan; (ii) audits of the Business Continuity Plan to verify its quality and updating; and (iii) training activities both for the Business Continuity Plan teams and for all employees.

**Fraud Risk**

Within operational risk, events or risks related to fraud are included, for which a fraud risk management policy has also been approved, formalising how fraud is addressed in terms of prevention, detection and investigation.

Fraud impacts may materialise through different channels, whether through products and services or through the various entities with which the Group interacts. The main types of fraud considered are: credit application fraud, accounting fraud, cyber fraud, card fraud, transaction fraud, supplier and service provider fraud and partner fraud.

The fraud management model adopted includes several dimensions, namely prevention, detection, investigation and monitoring. The approach focuses mainly on prevention and detection stages, particularly in terms of defining processes, procedures and controls, as well as implementing detection tools. These stages contribute to the efficiency of fraud management, particularly in prevention, thereby minimising the impact of potential losses associated with fraud risk events.

**Information Systems Risk**

Information and communication technology risk refers to the possibility of failures related to breaches of confidentiality, inadequacy, unavailability or lack of integrity of systems or data, or the inability to modify information systems within a reasonable timeframe and cost when required by business needs.

Information security risk, in turn, refers to the inability of information systems to withstand actions that compromise the confidentiality, integrity, availability, authenticity or non-repudiation of stored, transmitted or processed data, or of the services provided by those systems, including data theft, phishing campaigns targeting employees, financial crime, malware dissemination and denial of critical services with significant operational, reputational and financial impacts.

The information security strategy of Banco CTT Group aims to ensure the implementation of appropriate protection measures to meet business objectives, while safeguarding the Group's interests and maintaining the trust of its customers and employees.

The Information Security framework, defined and implemented by the Cybersecurity Department, is based on the following areas: governance and compliance, cybersecurity, data protection, identity and access management, vulnerability management, coordination and response to security incidents, and systems development, maintenance and acquisition.

Additionally, business continuity plans have been implemented in each Group entity, periodically tested, reviewed and improved, based on risk analysis and in compliance with legal and regulatory requirements.

The Business Continuity Plan aims to formalise and promote the adoption of appropriate response procedures which, in the event of disasters, ensure the continuity of the Group's processes and mitigate potential losses, both from an organisational and technological perspective.

The Business Continuity Plan includes, in an integrated manner, an operational continuity component and a technological recovery component, with each plan describing the continuity solutions, recovery/contingency procedures and the teams involved.

In addition, service levels for response and resolution by both internal teams and key suppliers and partners, as well as the availability of critical systems, are monitored.

## Compliance Risk

Compliance risk is defined as the possibility of negative impacts arising from violations of or non-compliance with laws, regulations, specific determinations, contracts, rules of conduct and customer relationships, established practices or ethical principles, which may result in legal sanctions, limitations on business opportunities, reduced expansion potential or the inability to enforce contractual obligations.

Compliance risk in Banco CTT Group is subdivided into the following subcategories:

- I. Compliance and regulatory risk: defined as the possibility of impacts arising from legislative and policy changes, non-compliance with internal policies and procedures (legal/regulatory requirements, internal standards, new products), management of sanctions or proceedings (fines, penalties, sanctions or indemnities), including non-compliance with specific determinations of the respective Supervisory Authorities, as well as the failure to obtain or maintain the requirements necessary to obtain or maintain the authorisations or registrations required to carry out or provide such services.
- II. Conduct risk: defined as the possibility of non-compliance with codes of conduct, established practices or ethical principles and disciplinary procedures, including: unauthorised trading practices, aggressive sales practices, manipulation of accounts to create fictitious transactions, lack of transparency towards customers, conduct in advisory services, marketing, sales and commercial behaviour, breach of confidential information, market abuse and personal account dealing, bribery, misselling and conflicts of interest.

The prevention and mitigation of compliance risk within Banco CTT Group involves the participation of the management and supervisory bodies and the control functions, in particular the Group's Compliance Function, in decision-making processes, especially those related to product governance. The management of this risk is intrinsically linked to the promotion of a culture and conduct based on ethical values and socially responsible behaviour, while ensuring the alignment of incentive policies with the best interests of customers.

To achieve this objective, Banco CTT Group has adopted a governance model that promotes the effectiveness of its internal control system, notably through the independent and influential role of the control functions and the implementation of policies and regulations that prevent conduct risks, including the definition of remuneration and incentive policies aimed at preventing conflicts of interest in the sales process.

To guide and formalise the management of this risk, the Bank, as parent company, has defined procedures that establish the fundamental principles of compliance, objectives, stakeholders and responsibilities within the scope of regulatory compliance control, as well as the principles to be observed by all employees.

Operating in a highly regulated sector, it is essential to have an effective and comprehensive compliance risk management cycle that enables the reduction of potential sanctions arising from non-compliance with legal and regulatory requirements. Accordingly, and in line with its Risk Management Policy, the Group has defined the following stages in its cycle:

- **Risk strategy definition:** Considering that the Group has defined that the (residual) compliance risk to which it is exposed should be low, avoiding the application of serious or very serious administrative offences, the management of this risk follows the following principles: existence of an independent Compliance Function; provision of products and services subject to prior compliance risk assessment; variable remuneration/incentive models designed to minimise conflicts of interest and subject to prior validation by control functions; performance of control actions in areas of higher inherent risk; mandatory employee training on compliance matters.
- **Identification and assessment:** This stage involves identifying all compliance requirements that the Group must meet, whether arising from applicable legal and regulatory provisions or from internal standards set out in codes of conduct, policies or procedures. The systematisation of “compliance requirements” and associated risks is the responsibility of the Compliance Function; likewise, potential risks associated with identified compliance requirements must be assessed in order to determine their inherent and residual risk.
- **Response:** Once residual risk has been assessed, priorities for action should be defined jointly with the relevant areas in order to mitigate risks that exceed the defined risk appetite.
- **Monitoring and reporting:** Compliance with requirements is continuously monitored by the Compliance Function, ensuring the timely identification and remediation of deficiencies and breaches. Furthermore, the overall status of the Group’s compliance with legal and regulatory requirements is periodically reported to the supervisory and management bodies.

### Compliance Risk Management:

In order to preserve the adequacy of the risk strategy, the Compliance Function is involved in strategic planning, business and budgeting processes. In particular, it reviews the Business Plan, assessing its impact on the Group’s risk profile (and alignment with risk appetite), risk strategy and internal control system, as well as compliance with applicable regulatory provisions (e.g. regarding new products and services).

Additionally, the Compliance Function:

- Promotes the ongoing identification, assessment and mitigation of the Group’s compliance and reputational risks;
- Promotes the adoption of regulations and recommendations from regulatory authorities in the areas of conduct and culture, governance and internal organisation;
- Establishes and executes a monitoring programme to detect and correct potential breaches;
- Provides advice on compliance with legal and regulatory obligations to which the Group is subject, namely through process validation, definition of policies and procedures, training initiatives and day-to-day support;
- Promotes the dissemination and review of the Code of Conduct, as well as adherence to its values and rules;
- Prepares and submits Compliance reports, ensuring coordination with external entities;
- Communicates legislative and regulatory developments impacting the Bank’s and its subsidiaries’ activities to the relevant organisational units responsible for their implementation;

- Ensures that the Internal Control System implemented by the Group operates in accordance with internal and external regulatory requirements.

Compliance risk management involves the continuous monitoring of regulatory initiatives with the greatest impact on the Group. In 2025, Banco CTT Group closely monitored the implementation of changes related to organisational culture and internal governance and control systems (Notice 2/2025 and Instruction 4/2025 of Banco de Portugal), the transposition of European Directives into national law (Decree-Law 103/2025 and Notice 6/2025 of Banco de Portugal regarding the credit servicing regime, and Decree-Law 2025/125 regarding the cybersecurity legal framework), ESG risk management and diversity practices (EBA/GL/2025/1 Guidelines, Circular Letter 2025/36 and Instruction 1/2025 of Banco de Portugal), transaction security (Circular Letter 2025/09, Instruction 9/2025, Instruction 2/2025 of Banco de Portugal and Law 68/2025), while maintaining ongoing consumer support (Notice 4/2025 on advertising rules and Circular Letter 2025/03, Notice 1/2025 and Notice 3/2025 of Banco de Portugal, Decree-Law 24/2025 and Ordinance 187/2025 regarding the State personal guarantee for housing loans for young people up to 35 years old).

Compliance risk management within the Group follows a preventive approach by the Compliance Function in processes considered critical, notably including sign-off on new policies and procedures, relevant customer communications, pre-contractual and contractual documentation and marketing materials. The launch of new products/services or significant changes to existing ones also requires the performance of risk assessments, where potential compliance or reputational risks are identified and mitigation actions or controls are defined, either prior to launch or after commercialisation, depending on whether the identified risks are blocking or non-blocking.

The monitoring of customer complaint handling is also given particular attention, not only to identify potential compliance risks but also to ensure that customer complaints are adequately addressed.

The performance of monitoring activities and compliance testing, particularly on first line controls, completes the compliance risk management cycle, with the results of these activities being followed up by the relevant areas, mitigating risks or weaknesses that may have been identified.

## Market Risk

Market risk generally represents the possibility of negative impacts on earnings or capital arising from adverse movements in the market price of instruments held in the trading portfolio, including fluctuations in interest rates, exchange rates, equity prices and commodity prices.

The Group does not have a trading portfolio. As at 31 December 2025, 97.51% of the debt securities portfolio is measured at amortised cost, with the remaining portfolio classified at fair value through other comprehensive income. Therefore, the main risk arising from the Group's investments is credit risk rather than market risk.

## Interest Rate Risk in the Banking Book

Interest rate risk in the banking book (IRRBB – Interest Rate Risk in the Banking Book) refers to the possibility of negative impacts on earnings or capital arising from adverse movements in the interest rates of banking book items, due to maturity mismatches or repricing gaps, imperfect correlation between the rates received and paid on different instruments, or the existence of embedded options in on-balance sheet financial instruments or off-balance sheet items.

The Group monitors its exposure to interest rate risk in the banking book from both an economic value perspective and a net interest income perspective, assessing the sensitivity of these two indicators to changes in interest rates.

One of the main tools used to monitor interest rate risk in the balance sheet is the repricing gap analysis of assets and liabilities sensitive to interest rate changes. This model groups such assets and liabilities into fixed time buckets (maturity dates or first repricing dates when indexed, or behavioural assumptions when appropriate), based on which the potential impact on the Group's net interest income and economic value is calculated, resulting from interest rate movements, for which the Group has defined specific tolerance limits within its risk appetite framework.

Repricing gap reports are produced on a monthly basis and constitute an essential tool for defining the investment strategy in each cycle, ensuring that maturity mismatches between assets and liabilities remain aligned at all times with the limits established in the Group's risk strategy.

The Group also monitors interest rate basis risk across a set of variable rate instruments, on both the asset and liability sides. This monitoring involves assessing mismatches in the tenor of the respective indices and the exposure between assets and liabilities indexed to variable rates.

The Group manages interest rate risk in its balance sheet on a structural basis, using natural hedging within the composition of its investment portfolio whenever possible.

Similarly to interest rate risk monitoring, the Group also monitors credit spread risk in the banking book (CSRBB – Credit Spread Risk in the Banking Book). The Group considers as assets and liabilities sensitive to credit spread risk its portfolio of debt securities and securitisations issued by the Group (Ulisses 2 and 3 and senior preferred), including embedded interest rate hedging derivatives, as well as off-balance sheet derivatives contracted to offset the aforementioned interest rate risk hedging. Assets and liabilities are grouped into fixed time buckets according to their maturity, and the potential impact of increases or decreases in credit spreads on the economic value of assets and liabilities sensitive to credit spread risk is measured.

## Liquidity Risk

Liquidity risk refers to the potential inability of the Group to meet its funding repayment obligations without incurring significant losses, due to more onerous funding conditions or the sale of assets below market value. The Group is exposed to liquidity risk as an inherent feature of its maturity transformation business, acting as a lender at longer maturities (e.g. in Mortgage Loans) and as a borrower of liquidity (essentially in the form of deposits), making prudent liquidity risk management essential. For this purpose, the Group holds significant liquidity reserves in the form of debt securities and deposits with the Central Bank.

### Management Practices

Banco CTT Group has established a liquidity risk management framework with clearly defined responsibilities and processes, ensuring that all participants in liquidity risk management are coordinated and that management controls are effective. At an overall level, the liquidity risk management strategy falls under the

responsibility of the Board of Directors, which delegates the day-to-day management of liquidity activities to the Executive Committee. The Board of Directors defines, within the scope of the Risk Appetite Statement, limits for liquidity risk (including for the Liquidity Coverage Ratio – LCR –, the Net Stable Funding Ratio – NSFR –, the liquidity buffer and the survival horizon of stress tests), delegating to the Capital, Risk and Sustainability Committee responsibility for overseeing the established liquidity management model, monitoring key ratios to ensure the Group's financial soundness, defining the methodologies and assumptions used in liquidity stress tests, approving the Liquidity Contingency Plan, defining exposure limits by banking counterparty and determining the intragroup funding structure, including direct and indirect funding to subsidiaries.

The Board of Directors adopts and periodically reviews the Group's Liquidity Management Policy, taking into account business objectives and opportunities, legal and regulatory requirements, the assessment of risks inherent to the balance sheet structure and financial operations, and the need to maintain liquidity at levels compatible with the effective and efficient functioning of the Group as a whole and of the Bank and its subsidiaries individually. The Capital, Risk and Sustainability Committee reviews the Liquidity Contingency Plan and defines, with the support of the Risk and Treasury and Financial Markets Departments, the Group's Key Risk Indicators (KRIs), monitoring their evolution, liquidity limits by banking counterparty and the methodologies and assumptions used in liquidity stress tests.

The Treasury and Financial Markets Department of Banco CTT is responsible for ensuring the management of cash flows and the required short-term liquidity levels, in particular maintaining High Quality Liquid Assets (HQLAs), executing medium- and long-term funding plans through cash management and interbank relationships, ensuring compliance with established liquidity risk limits, including minimum cash reserves, position limits and other regulatory or internally defined ratios, supporting the Capital, Risk and Sustainability Committee in defining the Group's KRIs and monitoring their evolution and promptly identifying breaches of liquidity ratio requirements, informing the Executive Committee and the Risk Department accordingly.

The Risk Department is responsible for identifying, assessing, controlling and monitoring the Group's liquidity risk, ensuring it remains within the risk appetite defined by the Board of Directors, supporting the definition and continuous monitoring of liquidity limits, supporting the Capital, Risk and Sustainability Committee in defining KRIs and monitoring their evolution, keeping the Treasury and Financial Markets Department informed of developments that may impact the Group's liquidity risk profile, preparing liquidity management reports and making them available to the Capital, Risk and Sustainability Committee and other relevant entities, coordinating the preparation of and proposing the Liquidity Contingency Plan to the Board of Directors following review by the Capital, Risk and Sustainability Committee and proposing methodologies and assumptions used in liquidity stress tests.

With regard to structural liquidity, the Group prepares a Liquidity Gap analysis, through monthly liquidity reporting, taking into account the maturity of various assets and liabilities, through which structural mismatches are determined for each time bucket.

Within this framework, in addition to internally defined analyses to monitor this risk (e.g. continuous assessment of liquidity gaps and/or duration, analysis of asset composition and availability, etc.), the Group also calculates the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR), monitoring their evolution on a regular basis and anticipating potential impacts. The LCR aims to promote banks' resilience to short-term liquidity risk, ensuring that they hold sufficient high-quality liquid assets to survive a severe stress scenario over a 30-day period. The NSFR aims to ensure that banks maintain stable funding for their assets and off-balance sheet activities over a one-year period.

The Group also calculates the Additional Liquidity Monitoring Metrics (ALMM), which provide greater granularity than the LCR (30 days), allowing enhanced control over liquidity mismatches by considering contracted outflows and inflows, while also enabling the monitoring of the concentration of counterbalancing capacity.

For effective liquidity risk management, the Group ensures that cumulative maturity mismatches between liabilities and available liquidity are minimised. For this purpose, the main instrument used by the Group is the Liquidity Gap analysis of assets and liabilities based on their maturity dates. This model groups these assets and liabilities into fixed time buckets (which may be determined using behavioural assumptions where appropriate).

Liquidity Gap reports are produced monthly and constitute an essential tool to guide investment strategy in each cycle, ensuring that the Group maintains adequate liquidity at all times to meet its obligations, in line with the risk appetite defined in its risk strategy.

The Group also ensures that it maintains adequate liquidity buffers to withstand potential systemic or idiosyncratic liquidity stress scenarios to which it may be exposed. To achieve this objective, as part of its Internal Liquidity Adequacy Assessment Process (ILAAP), the Group performs liquidity stress tests on a monthly basis, based on assumptions reflecting a deterioration of current liquidity conditions.

### **Liquidity Risk Analysis**

The Liquidity Coverage Ratio (LCR) reached a comfortable level of 1,004% as at 31 December 2025 (1,361% at the end of 2024), significantly above minimum requirements, reflecting the Group's liquidity management, particularly the increasing volume of high-quality liquid assets (HQLAs) in the Group's portfolio during the period.

The Net Stable Funding Ratio (NSFR) stood at 244% as at 31 December 2025 (261% at the end of 2024), representing a robust level well above regulatory requirements.

As at 31 December 2025, the ALMM showed a negative liquidity mismatch (difference between contracted outflows and inflows) of EUR 922,236 thousand (positive mismatch of EUR 39,510 thousand at the end of 2024).

Additionally, this negative liquidity mismatch does not take into account inflows from financial assets and reserves with the Central Bank amounting to EUR 2,698,782 thousand (EUR 2,690,272 thousand at the end of 2024).

### **Climate and Environmental Risks**

Banco CTT Group has been implementing, with appropriate gradualism, an approach to assess and monitor climate and environmental risks in its activities.

The Group recognises that sustainability-related risks, in particular climate and environmental risks, are relevant and, accordingly, are incorporated into the risk taxonomy and considered within the risk identification and assessment exercise of the Risk Appetite Statement (RAS).

Through timely and frequent analysis of exposures to mortgage loans and auto loans, several initiatives have been implemented that contribute to the transition towards a low-carbon economy. Additionally, with a focus on operational risk and business continuity risk, there is continuous monitoring of exposures to extreme climate events.

## SUPPLEMENTARY INFORMATION

### CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement for the years ended 31 December 2025 and 2024

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Interest income calculated using the effective interest method	156,452	176,975
Interest expense calculated using the effective interest method	(54,470)	(79,282)
<b>Net interest income</b>	<b>101,982</b>	<b>97,693</b>
Net fee and commission income	29,430	24,756
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss	26	40
Net gains/(losses) on hedge accounting	2	-
Other operating income / (expenses)	2,558	(1,618)
<b>Operating income</b>	<b>133,998</b>	<b>120,871</b>
Staff costs	(37,502)	(33,001)
General and administrative expenses	(44,225)	(40,185)
Depreciation and amortisation	(8,931)	(8,373)
<b>Operating expenses</b>	<b>(90,658)</b>	<b>(81,559)</b>
<b>Net operating income before provisions and impairment</b>	<b>43,340</b>	<b>39,312</b>
Credit impairment	(17,018)	(12,642)
Impairment of other financial assets	(72)	(2)
Impairment of other assets	(154)	9
Provisions	(709)	(408)
<b>Net operating income</b>	<b>25,387</b>	<b>26,269</b>
<b>Net income before income taxes</b>	<b>25,387</b>	<b>26,269</b>
Income taxes		
Current	(5,474)	(8,066)
Deferred	852	1,845
<b>Net income for the year</b>	<b>20,765</b>	<b>20,048</b>
Earnings per share (in euros)		
Basic	0.06	0.07
Diluted	0.06	0.07

## Consolidated Statement of Financial Position as at 31 December 2025 and 2024

(amounts in thousands of euros)

	2025	2024
<b>Assets</b>		
Cash and deposits with central banks	67,829	64,826
Deposits with other credit institutions	36,923	30,918
Financial assets at amortised cost		
Placements with credit institutions	662,941	701,297
Loans and advances to customers	1,994,804	1,742,032
Debt securities	2,048,437	2,059,137
Financial assets at fair value through profit or loss	3,391	6,283
Financial assets at fair value through other comprehensive income		
Debt securities	52,243	-
Hedging derivatives	7,279	6
Other tangible assets	10,547	7,262
Goodwill and intangible assets	89,236	84,769
Deferred tax assets	1,818	1,695
Other assets	30,776	29,300
<b>Total Assets</b>	<b>5,006,224</b>	<b>4,727,525</b>
<b>Liabilities</b>		
Financial liabilities at fair value through profit or loss	5,405	6,409
Financial liabilities at amortised cost		
Deposits from customers	4,348,430	4,060,462
Debt securities issued	229,615	262,912
Hedging derivatives	1,277	12
Provisions	2,738	2,069
Current tax liabilities	-	1,344
Deferred tax liabilities	986	1,698
Other liabilities	81,771	77,544
<b>Total Liabilities</b>	<b>4,670,222</b>	<b>4,412,450</b>
<b>Equity</b>		
Share capital	321,400	321,400
Legal reserves	6,830	4,830
Fair value reserves	27	-
Other reserves	(200)	(335)
Retained earnings	(12,820)	(30,868)
Net income for the year	20,765	20,048
<b>Total Equity</b>	<b>336,002</b>	<b>315,075</b>

## SEPARATE FINANCIAL STATEMENTS

### Separate Income Statement for the years ended 31 December 2025 and 2024

(amounts in thousands of euros)

	2025	2024
Interest income calculated using the effective interest method	113,943	137,920
Interest expense calculated using the effective interest method	(47,630)	(65,576)
<b>Net interest income</b>	<b>66,313</b>	<b>71,714</b>
Net fee and commission income	23,916	19,984
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss	1,042	(167)
Net gains/(losses) on hedge accounting	2	-
Other operating income / (expenses)	(2,173)	(626)
<b>Operating income</b>	<b>89,100</b>	<b>90,905</b>
Staff costs	(29,543)	(25,321)
General and administrative expenses	(35,640)	(32,133)
Depreciation and amortisation	(8,064)	(7,444)
<b>Operating expenses</b>	<b>(73,247)</b>	<b>(64,898)</b>
<b>Net operating income before provisions and impairment</b>	<b>15,853</b>	<b>26,007</b>
Credit impairment	(944)	(1,035)
Impairment of other financial assets	(137)	(70)
Impairment of other assets	(88)	21
Provisions	(51)	(289)
<b>Net operating income</b>	<b>14,633</b>	<b>24,634</b>
Net gains/(losses) of investments in subsidiaries and associates	9,914	1,444
<b>Net income before income taxes</b>	<b>24,547</b>	<b>26,078</b>
Income taxes		
Current	(3,851)	(6,140)
Deferred	12	58
<b>Net income for the year</b>	<b>20,708</b>	<b>19,996</b>
Earnings per share (in euros)		
Basic	0.06	0.07
Diluted	0.06	0.07

## Separate Statement of Financial Position as at 31 December 2025 and 2024

(amounts in thousands of euros)

	2025	2024
<b>Assets</b>		
Cash and deposits with central banks	67,358	64,413
Deposits with other credit institutions	11,054	8,069
Financial assets at amortised cost		
Placements with credit institutions	827,622	861,331
Loans and advances to customers	966,181	803,718
Debt securities	2,691,519	2,554,555
Financial assets at fair value through profit or loss	132	-
Financial assets at fair value through other comprehensive income		
Debt securities	52,243	-
Hedging derivatives	7,279	6
Other tangible assets	9,592	6,576
Intangible assets	27,585	23,150
Investments in subsidiaries and associates	167,607	142,558
Deferred tax assets	1,103	1,090
Other assets	30,720	28,846
<b>Total Assets</b>	<b>4,859,995</b>	<b>4,495,312</b>
<b>Liabilities</b>		
Financial liabilities at fair value through profit or loss	5,405	6,409
Financial liabilities at amortised cost		
Deposits from credit institutions	55,116	46,106
Deposits from clients	4,348,430	4,060,462
Debt securities issued	54,982	9,996
Hedging derivatives	1,277	12
Provisions	1,103	1,091
Other liabilities	57,609	56,033
<b>Total Liabilities</b>	<b>4,523,922</b>	<b>4,180,109</b>
<b>Equity</b>		
Share capital	321,400	321,400
Legal reserves	6,830	4,830
Fair value reserves	27	-
Other reserves	(200)	(335)
Retained earnings	(12,692)	(30,868)
Net income for the year	20,708	19,996
<b>Total Equity</b>	<b>336,073</b>	<b>315,203</b>

## APPROPRIATION OF NET INCOME

Whereas:

In the financial year of 2025, Banco CTT S.A. recorded a positive net income of 20,708,049.25 euros,

It is proposed:

In accordance with Article 66 (5) (f) and for the purposes of Article 376 (1) (b), both of the Portuguese Commercial Companies Code:

- that 10% of the net profit, in the amount of 2,070,804.93 euros, be transferred to legal reserves, in accordance with Article 97 (1) of the Legal Framework of Credit Institutions and Financial Companies; and
- that the remaining amount of 18,637,244.32 euros be transferred to retained earnings.

Lisbon, 17 March 2026

The Board of Directors

João Nuno de Sottomayor Pinto de Castello Branco

João Manuel de Matos Loureiro

Francisco Manuel Grade Barbeira

Sofia Luísa Corrêa Henriques Cardoso de Menezes Frère

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António Domingues

Inês Isabel Maia Santos

Pedro Luís Francisco Carvalho

Sandra Marina Farinha Moás



## 02 Accounts and Notes to the Accounts

“TO BE  
**GREAT,**  
BE WHOLE.”

Ricardo Reis, in “Odes de Ricardo Reis”

**ACCOUNTS AND NOTES TO THE CONSOLIDATED ACCOUNTS OF 2025**

CONSOLIDATED FINANCIAL STATEMENTS

**Consolidated Income Statement for the years ended 31 December 2025 and 2024**

		(amounts in thousands of euros)	
	Notes	2025	2024
Interest income calculated using the effective interest method	4	156,452	176,975
Interest expense calculated using the effective interest method	4	(54,470)	(79,282)
<b>Net interest income</b>	4	<b>101,982</b>	<b>97,693</b>
Net fee and commission income	5	29,430	24,756
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss	6	26	40
Net gains/(losses) on hedge accounting	18	2	-
Other operating income / (expenses)	7	2,558	(1,618)
<b>Operating income</b>		<b>133,998</b>	<b>120,871</b>
Staff costs	8	(37,502)	(33,001)
General and administrative expenses	9	(44,225)	(40,185)
Depreciation and amortisation	19, 20	(8,931)	(8,373)
<b>Operating expenses</b>		<b>(90,658)</b>	<b>(81,559)</b>
<b>Net operating income before provisions and impairment</b>		<b>43,340</b>	<b>39,312</b>
Credit impairment	14	(17,018)	(12,642)
Impairment of other financial assets	13, 15, 17	(72)	(2)
Impairment of other assets	22	(154)	9
Provisions	25	(709)	(408)
<b>Net operating income</b>		<b>25,387</b>	<b>26,269</b>
<b>Net income before income taxes</b>		<b>25,387</b>	<b>26,269</b>
Income taxes			
Current	21	(5,474)	(8,066)
Deferred	21	852	1,845
<b>Net income for the year</b>		<b>20,765</b>	<b>20,048</b>
Earnings per share (in euros)			
Basic		0.06	0.07
Diluted		0.06	0.07

The accompanying notes form an integral part of these financial statements.

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## Consolidated Statement of Comprehensive Income for the years ended on 31 December 2025 and 2024

(amounts in thousands of years)

	Notes	2025	2024
<b>Net income for the year</b>		<b>20,765</b>	<b>20,048</b>
<b>Other comprehensive income for the year, after income taxes</b>		<b>162</b>	<b>9</b>
<b>Items that may be reclassified to the income statement</b>			
Fair value reserves	28	27	-
<b>Items that will not be reclassified to the income statement</b>			
Actuarial gains/(losses) for the year			
Employee benefits	28	135	9
<b>Total Comprehensive Income for the Year</b>		<b>20,927</b>	<b>20,057</b>

The accompanying notes form an integral part of these financial statements.

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**Consolidated Statement of Financial Position as at 31 December 2025 and 2024**
*(amounts in thousands of euros)*

	Notes	2025	2024
<b>Assets</b>			
Cash and deposits with central banks	11	67,829	64,826
Deposits with other credit institutions	12	36,923	30,918
Financial assets at amortised cost			
Placements with credit institutions	13	662,941	701,297
Loans and advances to customers	14	1,994,804	1,742,032
Debt securities	15	2,048,437	2,059,137
Financial assets at fair value through profit or loss	16	3,391	6,283
Financial assets at fair value through other comprehensive income			
Debt securities	17	52,243	-
Hedging derivatives	18	7,279	6
Other tangible assets	19	10,547	7,262
Goodwill and intangible assets	20	89,236	84,769
Deferred tax assets	21	1,818	1,695
Other assets	22	30,776	29,300
<b>Total Assets</b>		<b>5,006,224</b>	<b>4,727,525</b>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	16	5,405	6,409
Financial liabilities at amortised cost			
Deposits from customers	23	4,348,430	4,060,462
Debt securities issued	24	229,615	262,912
Hedging derivatives	18	1,277	12
Provisions	25	2,738	2,069
Current tax liabilities	21	-	1,344
Deferred tax liabilities	21	986	1,698
Other liabilities	26	81,771	77,544
<b>Total Liabilities</b>		<b>4,670,222</b>	<b>4,412,450</b>
<b>Equity</b>			
Share capital	27	321,400	321,400
Legal reserves	28	6,830	4,830
Fair value reserves	28	27	-
Other reserves	28	(200)	(335)
Retained earnings	28	(12,820)	(30,868)
Net income for the year		20,765	20,048
<b>Total Equity</b>		<b>336,002</b>	<b>315,075</b>

*The accompanying notes form an integral part of these financial statements.*

**CERTIFIED ACCOUNTANT**

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**Consolidated Statement of Changes in Equity for the years ended 31 December 2025 and 2024**
*(amounts in thousands of euros)*

	Notes	Share capital	Fair value reserves	Legal reserves	Other reserves	Retained earnings	Net income for the year	Total Equity
<b>Balance as at 31 December 2023</b>		<b>296,400</b>	-	<b>3,037</b>	<b>(344)</b>	<b>(46,098)</b>	<b>17,023</b>	<b>270,018</b>
Share capital increase	27	25,000	-	-	-	-	-	25,000
Appropriation of net income		-	-	1,793	-	15,230	(17,023)	-
Comprehensive income for the year		-	-	-	9	-	20,048	20,057
Actuarial gains/(losses)	34	-	-	-	9	-	-	9
Net income for the year		-	-	-	-	-	20,048	20,048
<b>Balance as at 31 December 2024</b>		<b>321,400</b>	-	<b>4,830</b>	<b>(335)</b>	<b>(30,868)</b>	<b>20,048</b>	<b>315,075</b>
Share capital increase	27	-	-	-	-	-	-	-
Appropriation of net income		-	-	2,000	-	18,048	(20,048)	-
Comprehensive income for the year		-	27	-	135	-	20,765	20,927
Fair value reserves	28	-	27	-	-	-	-	27
Actuarial gains/(losses)	34	-	-	-	135	-	-	135
Net income for the year		-	-	-	-	-	20,765	20,765
<b>Balance as at 31 December 2025</b>		<b>321,400</b>	<b>27</b>	<b>6,830</b>	<b>(200)</b>	<b>(12,820)</b>	<b>20,765</b>	<b>336,002</b>

*The accompanying notes form an integral part of these financial statements.*
**CERTIFIED ACCOUNTANT**

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**Consolidated Statement of Cash Flows for the years ended 31 December 2025 and 2024**
*(amounts in thousands of euros)*

	Notes	2025	2024
<b>Cash flows from operating activities</b>		<b>30,487</b>	<b>793,869</b>
Interest received		121,673	131,109
Interest paid		(69,535)	(74,366)
Fees and commissions received		34,168	29,893
Fees and commissions paid		(5,107)	(5,056)
Payments to employees		(35,631)	(31,023)
Income tax payments		(7,762)	-
Sectoral contributions		(872)	(740)
Credit recoveries		6,347	1,481
Other payments and receipts		(50,982)	(43,670)
Changes in operating assets and liabilities		38,188	786,241
<i>Other operating assets and liabilities</i>		(7,276)	(20,523)
<i>Loans and advances to customers</i>	14	(257,041)	(135,686)
<i>Deposits from customers</i>	23	302,505	942,450
<b>Cash flows from investing activities</b>		<b>10,312</b>	<b>(736,781)</b>
Deposits with Banco de Portugal	11	(2,472)	(11,822)
Investment in securities	15,17	(12,078)	(1,286,429)
<i>Investment</i>		(3,266,310)	(2,577,929)
<i>Redemptions / disposals</i>		3,254,232	1,291,500
Placements with the Central Bank	13	37,308	615,350
Placements with other credit institutions	13	1,000	(44,890)
<i>Investment</i>		(159,350)	(68,200)
<i>Redemptions</i>		160,350	23,310
Acquisition of tangible and intangible assets	19,20	(13,446)	(8,990)
<b>Cash flows from financing activities</b>		<b>(35,293)</b>	<b>(61,236)</b>
Share capital increases	27	-	25,000
Debt securities issued	24	(33,293)	(84,522)
<i>Issuances</i>		44,921	10,000
<i>Redemptions</i>		(78,214)	(94,522)
Leases		(2,000)	(1,714)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>50,013</b>	<b>54,161</b>
Net changes in cash and cash equivalents		5,506	(4,138)
<b>Cash and cash equivalents at the end of the year</b>		<b>55,519</b>	<b>50,013</b>
Cash	11	22,033	23,967
Demand deposits with Banco de Portugal	11	1,877	412
Balances with credit institutions	12	30,609	25,634

*The accompanying notes form an integral part of these financial statements.*

**CERTIFIED ACCOUNTANT**

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Introductory Note

Banco CTT, S.A. (hereinafter referred to as “Banco CTT” or the “Bank”) is a credit institution with its registered office at Praça Duque de Saldanha, no. 1, Atrium Saldanha Building, 3rd floor, 1050-094 Lisbon, controlled by CTT – Correios de Portugal, S.A., and was incorporated in August 2015.

The Bank is engaged in raising funds from third parties, in the form of deposits or other, which the Bank invests, together with its own funds, across various sectors of the economy, mainly through the granting of loans to customers or investments in debt securities, and additionally provides other banking services to its customers.

The consolidated financial statements (“Consolidated Financial Statements”) presented reflect the results of the Bank’s operations and those of its subsidiary 321 Crédito – Instituição Financeira de Crédito, S.A. (together the “Group”).

### Note 1 – Basis of Presentation

In accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, and Banco de Portugal Notice No. 5/2015, the Group’s consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union at the date of their presentation.

IFRS comprise accounting standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as well as by their predecessor bodies.

The Banco CTT Group comprises the following subsidiaries:

	2025		2024	
	Holding (%)	Voting rights (%)	Holding (%)	Voting rights (%)
321 Crédito – Instituição Financeira de Crédito, S.A.	100%	100%	100%	100%

Moreover, considering the requirements of IFRS 10, the Group's consolidation perimeter includes the following structured entities:

	Year of incorporation	Place of incorporation	Consolidation method
Chaves Funding No.8 (*)	2019	Portugal	Full consolidation
Ulisses Finance No.2 (*)	2021	Portugal	Full consolidation
Ulisses Finance No.3 (*)	2022	Portugal	Full consolidation

(\*)Entities incorporated in the context of securitisation transactions, recognised in the consolidated financial statements based on the Group's continuing involvement, determined by the holding of residual interests (equity piece or excess spread) in the respective vehicles and to the extent that the Group retains substantially all the risks and rewards associated with the underlying assets and has the ability to affect those risks and rewards (see Note 35 – Securitisation of assets).

The main impacts of the consolidation of these structured entities on the Group's financial statements are presented below:

	(amounts in thousands of euros)	
	2025	2024
Cash and balances with credit institutions	20,049	17,528
Financial assets at fair value through profit or loss – Derivatives	3,260	6,283

The consolidated financial statements now presented reflect the results of the operations of the Bank and its subsidiaries and relate to the year ended 31 December 2025 and have been prepared in accordance with IFRS in force, as adopted by the European Union up to 31 December 2025.

The financial statements are presented in thousands of euros, rounded to the nearest thousand, and have been prepared on a going concern basis and under the historical cost convention, except for assets and liabilities measured at fair value, namely other financial assets at fair value through other comprehensive income. The Group has no projects or intentions that may call into question the continuity of its operations.

The accounting policies used by the Group in the preparation of the financial statements as at 31 December 2025 are consistent with those used in the preparation of the financial statements as at 31 December 2024. The material accounting policies are described in Note 2.

The preparation of financial statements in accordance with IFRS requires the Group to make judgements and estimates and to use assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities. Changes in such assumptions or differences between them and actual results may impact current estimates and judgements. The areas involving a higher level of judgement or complexity, or where significant assumptions and estimates are used in the preparation of the financial statements, are disclosed in Note 3.

These financial statements were approved at a meeting of the Board of Directors on 17 March 2026.

## Note 2 – Material Accounting Policies

The material accounting policies used in the preparation of the financial statements are as follows:

### 2.1 Bases of Consolidation

The Group applies IFRS 3 for the accounting recognition of business combinations, except in situations involving business combinations under common control (Transactions under common control), in accordance with Article 2(c) and paragraph B1 of Appendix B of that standard.

The consolidated financial statements presented reflect the assets, liabilities, income and expenses of the Bank and its subsidiaries (the Group).

#### 2.1.1 *Investments in subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it has the power to direct the relevant activities of the entity, and is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the relevant activities of that entity (de facto control). The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the Group obtains control until the date on which control ceases.

Accumulated losses are attributed to non-controlling interests in proportion to their holdings, which may result in the recognition of negative non-controlling interests.

In a step acquisition that results in obtaining control, when calculating goodwill, the remeasurement of any previously held interest is recognised through profit or loss. Upon a partial disposal that results in loss of control over a subsidiary, any remaining interest is remeasured at fair value at the date of disposal and the resulting gain or loss is recognised through profit or loss.

#### 2.1.2 *Loss of control*

Gains or losses arising from the dilution or disposal of part of an investment in a subsidiary, resulting in loss of control, are recognised by the Group in the income statement.

#### 2.1.3 *Transactions eliminated in consolidation*

Balances and transactions between Group entities, as well as unrealised gains and losses arising from those transactions, are eliminated in the preparation of the consolidated financial statements. Unrealised gains and losses from transactions with associates and jointly controlled entities are eliminated in proportion to the Group's interest in those entities.

#### 2.1.4 *Goodwill*

Business combinations are accounted for using the acquisition method. The cost of acquisition corresponds to the fair value, at the acquisition date, of the assets transferred and liabilities incurred or assumed. Costs directly related to the acquisition of a subsidiary are recognised directly in profit or loss.

Positive goodwill arising from acquisitions is recognised as an asset and recorded at cost and is not amortised. Goodwill arising from the acquisition of interests in subsidiaries and associates is defined as the difference between the acquisition cost and the fair value, either total or proportional, of the acquiree's assets, liabilities and contingent liabilities, depending on the option taken.

If the calculated goodwill is negative, it is recognised directly in profit or loss in the period in which the business combination occurs.

Goodwill is not adjusted as a result of the final determination of contingent consideration, with such impact recognised in profit or loss or equity, where applicable.

The recoverable amount of goodwill recognised as an asset of the Group is assessed annually at the reporting date or whenever there are indications of impairment. Any impairment losses identified are recognised in profit or loss. The recoverable amount is determined as the higher of value in use and fair value less costs to sell, calculated using valuation methodologies supported by discounted cash flow techniques, considering market conditions, time value of money and business risks.

In the case of a transaction under common control, the Group elected to recognise the acquired entity at the carrying amount at which it was recorded in the financial statements of the selling entity. Accordingly, no new goodwill is calculated, and the Bank recognises the goodwill that existed, if any, in the accounts of the selling entity.

## 2.2 Financial instruments – IFRS 9

### 2.2.1 Financial assets

#### Classification, initial recognition and subsequent measurement

At initial recognition, financial assets are classified into one of the following categories:

- Financial assets at amortised cost;
- Financial assets at fair value through other comprehensive income; or
- Financial assets at fair value through profit or loss.

The classification is determined based on the following:

- the Group's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

#### Business Model Assessment

The Group assesses the business model in which a financial instrument is held at a portfolio level, as this approach best reflects how assets are managed and how information is provided to management bodies. The information considered in this assessment includes:

- the policies and objectives established for the portfolio and the practical operation of those policies, including how the management strategy focuses on earning contractual interest income or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Group's management bodies;
- the risks that affect the performance of the business model (and the financial assets held within that model) and how those risks are managed;
- the frequency, volume and timing of sales in prior periods, the reasons for those sales and expectations about future sales. However, information about sales is not considered in isolation, but as part of an overall assessment of how the Group manages financial assets and how cash flows are generated; and
- whether contractual cash flows represent solely payments of principal and interest (SPPI – Solely Payments of Principal and Interest).

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

In assessing whether contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This assessment includes analysing whether contractual terms may change the timing or amount of cash flows such that they would not meet the SPPI condition. In performing this assessment, the Group considers:

- contingent events that may change the timing and amount of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse arrangements); and
- features that modify consideration for the time value of money.

Additionally, a prepayment feature is consistent with the SPPI criterion if:

- the financial asset is acquired or originated at a premium or discount to its contractual par amount;
- the prepayment amount substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may include reasonable compensation for early termination); and
- the fair value of the prepayment feature is insignificant at initial recognition.

### Reclassification of financial instruments

If the Group changes its business model for managing financial assets, which is expected to occur infrequently and only in exceptional circumstances, it reclassifies all affected financial assets in accordance with the requirements of IFRS 9 – Financial Instruments. Reclassification is applied prospectively from the date on which it becomes effective. In accordance with IFRS 9 – Financial Instruments, reclassification is not permitted for equity instruments for which the fair value through other comprehensive income option has been elected, or for financial assets and liabilities designated at fair value under the fair value option.

### 2.2.1.1 *Financial assets at amortised cost*

#### Classification

A financial asset is classified in the category of “Financial assets at amortised cost” if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- its contractual cash flows occur on specified dates and represent solely payments of principal and interest on the principal amount outstanding (SPPI).

This category includes placements with credit institutions, loans and advances to customers and debt securities managed under a business model aimed at collecting contractual cash flows (government bonds and corporate bonds).

#### Initial recognition and subsequent measurement

Placements with credit institutions and loans and advances to customers are recognised on the settlement date, i.e. when funds are made available to the counterparty. Debt securities are recognised on the trade date, i.e. the date on which the Group commits to acquire them.

Financial assets at amortised cost are initially recognised at fair value plus transaction costs and are subsequently measured at amortised cost. In addition, from initial recognition, they are subject to impairment for expected credit losses, which are recognised against the captions “Impairment of other financial assets” and “Impairment of loans”.

Interest on financial assets at amortised cost is recognised in “Interest and similar income calculated using the effective interest rate”, based on the effective interest method and in accordance with the criteria described in Note 2.9.

Gains or losses arising on derecognition are recognised in “Gains/losses on financial assets and liabilities at amortised cost”.

### 2.2.1.2 *Derecognition of financial assets*

i) The Group derecognises a financial asset when, and only when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the financial asset as defined in ii) and iii) below and the transfer qualifies for derecognition in accordance with iv).

ii) The Group transfers a financial asset if, and only if:

- it transfers the contractual rights to receive the cash flows from the financial asset; or

- it retains the contractual rights to receive the cash flows but assumes a contractual obligation to pay those cash flows to one or more recipients under an arrangement that meets the conditions in iii).

iii) When the Group retains the contractual rights to receive the cash flows from a financial asset (the “original asset”) but assumes a contractual obligation to pay those cash flows to one or more entities (the “ultimate recipients”), the transaction is treated as a transfer if, and only if, all of the following conditions are met:

- the Group has no obligation to pay amounts to the ultimate recipients unless it collects equivalent amounts from the original asset;
- the Group is prohibited from selling or pledging the original asset other than as security to the ultimate recipients; and
- the Group is obliged to remit any cash flows it collects on behalf of the ultimate recipients without significant delay. In addition, it does not have the right to reinvest those cash flows, except for investments in cash or cash equivalents (as defined in IAS 7 Statement of Cash Flows) during the short settlement period between the date of receipt and the date of required remittance to the ultimate recipients, and any interest earned on such investments is passed on to the ultimate recipients.

iv) When the Group transfers a financial asset (see point ii above), it shall assess the extent to which it retains the risks and rewards of ownership of that asset. In this case:

- if the Group transfers substantially all the risks and rewards of ownership of the financial asset, it derecognises the financial asset and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer;
- if the Group retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognise the financial asset;
- if the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it shall determine whether it has retained control of the financial asset. In this case:
  - if the Group has not retained control, it shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer;
  - if the Group has retained control, it shall continue to recognise the financial asset to the extent of its continuing involvement in the financial asset.

v) The transfer of risks and rewards referred to in the previous point is assessed by comparing the Group’s exposure, before and after the transfer, to the variability in the amounts and timing of the net cash flows from the transferred asset.

vi) The assessment of whether the Group has retained control (see point iv above) of the transferred asset depends on the transferee’s ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the entity

is deemed not to have retained control. In all other cases, the entity is deemed to have retained control.

#### *2.2.1.3 Write-off*

The Group recognises a write-off when it has no reasonable expectations of recovering a financial asset in whole or in part. This recognition occurs after all recovery actions undertaken by the Group have proven unsuccessful. Written-off exposures are recorded in off-balance sheet accounts.

#### *2.2.1.4 Impairment losses*

The Group determines expected credit losses for each exposure based on the deterioration in credit risk observed since initial recognition. For this purpose, exposures are classified into one of the following three stages:

- Stage 1: exposures for which there has been no significant increase in credit risk since initial recognition. Impairment losses associated with exposures classified in this stage correspond to expected credit losses resulting from default events that may occur within a period of 12 months after the reporting date (12-month expected credit losses);
- Stage 2: exposures for which there has been a significant increase in credit risk since initial recognition, but which are not credit-impaired. Impairment losses associated with exposures classified in this stage correspond to expected credit losses resulting from default events that may occur over the expected remaining lifetime of the exposures (lifetime expected credit losses);
- Stage 3: exposures that are credit-impaired. Impairment losses associated with exposures classified in this stage correspond to lifetime expected credit losses. Exposures acquired or originated as credit-impaired (Purchased or Originated Credit-Impaired – POCI) are also classified in Stage 3.

#### *Forward-looking information*

For models based on historical data, namely those applicable to Auto Loans, a forward-looking component is incorporated based on macroeconomic variables with historical series and projections from reliable institutions deemed relevant for estimating probabilities of default.

In the case of mortgage loans, for which historical default data is not sufficiently representative, it proved impossible to apply a statistically based forward-looking component, and therefore parameters (PD and LGD) based on internal data, public data and judgement were applied.

#### *Significant Increase in Credit Risk (SICR)*

A significant increase in credit risk (SICR – Significant Increase in Credit Risk) is determined based on a set of predominantly quantitative criteria, complemented by qualitative criteria, aimed at identifying significant increases in the Probability of Default (PD), supplemented by other information, notably customer behaviour with financial system entities. However, irrespective of the identification of a significant increase in credit risk for a given exposure, it is classified in Stage 2 whenever one of the following conditions is met:

- exposures past due by more than 30 days (backstop);

- exposures subject to qualitative risk triggers, namely those set out in Bank of Portugal Circular Letter no. 62/2018.

#### Definition of financial assets in default and credit-impaired

Customers are considered to be in default when at least one of the following criteria is met:

- principal or interest payments overdue by more than 90 days;
- debtors in bankruptcy, insolvency or liquidation;
- exposures under litigation;
- cross-default exposures;
- restructured exposures due to financial difficulties with economic loss;
- exposures in default probation;
- exposures for which there is suspicion of fraud or confirmed fraud;
- exposures that have been written off.

#### Estimation of expected credit losses – Individual assessment

Individual assessment is performed for customers that meet one of the following conditions:

- retail customers of Banco CTT with exposures exceeding €500,000;
- exposures to credit institutions, sovereign entities, central banks or corporates through debt securities classified in Stage 2 or 3;
- customers with movable asset finance lease products whose active exposures exceed €70,000; and
- customers with real estate leasing products with exposures exceeding €30,000 or with an LTV ratio above 50% or not available, or residual maturity greater than 12 months, or residual maturity equal to or less than 12 months and overdue balance (principal and interest) exceeding €500.

Estimation of expected credit losses – Collective assessment

Exposures not subject to individual impairment assessment are grouped according to their risk characteristics and assessed collectively. The Group’s loan portfolio is segmented by internal risk grades and according to the following segments:

Financial Assets	Retail Offering	Mortgage Loans	Mortgage loans of the Bank secured by residential property, regardless of the stage of construction.
		Overdrafts	Bank overdrafts and credit overruns.
		Auto Loans	Used auto loans secured by retention of title in favour of 321 Crédito.
	Sovereigns and International Organisations		Public debt securities of the euro area and International Organisations.
	Corporate		Deposits and placements with other credit institutions, other financing granted to OCIs and corporate debt securities.
	Other		Legacy portfolios of 321 Crédito in run-off phase.

Expected credit losses are estimates of credit losses determined as follows:

- financial assets without evidence of impairment at the reporting date: the present value of expected credit losses resulting from default events possible within the 12 months following the reporting date;
- financial assets with evidence of impairment at the reporting date: the difference between the gross carrying amount and the present value of estimated cash flows;
- undrawn credit commitments: the present value of the difference between contractual cash flows that would result if the commitment is drawn and the cash flows that the Group expects to receive.

The main inputs used in the measurement of expected credit losses on a collective basis include the following variables:

- Probability of Default (“PD”);
- Loss Given Default (“LGD”); and
- Exposure at Default (“EAD”).

These parameters are obtained through internal models and other relevant historical data, taking into account existing regulatory models, adapted in accordance with the requirements of IFRS 9.

PDs are calculated based on historical data. If there is a change in the risk profile of the counterparty or the exposure, the associated PD estimate also varies. PDs are calculated considering the contractual maturities of the exposures.

The Group collects performance and default indicators relating to its credit risk exposures, with analyses by type of customer and product.

LGD represents the magnitude of the loss expected to occur if an exposure defaults. In the case of exposures secured by real estate, LTV (loan-to-value) ratios are a highly relevant parameter in determining LGD. The Group generally estimates LGD parameters based on historical and internal data.

EAD represents the expected exposure at the time the exposure and/or customer defaults. The Group derives EAD values from the current exposure of the counterparty and from potential changes to that exposure as a result of contractual conditions. For commitments, EAD includes both the utilised amount and the expected potential future amount that may be drawn in accordance with the contract.

As described above, except for financial assets for which a 12-month PD is considered due to the absence of a significant increase in credit risk, the Group calculates expected credit losses taking into account the risk of default over the maximum contractual maturity period of the contract, even if, for risk management purposes, a longer period is considered. The maximum contractual period is considered to be the period until the date on which the Group has the right to demand repayment or to terminate the commitment or guarantee.

For financial assets "Cash and balances with other credit institutions", "Placements with other credit institutions", "Investments in securities" and "Other assets", impairment is calculated by assigning:

- a probability of default derived from the external rating of the issuer or counterparty, respectively; and
- a Loss Given Default (LGD) defined by the Group, based on data from Moody's rating agency, depending on the type of counterparty (Corporate or Sovereign).

#### 2.2.1.5 Modification of financial assets

If the terms of a financial asset are modified, the Group assesses whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, the contractual rights to the cash flows of the original financial asset are considered to have expired and the principles described in Note 2.2.1.2 Derecognition of financial assets are applied.

If the modification of a financial asset measured at amortised cost or at FVOCI does not result in derecognition of the financial asset, the Group first recalculates the gross carrying amount of the financial asset by applying the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For financial assets with a variable interest rate, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market conditions at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

### 2.2.2 *Financial Liabilities*

An instrument is classified as a financial liability when there is a contractual obligation for its settlement to be made through the delivery of cash or another financial asset, regardless of its legal form.

Non-derivative financial liabilities mainly include customer deposits.

These financial liabilities are recognised (i) initially at their fair value less transaction costs incurred and (ii) subsequently at amortised cost, based on the effective interest method.

The Group derecognises financial liabilities when they are cancelled, extinguished or expire.

### 2.2.3 *Derivative financial instruments*

Derivative financial instruments are recognised at fair value on the date on which the Group enters into the contracts and are subsequently measured at fair value. Fair value is determined based on quoted market prices in active markets, including recent market transactions, and valuation models, namely discounted cash flow models and option pricing models. Derivatives are recognised as assets when their fair value is positive and as liabilities when their fair value is negative. Revaluation results are recognised in "Gains/losses on financial assets and liabilities at fair value through profit or loss".

Certain embedded derivatives in other financial instruments, such as the indexation of the return of debt instruments to the value of shares or share indices, are bifurcated and treated as separate derivatives when their risks and economic characteristics are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss. These embedded derivatives are measured at fair value, with subsequent changes recognised in the income statement.

Derivatives are also recorded in off-balance sheet accounts at their notional amount.

### 2.2.4 *Hedge accounting*

Hedge accounting applies exclusively to fair value hedge relationships of interest rate risk, in accordance with IFRS 9 – Financial Instruments.

The hedging instruments used consist mainly of interest rate derivatives, namely swaps, entered into with the objective of mitigating exposure to changes in market interest rates associated with recognised financial assets and liabilities.

#### Recognition and measurement

Derivatives are initially recognised at fair value on the trade date and subsequently measured at fair value.

In fair value hedge relationships:

- changes in the fair value of the hedging instrument are recognised in profit or loss;
- the gain or loss attributable to the hedged risk of the hedged item adjusts its carrying amount and is also recognised in profit or loss.

When the hedged item is measured at amortised cost, the cumulative adjustment arising from the hedge is amortised to profit or loss over the remaining life of the instrument, using the effective interest method, if the hedging relationship is discontinued.

### Application requirements

The application of hedge accounting depends on the existence of:

- formal documentation of the hedging relationship at the date of designation;
- clear identification of the hedging instrument, the hedged item and the risk being hedged;
- demonstration that there is an economic relationship between the hedging instrument and the hedged item and that credit risk does not dominate the value changes.

Hedge effectiveness is assessed on a prospective basis and on an ongoing basis throughout the life of the hedging relationship.

### Discontinuation

Hedge accounting is discontinued prospectively when the relationship no longer meets the requirements set out in IFRS 9 or when the hedging instrument expires, is sold or is terminated.

## 2.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## 2.4 Equity instruments

An instrument is classified as an equity instrument when there is no contractual obligation for its settlement to be made through the delivery of cash or another financial asset, regardless of its legal form, and it evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Costs directly attributable to the issuance of equity instruments are recognised in equity as a deduction from the proceeds of the issue. Amounts paid and received for the purchase and sale of equity instruments are recognised in equity, net of transaction costs.

Distributions made in respect of equity instruments are deducted from equity as dividends when declared.

## 2.5 Intangible assets

Intangible assets are recorded at acquisition cost, less accumulated amortisation and impairment losses, where applicable. Intangible assets are only recognised when it is probable that future economic benefits will flow to the Group and when their cost can be measured reliably.

Intangible assets mainly comprise software expenditure (where the software is separable from the hardware and is associated with projects for which the generation of future economic benefits can be quantified), licences and other rights of use. They also include development expenditure relating to R&D projects whenever there is evidence of the intention and technical ability to complete such development so that it is available for use or sale. Research expenditure, incurred in the pursuit of new technical or scientific knowledge or in the search for alternative solutions, is recognised in profit or loss as incurred.

Intangible assets are amortised on a straight-line basis from the month in which they are available for use, over their estimated useful lives, which, in most cases, range between 3 and 6 years. In the specific case of the core operating system, following a specific assessment of its expected period of effective use, it was initially decided

to amortise it over a period of 15 years (until 2030); in 2024, the expected period of use of this asset was revised from 2030 to 2025 and, in 2025, it was further revised to 2026.

The Group performs impairment tests whenever events or circumstances indicate that the carrying amount may exceed the recoverable amount, with any difference recognised in profit or loss. The recoverable amount is determined as the higher of its net selling price and its value in use, the latter being calculated based on the present value of estimated future cash flows expected to arise from the continued use of the asset and its disposal at the end of its useful life.

Gains or losses arising from the disposal of intangible assets are determined as the difference between the selling price and the respective carrying amount and are recognised in profit or loss under the caption "Other operating income".

## 2.6 Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. In assessing whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – which may be specified explicitly or implicitly and must be physically distinct or represent substantially all of the capacity of a physically distinct asset. Even if an asset is specified, the Group does not have the right to use an identified asset if the supplier has the substantive right to substitute that asset throughout the period of use;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use; and
- the Group has the right to direct the use of the identified asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used throughout the period of use. In cases where decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if:
  - the Group has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
  - the Group designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

The Group applied this approach to contracts entered into or modified on or after 1 January 2019.

At the inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative standalone price. However, for leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and accounts for the lease and non-lease components as a single component.

### As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Subsequently, the right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of right-of-use assets is determined on the same basis as that of tangible assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group's incremental borrowing rate is used. As a rule, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease by the Group.

The lease liability is measured at amortised cost using the effective interest method. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, when there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or when the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises that reduction in the income statement.

The Group presents right-of-use assets that do not meet the definition of investment property within "Other tangible assets" and lease liabilities within "Other liabilities" in the statement of financial position.

### Short-term leases and leases of low-value assets

IFRS 16 permits a lessee not to recognise right-of-use assets and lease liabilities for short-term leases with a lease term of 12 months or less and leases of low-value assets, with the lease payments associated with these leases recognised as an expense on a straight-line basis over the lease term.

## **2.7 Income taxes**

Income tax comprises the sum of current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss, except when they relate to items recognised directly in equity. In such cases, deferred tax is also recognised in equity.

Current tax payable is based on the taxable profit for the period, calculated in accordance with the tax rules in force at the reporting date. Taxable profit differs from accounting profit as it excludes certain expenses and income that are only deductible or taxable in other periods. Taxable profit also excludes items of income and expense that are never deductible or taxable.

Deferred taxes relate to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are recognised for deductible temporary differences. However, such recognition only occurs when there are reasonable expectations that sufficient future taxable profits will be available against which those deferred tax assets can be utilised, or when there are deferred tax liabilities whose reversal is expected to occur in the same period in which the deferred tax assets can be utilised. At each reporting date, these deferred tax assets are reviewed and adjusted in accordance with expectations regarding their future utilisation.

Deferred tax assets and liabilities are measured using the tax rates expected to be in force at the date of reversal of the corresponding temporary differences, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Bank and its subsidiaries – directly or indirectly held at more than 75% for more than one year by the parent company, CTT – are subject to the Special Tax Regime for Groups of Companies (RETGS).

This regime includes all companies in which CTT holds, directly or indirectly, at least 75% of the share capital for more than one year and which are simultaneously resident in Portugal and subject to Corporate Income Tax (IRC).

Within this framework, and up to and including 2020, Banco CTT and its subsidiaries eligible to be included in the RETGS receive from CTT the amount relating to the tax loss with which they contribute to the consolidated IRC of the CTT Group and, likewise, pay to CTT the amount relating to their positive contribution to the consolidated IRC of the CTT Group. From 2021 onwards, the Banco CTT Group is considered a “tax sub-group” within the regime in which CTT – Correios de Portugal, S.A. is the parent company. Accordingly, the subsidiaries of Banco CTT settle their IRC with Banco CTT, and Banco CTT pays or receives the net amount determined for the Banco CTT Group to or from the aforementioned parent company. Where there are historical amounts receivable from CTT by the Group, any IRC payments to CTT are settled through the utilisation/reduction of those receivables, with actual cash payments only occurring once there are no longer any historical amounts receivable.

## 2.8 Provisions

Provisions are recognised when, cumulatively: (i) the Group has a present obligation (legal or constructive) arising from a past event, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate can be made of the amount of the obligation. The amount of provisions corresponds to the present value of the obligation, with the unwinding of the discount recognised as a finance cost under the caption “Interest and similar expenses”.

Provisions are reviewed at each reporting date and adjusted to reflect the best estimate at that date.

## 2.9 Interest recognition

Interest income and expense relating to financial instruments measured at amortised cost and at fair value through other comprehensive income are recognised under the captions “Interest and similar income” or “Interest and similar expenses”, using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The effective interest rate is determined at initial recognition of the financial assets and liabilities and is not subsequently revised.

For the purpose of calculating the effective interest rate, future cash flows are estimated considering all contractual terms of the financial instrument, but not considering expected future credit losses. The calculation includes fees that are an integral part of the effective interest rate, transaction costs and all premiums and discounts directly related to the transaction.

The Group does not recognise interest on financial assets with amounts past due for more than 90 days.

## 2.10 Recognition of fee and commission income

Fee and commission income is recognised as follows:

- fee and commission income earned from the execution of a significant act is recognised in profit or loss when the significant act has been completed;
- fee and commission income earned as services are rendered is recognised in profit or loss in the period to which it relates;
- fee and commission income that is an integral part of the effective interest rate of a financial instrument is recognised in profit or loss using the effective interest method; and
- fee income relating to services for which the performance obligation is satisfied at a point in time is recognised at the date on which the service is provided, in accordance with IFRS 15. Where such fees give rise to potential future renewals of the product, the Group estimates the variable consideration associated with those renewals, including in the transaction price only the amount that does not give rise to a material reversal, in accordance with the variable consideration and constraint requirements set out in the standard. Accordingly, revenue includes expectations of future renewals only to the extent that it is highly probable that no significant adjustments will arise in a subsequent period.

## 2.11 Earnings per share

Basic earnings per share is calculated by dividing net profit by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding and net profit for the effects of all dilutive potential ordinary shares.

## 2.12 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise amounts recorded in the statement of financial position with an original maturity of less than three months from the date of acquisition/origination, including cash and balances with other credit institutions.

Cash and cash equivalents presented in the statement of cash flows exclude mandatory deposits held with central banks.

### 2.13 Provision of insurance intermediation services

Banco CTT and its subsidiary 321 Crédito (the Group) are entities authorised by the Insurance and Pension Funds Supervisory Authority ("ASF") to carry out insurance intermediation activities, in the category of tied insurance intermediary, in accordance with Article 8(a)(i) of Decree-Law no. 144/2006 of 31 July, carrying out insurance intermediation activities in both life and non-life segments.

Within the scope of insurance intermediation services, the Group sells insurance contracts. As remuneration for the insurance intermediation services provided, the Group receives commissions from insurance intermediation contracts, which are defined in agreements/protocols established with insurance companies.

Commissions received from insurance intermediation services are recognised in accordance with the accrual principle. Accordingly, commissions whose receipt occurs in a period different from that to which they relate are recognised as amounts receivable under the caption "Other assets".

### 2.14 Employee benefits

#### **Career Award**

In accordance with Clause 69 of the Collective Labour Agreement (ACT) for the banking sector, published in the Boletim do Trabalho e Emprego ("BTE") no. 38/2017 of 15 October, 321 Crédito has undertaken to grant employees, upon retirement due to disability or old age, a bonus equal to 1.5 times the monthly remuneration earned at that date. In the event of death while in service, a bonus equal to 1.5 times the monthly remuneration earned at the date of death is paid.

For these purposes, base salary, seniority premiums and all additional components are considered. These components are assumed to grow at a rate higher than the salary scale, in order to reflect potential career progression.

Seniority premiums are calculated in accordance with the amounts established in Annex II of the ACT, including increases resulting from the number of years of service.

#### **Death Benefit Resulting from Work Accident**

Within 321 Crédito, in the event of death resulting from a work accident, a capital amount – death benefit – is payable in accordance with Clause 72 of the aforementioned ACT. The calculation of the liability relating to death benefits resulting from work accidents is based on the amounts established in Annex II of the ACT, taking into account the growth rate of the salary scale and the probabilities of death due to work accidents.

#### **Post-Retirement Medical Care (SAMS)**

The Group, through its subsidiary 321 Crédito, is responsible for paying medical care costs for all employees of 321Crédito, S.A. once they reach retirement, as well as costs relating to survivors' pensions. These medical care services are provided by the Serviço de Assistência Médico Social (SAMS), whose post-retirement costs for members are defined in Clause 92 of the ACT for the banking sector published in BTE no. 38 of 15 October 2017. It is the Group's responsibility to bear these costs for all its employees upon retirement, as well as for survivors' pensioners.

For the purpose of calculation, the values set out in Annex III of the ACT are considered, incorporating the growth rate of the salary scale for the calculation of length of service, taking into account the employee's seniority date within the Group.

The value of the Group's liabilities relating to defined benefit plans is calculated using the Projected Unit Credit method and is subject to an annual review by independent actuaries. The actuarial assumptions used are based on expectations of future salary increases and mortality tables.

The discount rate is determined based on the Group's assessment of macroeconomic developments and the ongoing need to align actuarial and financial assumptions with that environment.

Remeasurement gains and losses, namely actuarial gains and losses resulting from differences between the actuarial assumptions used and the actual outcomes (experience gains and losses), as well as changes in actuarial assumptions, are recognised in equity under "Other reserves" (Other changes in equity).

The Group recognises in its income statement a net total amount comprising (i) current service cost, (ii) interest on the defined benefit plan, (iii) past service cost and (iv) the effects of any settlement or curtailment occurring during the period. Interest on employee benefit plans is recognised as interest and similar income calculated using the effective interest method or as interest and similar expenses using the effective interest method, depending on its nature.

### **Variable remuneration to employees**

In accordance with IAS 19 – Employee Benefits, variable remuneration (profit sharing, bonuses and others) awarded to employees and, where applicable, to executive members of the management bodies is recognised in profit or loss in the period to which it relates.

### **2.15 Securitisation transactions**

The Group has three consumer credit securitisation transactions in progress (Chaves Funding No.8, Ulisses Finance No.2 and Ulisses Finance No.3) and one financial lease securitisation transaction (Fénix 1), in which it acted as originator of the securitised assets. With respect to the transactions Chaves Funding No.8, Ulisses Finance No.2 and Ulisses Finance No.3, the Group has retained control over the assets and liabilities insofar as it has acquired their residual tranches. These entities are consolidated in the Group's financial statements in accordance with accounting policy 2.1.

## **Note 3 – Key Estimates and Judgements Used in the Preparation of the Financial Statements**

IFRS establish a range of accounting treatments and require the Board of Directors to make judgements and estimates in order to determine the most appropriate accounting treatment. The key accounting estimates and judgements used in applying the Group's accounting policies are presented in this Note in order to explain how their application affects the Group's reported results and disclosures.

A detailed description of the main accounting policies used by the Group is presented in Note 2 to the financial statements.

Considering that, in certain situations, there are alternative accounting treatments to those adopted by the Board of Directors, the Group's reported results could differ if a different treatment were selected.

The Board of Directors considers that the choices made are appropriate and that the financial statements present fairly the Group's financial position and the results of its operations in all material respects.

### 3.1 Financial Instruments – IFRS 9

#### 3.1.1 *Classification and measurement*

The classification and measurement of financial assets depends on the results of the SPPI test (analysis of the characteristics of contractual cash flows to determine whether they represent solely payments of principal and interest on the principal amount outstanding) and the business model test.

The Group determines the business model taking into account how groups of financial assets are managed together to achieve a specific business objective. This assessment requires judgement, as it involves consideration, among other aspects, of how the performance of the assets is evaluated and the risks that affect the performance of the assets and how those risks are managed.

The Group monitors financial assets measured at amortised cost and at fair value through other comprehensive income that are derecognised prior to maturity, in order to understand the reasons for their disposal and to determine whether they are consistent with the objective of the business model defined for those assets. This monitoring forms part of the Group's ongoing assessment of the business model for financial assets that remain on the balance sheet, in order to determine whether it remains appropriate and, if not, whether there has been a change in the business model and, consequently, a prospective change in the classification of those financial assets.

#### 3.1.2 *Impairment losses on financial assets at amortised cost and debt instruments at fair value through other comprehensive income*

The determination of impairment losses for financial instruments involves judgements and estimates in respect of the following aspects, among others:

##### *Significant increase in credit risk*

Impairment losses correspond to expected losses in the event of default over a 12-month horizon, or the estimated maturity if shorter, for assets in Stage 1, and to expected losses considering the probability of a default event occurring at any point up to the maturity date of the financial instrument, for assets in Stages 2 and 3. An asset is classified in Stage 2 when there has been a significant increase in its credit risk since initial recognition. In assessing whether there has been a significant increase in credit risk, the Group considers reasonable and supportable qualitative and quantitative information.

##### *Definition of groups of assets with common credit risk characteristics*

When expected credit losses are measured on a collective basis, financial instruments are grouped based on shared risk characteristics. This procedure is necessary to ensure that, in the event of changes in credit risk characteristics, the segmentation of assets is reviewed. This review may result in the

creation of new portfolios or the transfer of assets to existing portfolios that better reflect their credit risk characteristics.

#### *Probability of default*

Probability of default is a key input in the measurement of expected credit losses. It represents an estimate of the likelihood of default over a given time horizon, calculated based on historical data, benchmarks or market data.

#### *Loss given default*

Loss given default corresponds to an estimate of the loss in a default scenario. It is based on the difference between contractual cash flows and those that the Group expects to receive, either from the borrower's business or income or from the realisation of collateral. The estimation of loss given default takes into account, among other factors, different recovery scenarios, historical information, market data, costs involved in the recovery process and the estimated value of collateral associated with the credit exposures.

### 3.1.3 *Fair value of derivative financial instruments*

Fair value is based on quoted market prices when available and, in their absence, is determined using recent transaction prices for similar instruments carried out under market conditions or through valuation methodologies based on discounted future cash flow techniques, taking into account market conditions, the time value of money, yield curves and volatility factors. These methodologies may require the use of assumptions or judgements in estimating fair value. Consequently, the use of different methodologies or different assumptions or judgements in applying a given model could result in outcomes different from those reported.

## 3.2 Provisions

The Group exercises significant judgement in measuring and recognising provisions. Due to the uncertainties inherent in the assessment process, actual losses may differ from those originally estimated in the provision. These estimates are subject to change as new information becomes available. Revisions to these estimates may affect future results.

Where relevant, judgement includes assessing the likelihood that litigation will be successful. Provisions are recognised when the Group expects that ongoing legal proceedings will result in an outflow of resources, the loss is probable and can be reasonably estimated.

## 3.3 Impairment of Goodwill

The Group tests goodwill for impairment in accordance with the policy described in Note 2.1.4. The calculation of the recoverable amounts of cash-generating units involves judgement and is largely based on Management's assessment of the future performance of the respective investee. The assumptions used in these calculations are based on available information regarding both the business and the macroeconomic environment. Changes in these assumptions may have an impact on results and may lead to the recognition of impairment losses.

## Note 4 – Net Interest Income

This caption is composed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
<b>Interest and similar income</b>	<b>156,452</b>	<b>176,975</b>
Interest on deposits with central banks and credit institutions	536	823
Interest on financial assets at amortised cost		
Placements with credit institutions	14,082	31,376
Loans and advances to customers	95,561	92,500
Debt securities	45,778	51,377
Interest on financial assets at fair value through other comprehensive income		
Debt securities	180	-
Interest on hedging derivatives	13	-
Other interest income	302	899
<b>Interest and similar expenses</b>	<b>(54,470)</b>	<b>(79,282)</b>
Interest on financial liabilities at amortised cost		
Deposits from credit institutions	(147)	(406)
Deposits from customers	(45,703)	(63,638)
Debt securities issued	(8,233)	(15,029)
Interest on hedging derivatives	(107)	(24)
Other interest expense	(280)	(185)
<b>Net Interest Income</b>	<b>101,982</b>	<b>97,693</b>

The caption Interest and similar income for the year ended 31 December 2025 includes a total of €4,826 thousand (2024: €3,686 thousand) relating to financial assets with impairment (Stage 3) at the reporting date.

Interest on placements with credit institutions and central banks, amounting to €14,082 thousand (31 December 2024: €31,376 thousand), relates mainly to the remuneration of placements held with the Central Bank. In 2024, the Eurosystem deposit facility rate was 4.00% between 1 January 2024 and 12 July 2024, when it was set at 3.75%, subsequently decreasing to 3.00% on 18 December 2024. During 2025, this rate was reduced four times until reaching 2.00% on 11 June 2025, which remained in effect until 31 December 2025. During 2025, these placements generated €13,767 thousand of interest (2024: €30,911 thousand), resulting in a decrease compared to 2024, justified both by the effect of the rate and by the reduction in volumes placed.

Interest from the securities portfolio amounted to €45,958 thousand (2024: €51,377 thousand), representing a decrease of €5,419 thousand, resulting from the reduction in average interest rates during the year.

Interest on deposits from customers amounted to €45,703 thousand (2024: €63,638 thousand), representing a decrease of €17,935 thousand, resulting from the reduction in deposit interest rates, which more than offset the increase in deposit volumes. The volume of interest-bearing deposits increased from €2,567,908 thousand at the end of 2024 to €2,697,074 thousand at the end of 2025, representing an increase of €129,166 thousand.

## Note 5 – Net Fee and Commission Income

This caption is composed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
<b>Fee and commission income</b>	<b>34,538</b>	<b>29,813</b>
Banking services provided	20,198	18,670
Credit intermediation services	3,051	2,184
Bancassurance	11,274	8,943
Other fee and commission income	15	16
<b>Fee and commission expense</b>	<b>(5,108)</b>	<b>(5,057)</b>
Banking services provided by third parties	(4,785)	(4,783)
Securities transactions	(318)	(237)
Other fee and commission expense	(5)	(37)
<b>Net Fee and Commission Income</b>	<b>29,430</b>	<b>24,756</b>

Fee and commission income and fee and commission expense relating to banking services provided and banking services provided by third parties, respectively, mainly relate to interbank fees, the financial settlement of which is carried out on a net basis.

Fee and commission income relating to credit intermediation services and insurance intermediation services is recognised in accordance with IFRS 15 – Revenue from Contracts with Customers, and includes variable amounts that depend on future events (variable consideration). In such cases, and in accordance with the aforementioned standard, when recognising revenue the Group assesses the probability that a material reversal will not occur in the future (Note 2.10).

## Note 6 – Net Gains/(Losses) on Financial Assets and Liabilities at Fair Value Through Profit or Loss

This caption is composed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
<b>Gains on financial assets and liabilities at fair value through profit or loss</b>	<b>1,169</b>	<b>207</b>
Derivatives	1,169	207
Investment fund units	-	-
<b>Losses on financial assets and liabilities at fair value through profit or loss</b>	<b>(1,143)</b>	<b>(167)</b>
Derivatives	(1,143)	(167)
<b>Net Gains/(Losses) on Financial Assets and Liabilities at Fair Value Through Profit or Loss</b>	<b>26</b>	<b>40</b>

The fair value of financial assets and liabilities at fair value through profit or loss is presented in Note 16.

## Note 7 – Other Operating Income / (Expenses)

This caption is composed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
<b>Operating income</b>	<b>7,895</b>	<b>2,140</b>
Credit recoveries	6,704	1,486
Other operating income	1,191	654
<b>Operating expenses</b>	<b>(4,263)</b>	<b>(3,758)</b>
Contributions / taxes on the banking sector	(484)	(565)
Contribution to the Single Resolution Fund	(4)	(4)
Contribution to the Resolution Fund	(240)	(110)
Contribution to the Deposit Guarantee Fund	(25)	(17)
Other sectoral contributions	(46)	(44)
Membership fees and donations	(104)	(51)
Taxes	(152)	(148)
Other operating expenses	(4,282)	(2,819)
<b>Other Operating Income / (Expenses)</b>	<b>2,558</b>	<b>(1,618)</b>

The caption Credit recoveries relates to amounts recovered, through legal proceedings or other means, from contracts that had been written off. In 2025, the Group sold a portfolio of written-off credit contracts which contributed materially to the increase compared to 2024, and also recognised a provision to cover contingencies arising from the contractual conditions.

The caption Other operating income relates to expenses charged to customers in respect of costs incurred by the Group, namely administrative expenses, litigation-related costs, file processing fees and postage.

The caption Contributions / taxes on the banking sector includes the “Banking Sector Levy” and the “Additional Solidarity Levy on the Banking Sector”. The “Banking Sector Levy” is calculated in accordance with Law no. 55-A/2010, with the amount determined based on: (i) the annual average liabilities recorded on the balance sheet, excluding Tier 1 capital and Tier 2 capital and deposits covered by the Deposit Guarantee Fund; and (ii) the notional amount of derivative financial instruments. The “Additional Solidarity Levy on the Banking Sector” (ASSB), introduced by Law no. 27-A/2020 of 24 July, was a measure implemented in response to the COVID-19 pandemic, with a calculation similar to that of the Banking Sector Levy. In 2025, the Constitutional Court declared unconstitutional, with general binding effect, the provisions that created and regulated the ASSB. The decision was based on the breach of constitutional principles such as the prohibition of arbitrariness (tax equality) and the principle of ability to pay, considering that the tax lacked material justification and was contrary to the Constitution. This decision had a positive impact of €161 thousand on the results for 2025, recognised under the caption Contributions / taxes on the banking sector.

The caption Contribution to the Single Resolution Fund relates to the ex ante contribution to the Single Resolution Fund within the framework of the Single Resolution Mechanism, in accordance with Article 70(2) of Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, as well as the administrative contribution to the Single Resolution Board.

In 2025 and 2024, no ex ante contribution was made by the Group, as the available financial means of the Single Resolution Fund as at 31 December 2024 and 2023, respectively, had already reached the target level of

at least 1% of covered deposits held by the Member States participating in the Single Resolution Mechanism, as established in Article 69(1) of Regulation (EU) No. 806/2014.

The caption Contribution to the Resolution Fund corresponds to mandatory periodic contributions to the Fund, in accordance with Decree-Law no. 24/2013. These periodic contributions are calculated based on a base rate to be applied each year, determined by Banco de Portugal through instruction, which may be adjusted according to the institution's risk profile, applied to the objective base of the contributions. These contributions are levied on the liabilities of institutions participating in the Fund, as defined in Article 10 of the aforementioned Decree-Law, excluding elements of liabilities that form part of Tier 1 capital and Tier 2 capital and deposits covered by the Deposit Guarantee Fund.

The caption Other operating expenses mainly includes expenses related to registries, retention of title and changes in vehicle registration in the context of auto loan operations.

## Note 8 – Staff Costs

This caption is composed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Remunerations	23,322	20,393
Social security contributions	5,476	4,791
Employees with a multiple employer arrangement	3,085	2,915
Incentives and performance bonuses	4,042	3,692
Insurance for work accidents and occupational diseases	956	772
Other costs	621	438
<b>Staff Costs</b>	<b>37,502</b>	<b>33,001</b>

The total amount of fixed remuneration granted to the Board of Directors and Supervisory Bodies of Banco CTT in the year ended 2025, recorded under the caption Remunerations, amounted to €1,946 thousand (2024: €1,826 thousand). During 2025, costs relating to social security contributions in respect of the Board of Directors and Supervisory Bodies amounted to €439 thousand (2024: €415 thousand). Included under the caption Incentives and performance bonuses, as at 31 December 2025, are €754 thousand of bonuses attributable to the Board of Directors (2024: €563 thousand). In 2025, the Bank recognised under the caption Other costs €35 thousand relating to pension savings plans granted to the Board of Directors (2024: €35 thousand).

A significant proportion of employees in the branch network are under multiple-employer arrangements, as provided for in Article 101 of the Portuguese Labour Code, combining their roles with the postal services of CTT. In 2025, the cost relating to these employees shared with CTT amounted to €3,085 thousand (2024: €2,915 thousand).

In 2025, variable remuneration paid to the Board of Directors amounted to €530 thousand (2024: €490 thousand).

As at the end of the financial years 2025 and 2024, the number of employees, excluding those under multiple employer arrangements, broken down by major professional categories, was as follows:

	2025	2024
Board of Directors	13	13
Executive Directors	5	5
Non-Executive Directors	8	8
<i>Of which: Audit Committee</i>	3	3
Corporate Bodies (subsidiaries)	3	3
<i>Of which: Supervisory Bodies</i>	3	3
Other corporate bodies and internal committees	5	4
Heads of functional areas	60	54
Technical staff and administrative support	608	539
	<b>689</b>	<b>613</b>

## Note 9 – General and Administrative Expenses

This caption is composed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Water, electricity and fuel	523	475
Consumables	116	84
Hygiene and cleaning supplies	12	12
Rents and leases	189	170
Communications	2,208	2,352
Travel, accommodation and representation expenses	1,205	1,097
Advertising	1,526	2,371
Maintenance and repairs	85	38
Training costs	284	271
Insurance	138	133
IT	15,382	13,188
Consultancy and independent services	4,298	3,203
Other specialised services	4,446	4,223
Other supplies and services	13,813	12,568
<b>General and Administrative Expenses</b>	<b>44,225</b>	<b>40,185</b>

The caption IT records costs incurred with the implementation and maintenance of IT systems and infrastructure.

The caption Advertising records costs incurred with advertising and communication of the brand and products.

The caption Other specialised services records costs incurred with banking and transactional operations.

The caption Other supplies and services includes, among others, costs relating to the use of the CTT branch network, the servicing of banking operations and the use of payment networks. The cost relating to the use of the physical and technical infrastructure of the CTT branch network amounted to €3,670 thousand (2024: €4,886 thousand).

The costs incurred with services provided by the Statutory Auditors to the Group are as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Statutory audit services	303	290
Other assurance services	334	128
Other services	-	-
	<b>637</b>	<b>418</b>

## Note 10 – Earnings per Share

Earnings per share is calculated as follows:

	2025	2024
Net income for the year (thousands of euros)	20,765	20,048
Average number of shares	324,682,443	298,950,056
Earnings per share (in euros)		
Basic	0.06	0.07
Diluted	0.06	0.07

The Bank's share capital amounts to €321,400,000, represented by 324,682,443 ordinary shares with no nominal value, fully paid up.

Basic earnings per share is calculated by dividing net profit by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding and net profit for the effects of all dilutive potential ordinary shares.

As at 31 December 2025 and 2024, the Bank did not have any dilutive potential ordinary shares and, therefore, diluted earnings per share is equal to basic earnings per share.

## Note 11 – Cash and Deposits with Central Banks

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Cash	23,033	23,967
Demand deposits at Banco de Portugal	44,796	40,859
<b>Cash and Deposits with Central Banks</b>	<b>67,829</b>	<b>64,826</b>

The caption Cash is represented by banknotes and coins denominated in euros.

The caption Demand deposits at Banco de Portugal includes mandatory deposits held to meet legal minimum reserve requirements. As at 31 December 2025, the amount of minimum reserves was €42,919 thousand (2024: €40,447 thousand).

In accordance with Regulation (EU) No. 1358/2011 of the European Central Bank, of 14 December 2011, minimum reserve requirements held as demand deposits with Banco de Portugal correspond to 1% of deposits and other liabilities.

## Note 12 – Deposits with Other Credit Institutions

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Credit institutions in Portugal	10,560	8,106
Credit institutions abroad	20,049	17,528
Cheques for collection	6,314	5,284
<b>Deposits with Other Credit Institutions</b>	<b>36,923</b>	<b>30,918</b>

The caption Cheques in collection represents cheques drawn by third parties on other credit institutions that are in the process of collection.

## Note 13 – Financial Assets at Amortised Cost – Placements with Credit Institutions

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Placements with central banks		
Banco de Portugal	607,033	644,361
Placements with other credit institutions in Portugal		
Term placements	55,911	56,941
Loans	-	-
Impairment	(3)	(5)
<b>Financial Assets at Amortised Cost – Placements with Credit Institutions</b>	<b>662,941</b>	<b>701,297</b>

The caption Placements with central banks records very short-term (overnight) placements with Banco de Portugal. As at 31 December 2025, these placements amounted to €607,033 thousand (2024: €644,361 thousand).

The maturity breakdown of this caption is presented as follows:

*(amounts in thousands of euros)*

	2025	2024
Up to 3 months	654,577	694,433
From 3 to 12 months	8,367	6,869
From 1 to 3 years	-	-
More than 3 years	-	-
	<b>662,944</b>	<b>701,302</b>

The caption Placements with credit institutions presented an average annual rate of 1.33% (2024: 3.10%) during the period.

## Note 14 – Financial Assets at Amortised Cost – Loans and Advances to Customers

This caption is analysed as follows:

*(amounts in thousands of euros)*

	2025	2024
Mortgage loans	965,440	802,289
Auto loans	1,050,866	960,409
Finance leases	730	938
Overdrafts	2,361	2,700
<b>Performing loans</b>	<b>2,019,397</b>	<b>1,766,336</b>
Past due loans – less than 90 days	1,752	1,639
Past due loans – more than 90 days	36,658	20,626
<b>Past due loans</b>	<b>38,410</b>	<b>22,265</b>
<b>Impairment for credit risk</b>	<b>(63,003)</b>	<b>(46,569)</b>
<b>Financial Assets at Amortised Cost – Loans and Advances to Customers</b>	<b>1,994,804</b>	<b>1,742,032</b>

On 28 June 2024, the sale of a portfolio of auto loans (Non-Performing Loans) with a gross carrying amount of €20,405 thousand was agreed, with settlement taking place during September, at which point the derecognition criteria set out in IFRS 9 were met. This transaction had the dual purpose of maximising the value recovered from non-performing exposures and reducing the non-performing exposures ratio, and also resulted in a positive impact on the Group's income statement arising from the gain on sale.

In 2025, the Group sold a significant portion of the portfolio of written-off credit contracts, comprising 13,124 contracts and with an outstanding amount of approximately €88.4 million, contributing materially to the increase in the caption Credit recoveries (Note 7).

The maturity breakdown of this caption is as follows:

*(amounts in thousands of euros)*

	2025						Total
	At sight	Up to 3 months	From 3 to 12 months	From 1 to 3 years	More than 3 years	Past due loans	
Mortgage loans	-	7,260	16,709	46,991	894,780	41	965,481
Auto loans	-	42,117	114,409	292,210	602,130	36,184	1,087,050
Finance leases	-	50	116	175	389	76	806
Overdrafts	2,361	-	-	-	-	2,109	4,470
	<b>2,361</b>	<b>49,427</b>	<b>131,234</b>	<b>339,076</b>	<b>1,497,299</b>	<b>38,410</b>	<b>2,057,807</b>

*(amounts in thousands of euros)*

	2024						Total
	At sight	Up to 3 months	From 3 to 12 months	From 1 to 3 years	More than 3 years	Past due loans	
Mortgage loans	-	5,366	11,836	31,618	753,469	44	802,333
Auto loans	-	37,964	103,995	268,751	549,699	20,234	980,643
Finance leases	-	73	183	244	438	57	995
Overdrafts	2,700	-	-	-	-	1,930	4,630
	<b>2,700</b>	<b>43,403</b>	<b>116,014</b>	<b>300,613</b>	<b>1,303,606</b>	<b>22,265</b>	<b>1,788,601</b>

The breakdown of this caption by type of interest rate is as follows:

*(amounts in thousands of euros)*

	2025	2024
Fixed rate	1,289,626	1,244,745
Variable rate	768,181	543,856
	<b>2,057,807</b>	<b>1,788,601</b>

The breakdown of this caption by type of collateral is presented as follows:

*(amounts in thousands of euros)*

	2025				Net amount
	Performing loans	Past due loans	Gross amount	Impairment	
Loans with collateral	966,024	96	966,120	(2,284)	963,836
Loans with other guarantees	1,029,015	3,480	1,032,495	(38,467)	994,028
Unsecured loans	24,358	34,834	59,192	(22,252)	36,940
	<b>2,019,397</b>	<b>38,410</b>	<b>2,057,807</b>	<b>(63,003)</b>	<b>1,994,804</b>

*(amounts in thousands of euros)*

	2024				
	Performing loans	Past due loans	Gross amount	Impairment	Net amount
Loans with collateral	803,059	48	803,107	(1,841)	801,266
Loans with other guarantees	939,028	3,105	942,133	(32,683)	909,450
Unsecured loans	24,249	19,112	43,361	(12,045)	31,316
	<b>803,059</b>	<b>22,265</b>	<b>1,788,601</b>	<b>(46,569)</b>	<b>1,742,032</b>

The breakdown of this caption by type of loan is presented as follows:

*(amounts in thousands of euros)*

	2025				
	Performing loans	Past due loans	Gross amount	Impairment	Net amount
Mortgage loans	965,440	41	965,481	(2,214)	963,267
Auto loans	1,050,866	36,184	1,087,050	(59,025)	1,028,025
Finance leases	730	76	806	(208)	598
Overdrafts	2,362	2,108	4,470	(1,556)	2,914
	<b>2,019,397</b>	<b>38,410</b>	<b>2,057,807</b>	<b>(63,003)</b>	<b>1,994,804</b>

*(amounts in thousands of euros)*

	2024				
	Performing loans	Past due loans	Gross amount	Impairment	Net amount
Mortgage loans	802,289	44	802,333	(1,775)	800,558
Auto loans	960,409	20,234	980,643	(43,131)	937,512
Finance leases	938	57	995	(192)	803
Overdrafts	2,700	1,930	4,630	(1,471)	3,159
	<b>1,766,336</b>	<b>22,265</b>	<b>1,788,601</b>	<b>(46,569)</b>	<b>1,742,032</b>

The breakdown of this caption by sector of activity is presented as follows:

(amounts in thousands of euros)

	2025				
	Performing loans	Past due loans	Gross amount	Impairment	Net amount
<b>Corporate</b>					
Agriculture, forestry and fishing	3	-	3	-	3
Mining and quarrying	-	-	-	-	-
Manufacturing	6,724	542	7,266	(685)	6,581
Electricity, gas, steam and air conditioning supply	25	-	25	-	25
Water supply	147	-	147	(2)	145
Construction	13,222	947	14,169	(1,037)	13,132
Wholesale and retail trade	8,694	608	9,302	(514)	8,788
Transportation and storage	9,431	1,064	10,495	(1,057)	9,438
Accommodation and food service activities	3,118	111	3,229	(129)	3,100
Information and communication	1,120	31	1,151	(83)	1,068
Financial and insurance activities	333	-	333	(2)	331
Real estate activities	1,839	13	1,852	(62)	1,790
Professional, scientific and technical activities	2,376	93	2,469	(85)	2,384
Administrative and support service activities	3,021	247	3,268	(247)	3,021
Public administration and defence; compulsory social security	25	-	25	-	25
Education	582	3	585	(14)	571
Human health and social work activities	1,543	22	1,565	(36)	1,529
Arts, entertainment and recreation	1,428	87	1,515	(132)	1,383
Other services	3,692	198	3,890	(241)	3,649
<b>Individuals</b>					
Mortgage	965,440	41	965,481	(2,214)	963,267
Consumer	996,565	34,402	1,030,967	(56,462)	974,505
Other	69	1	70	(1)	69
	<b>2,019,397</b>	<b>38,410</b>	<b>2,057,807</b>	<b>(63,003)</b>	<b>1,994,804</b>

(amounts in thousands of euros)

	2024				
	Performing loans	Past due loans	Gross amount	Impairment	Net amount
<b>Corporate</b>					
Agriculture, forestry and fishing	9	-	9	-	9
Manufacturing	4,462	337	4,799	(487)	4,312
Electricity, gas, steam and air conditioning supply	7	-	7	-	7
Water supply	71	-	71	-	71
Construction	7,805	493	8,298	(618)	7,680
Wholesale and retail trade	5,589	274	5,863	(296)	5,567
Transportation and storage	6,799	511	7,310	(619)	6,691
Accommodation and food service activities	1,843	6	1,849	(54)	1,795
Information and communication	639	24	663	(51)	612
Financial and insurance activities	178	1	179	(1)	178
Real estate activities	1,073	8	1,081	(39)	1,042
Professional, scientific and technical activities	1,312	63	1,375	(60)	1,315
Administrative and support service activities	1,933	90	2,023	(172)	1,851
Public administration and defence; compulsory social security	61	-	61	-	61
Education	416	2	418	(7)	411
Human health and social work activities	874	43	917	(19)	898
Arts, entertainment and recreation	934	46	980	(60)	920
Other services	23,443	116	23,559	(421)	23,138
<b>Individuals</b>					
Mortgage	802,369	44	802,413	(1,777)	800,636
Consumer	906,519	20,207	926,726	(41,888)	884,838
	<b>1,766,336</b>	<b>22,265</b>	<b>1,788,601</b>	<b>(46,569)</b>	<b>1,742,032</b>

The movement in impairment of loans during the period is presented as follows:

(amounts in thousands of euros)

	2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance</b>	<b>4,992</b>	<b>7,883</b>	<b>33,694</b>	<b>46,569</b>
<b>Movement during the period:</b>				
Financial assets originated or purchased	1,788	1,504	1,291	4,583
Changes due to variations in exposure or risk parameters	(3,583)	1,977	16,040	14,434
Financial assets derecognised excluding write-offs	(515)	(459)	(1,025)	(1,999)
Write-offs	-	-	(585)	(585)
Transfers to:				
Stage 1	2,717	(1,618)	(1,099)	-
Stage 2	(203)	1,856	(1,653)	-
Stage 3	(127)	(3,082)	3,209	-
Other movements	1	(5)	5	1
<b>Impairment for credit risk</b>	<b>5,070</b>	<b>8,056</b>	<b>49,877</b>	<b>63,003</b>
<i>Of which: POCI</i>	-	-	248	248

(amounts in thousands of euros)

	2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance</b>	<b>3,698</b>	<b>6,445</b>	<b>37,673</b>	<b>47,816</b>
<b>Movement during the period:</b>				
Financial assets originated or purchased	1,707	1,111	1,086	3,904
Changes due to variations in exposure or risk parameters	(2,025)	2,767	12,313	13,055
Financial assets derecognised excluding write-offs	(377)	(392)	(3,548)	(4,317)
Write-offs	-	-	(14,476)	(14,476)
Transfers to:				
Stage 1	2,256	(1,306)	(950)	-
Stage 2	(179)	1,763	(1,584)	-
Stage 3	(96)	(2,571)	2,667	-
Other movements	8	66	513	587
<b>Impairment for credit risk</b>	<b>4,992</b>	<b>7,883</b>	<b>33,694</b>	<b>46,509</b>
<i>Dos quais: POCI</i>	-	-	245	245

The reconciliation of accounting movements related to impairment losses is presented below:

(amounts in thousands of euros)

	2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance</b>	<b>4,992</b>	<b>7,883</b>	<b>33,694</b>	<b>46,509</b>
<b>Movement during the period:</b>				
Changes in ECL of the loan portfolio	(2,310)	3,022	16,306	17,018
Transfers between stages (net)	2,387	(2,844)	457	-
Loan sales	-	-	-	-
Utilisation of impairment	-	-	-	-
Write-offs	-	-	(585)	(585)
Other movements	1	(5)	5	1
<b>Impairment for credit risk</b>	<b>5,070</b>	<b>8,056</b>	<b>49,877</b>	<b>63,003</b>

*(amounts in thousands of euros)*

	2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance</b>	<b>3,698</b>	<b>6,445</b>	<b>37,673</b>	<b>47,816</b>
<b>Movement during the period:</b>				
Changes in ECL of the loan portfolio	(695)	3,486	9,851	12,642
Transfers between stages (net)	1,981	(2,114)	133	-
Loan sales	-	-	(14,218)	(14,218)
Utilisation of impairment	-	-	-	-
Write-offs	-	-	(258)	(258)
Other movements	8	66	513	587
<b>Impairment for credit risk</b>	<b>4,992</b>	<b>7,883</b>	<b>33,694</b>	<b>46,509</b>

The total loan portfolio, broken down by stage as defined under IFRS 9, is presented as follows:

*(amounts in thousands of euros)*

	2025	2024
<b>Stage 1</b>	<b>1,853,892</b>	<b>1,612,186</b>
Gross carrying amount	1,858,962	1,617,178
Impairment	(5,070)	(4,992)
<b>Stage 2</b>	<b>80,288</b>	<b>77,616</b>
Gross carrying amount	88,344	85,499
Impairment	(8,056)	(7,883)
<b>Stage 3</b>	<b>60,624</b>	<b>52,230</b>
Gross carrying amount	110,501	85,924
Impairment	(49,877)	(33,694)
	<b>1,994,804</b>	<b>1,742,032</b>

The caption Loans and advances to customers includes the effect of traditional securitisation transactions carried out through securitisation vehicles and consolidated in accordance with IFRS 10, in line with accounting policy 2.1.

The caption Loans and advances to customers includes the following amounts related to finance lease contracts:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Value of future minimum payments	916	1,209
Interest not yet due	(186)	(271)
<b>Present value</b>	<b>730</b>	<b>938</b>

The maturity analysis of future minimum lease payments under finance lease contracts is presented as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Up to 1 year	170	248
From 1 to 5 years	389	489
More than 5 years	357	472
<b>Value of future minimum payments</b>	<b>916</b>	<b>1,209</b>

The analysis of finance lease contracts by type of customer is presented as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
<b>Individuals</b>	<b>326</b>	<b>384</b>
Housing	70	77
Other	256	307
<b>Corporate</b>	<b>404</b>	<b>554</b>
Movable assets	146	168
Real estate	258	386
<b>Present value</b>	<b>730</b>	<b>938</b>

## Note 15 – Financial Assets at Amortised Cost – Debt Securities

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Government debt securities		
Portuguese	358,686	179,935
Foreign	1,255,151	1,232,850
Supranational debt securities	434,767	637,440
Bonds issued by other entities		
Foreign	-	9,015
Impairment	(167)	(103)
<b>Financial Assets at Amortised Cost – Debt Securities</b>	<b>2,048,437</b>	<b>2,059,137</b>

The financial assets in this portfolio are managed under a business model whose objective is to collect their contractual cash flows (Note 2.2.1.1).

The breakdown of this caption as at 31 December 2025 and 2024, by residual maturity, is as follows:

	<i>(amounts in thousands of euros)</i>				
	2025				
	Up to 3 months	From 3 to 12 months	From 1 to 3 years	More than 3 years	Total
Government debt securities					
Portuguese	167,577	48,248	37,430	105,431	358,686
Foreign	334,033	401,240	117,946	401,932	1,255,151
Supranational debt securities	141,495	148,642	124,897	19,733	434,767
Bonds issued by other entities					
Foreign	-	-	-	-	-
	<b>643,105</b>	<b>598,130</b>	<b>280,273</b>	<b>527,096</b>	<b>2,048,604</b>

*(amounts in thousands of euros)*

	2024				Total
	Up to 3 months	From 3 to 12 months	From 1 to 3 years	More than 3 years	
Government debt securities					
Portuguese	13.185	4.936	37.554	124.260	179.935
Foreign	394.999	641.629	29.056	167.166	1.232.850
Supranational debt securities	508.520	128.920	-	-	637.440
Bonds issued by other entities					
Foreign	9.015	-	-	-	9.015
	<b>925.719</b>	<b>775.485</b>	<b>66.610</b>	<b>291.426</b>	<b>2.059.240</b>

The movements in impairment of debt securities at amortised cost are analysed as follows:

*(amounts in thousands of euros)*

	2025	2024
	Stage 1	Stage 1
<b>Opening balance</b>	<b>103</b>	<b>97</b>
<b>Movement during the period:</b>		
Financial assets originated or purchased	98	49
Changes due to variations in exposure or risk parameters	16	(13)
Financial assets derecognised excluding write-offs	(50)	(30)
<b>Impairment of debt securities at amortised cost</b>	<b>167</b>	<b>103</b>

The reconciliation of accounting movements related to impairment losses is presented below:

*(amounts in thousands of euros)*

	2025	2024
	Stage 1	Stage 1
<b>Opening balance</b>	<b>103</b>	<b>97</b>
<b>Movement during the period:</b>		
Financial assets originated or purchased	64	6
<b>Impairment of debt securities at amortised cost</b>	<b>167</b>	<b>103</b>

## Note 16 – Financial Assets and Liabilities at Fair Value Through Profit or Loss

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Derivatives	3,391	6,283
<b>Financial Assets at Fair Value Through Profit or Loss</b>	<b>3,391</b>	<b>6,283</b>
Derivatives	(5,405)	(6,409)
of which: embedded derivatives	(1,821)	-
<b>Financial Liabilities at Fair Value Through Profit or Loss</b>	<b>(5,405)</b>	<b>(6,409)</b>

The caption Derivatives represents the fair value of financial derivative instruments whose purpose is to mitigate interest rate risk.

In connection with derivative contracts, as at 31 December 2025, Banco CTT has an amount of €9,890 thousand (2024: €15,220 thousand) held in accounts with other financial institutions as margin calls, recognised under Other assets (Note 22).

The caption Financial liabilities at fair value through profit or loss includes the valuation of embedded derivatives separated in accordance with Note 2.2.3, amounting to €1,821 thousand.

The breakdown of the derivatives caption is presented as follows:

	<i>(amounts in thousands of euros)</i>					
	2025			2024		
	Notional	Fair Value		Notional	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Interest rate contracts						
Interest Rate Swaps	319,666	1,382	(1,551)	130,412	2,875	(2,951)
Interest Rate Options	255,206	2,009	(2,033)	163,677	3,408	(3,458)
Embedded derivatives	135,718	-	(1,821)	-	-	-
<b>Derivatives</b>		<b>3,391</b>	<b>(5,405)</b>		<b>6,283</b>	<b>(6,409)</b>

The impact on profit or loss for the period of financial assets and liabilities at fair value through profit or loss is presented in Note 6.

## Note 17 – Financial Assets at Fair Value Through Other Comprehensive Income – Debt Securities

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Bonds issued by other entities		
Portuguese	8,943	-
Foreign	43,300	-
<b>Financial Assets at Fair Value Through Other Comprehensive Income – Debt Securities</b>	<b>52,243</b>	<b>-</b>

Changes in fair value and impairment of these assets are recognised in other comprehensive income (see Note 28).

## Note 18 – Derivatives – Hedge Accounting and Fair Value Changes of Hedged Items

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
<b>Hedging Derivatives</b>	<b>6,002</b>	<b>(6)</b>
Assets	7,279	6
Liabilities	(1,277)	(12)
<b>Hedge Accounting Results</b>		
(Fair value component of hedged assets and liabilities attributable to interest rate risk)	<b>2</b>	<b>-</b>
<b>Financial liabilities</b>	<b>2</b>	<b>-</b>
Deposits from Customers	-	-
Debt securities at amortised cost	3	-
Debt securities at fair value through other comprehensive income	(1)	-

## Fair Value Hedge

Fair value hedge transactions as at 31 December 2025 are analysed as follows:

*(amounts in thousands of euros)*

Hedging instrument	Hedged item	Risk hedged	Notional	Fair value of derivative	Gains/(losses) attributable to the hedged risk	
					Hedged item	Hedging instrument
Interest Rate Swap	Deposits from customers	Interest rate	-	-	18	(18)
Interest Rate Swap	Securities – AC	Interest rate	252,333	6,054	(884)	887
Interest Rate Swap	Securities – FVTOCI	Interest rate	52,000	(52)	(285)	284
				<b>6,002</b>	<b>(1,151)</b>	<b>1,153</b>

Fair value hedge transactions as at 31 December 2024 are analysed as follows:

*(amounts in thousands of euros)*

Hedging instrument	Hedged item	Risk hedged	Notional	Fair value of derivative	Gains/(losses) attributable to the hedged risk	
					Hedged item	Hedging instrument
Interest Rate Swap	Deposits from customers	Interest rate	50,000	(6)	(18)	18

The ineffective portion of fair value hedge transactions is recognised in hedge accounting results. In 2025, the ineffective portion of hedge transactions amounted to €2 thousand (in 2024, there was no impact). The Group performs periodic effectiveness testing of existing hedge relationships.

## Note 19 – Other Tangible Assets

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
<b>Acquisition cost</b>	<b>18,039</b>	<b>13,665</b>
<b>Property</b>		
Leasehold improvements	2,256	1,672
<b>Equipment</b>		
Furniture	1,174	837
Machinery and tools	1,569	1,568
IT equipment	1,652	1,301
Interior installations	10	1
Transport equipment	-	-
Security equipment	107	99
Other equipment	46	46
<b>Right-of-use assets</b>		
Property	7,613	5,330
Vehicles	3,239	2,809
<b>Other tangible assets</b>	2	2
<b>Other tangible assets in progress</b>	371	-
<b>Accumulated depreciation</b>	<b>(7,492)</b>	<b>(6,403)</b>
Related to previous years	(4,809)	(4,183)
Related to the current year	(2,683)	(2,220)
<b>Other Tangible Assets</b>	<b>10,547</b>	<b>7,262</b>

The movements in the caption Other tangible assets during 2025 are analysed as follows:

(amounts in thousands of euros)

	2025					Balance as at 31 December
	Balance as at 1 January	Acquisitions / Charge	Transfers	Disposals / Write-offs	Other	
<b>Acquisition cost</b>	<b>13,665</b>	<b>5,978</b>	-	<b>(1,604)</b>	-	<b>18,039</b>
<b>Property</b>						
Leasehold improvements	1,672	562	22	-	-	2,256
<b>Equipment</b>						
Furniture	837	359	(22)	-	-	1,174
Machinery and tools	1,568	5	-	(4)	-	1,569
IT equipment	1,301	351	-	-	-	1,652
Interior installations	1	9	-	-	-	10
Transport equipment	-	-	-	-	-	-
Security equipment	99	8	-	-	-	107
Other equipment	46	-	-	-	-	46
<b>Right-of-use assets</b>						
Property	5,330	3,447	-	(1,164)	-	7,613
Vehicles	2,809	866	-	(436)	-	3,239
<b>Other tangible assets</b>	2	-	-	-	-	2
<b>Other tangible assets in progress</b>	-	371	-	-	-	371
<b>Accumulated depreciation</b>	<b>(6,403)</b>	<b>(2,683)</b>	-	<b>1,594</b>	-	<b>(7,492)</b>
<b>Property</b>						
Leasehold improvements	(629)	(297)	(1)	-	-	(927)
<b>Equipment</b>						
Furniture	(461)	(68)	1	-	-	(528)
Machinery and tools	(449)	(191)	-	4	-	(636)
IT equipment	(790)	(261)	-	-	-	(1,051)
Interior installations	(1)	(1)	-	-	-	(2)
Transport equipment	-	-	-	-	-	-
Security equipment	(78)	(5)	-	-	-	(83)
Other equipment	(11)	(1)	-	-	-	(12)
<b>Right-of-use assets</b>						
Property	(2,743)	(1,017)	-	1,162	-	(2,598)
Vehicles	(1,240)	(842)	-	428	-	(1,654)
<b>Other tangible assets</b>	(1)	-	-	-	-	(1)
	<b>7,262</b>	<b>3,295</b>	-	<b>(10)</b>	-	<b>10,547</b>

The movements in the caption Other tangible assets during 2024 are analysed as follows:

(amounts in thousands of euros)

	2024					Balance as at 31 December
	Balance as at 1 January	Acquisitions / Charge	Transfers	Disposals / Write-offs	Other	
<b>Acquisition cost</b>	<b>9,801</b>	<b>4,166</b>	-	<b>(302)</b>	-	<b>13,665</b>
<b>Property</b>						
Leasehold improvements	1,121	124	427	-	-	1,672
<b>Equipment</b>						
Furniture	516	285	36	-	-	837
Machinery and tools	1,148	430	-	(10)	-	1,568
IT equipment	987	327	-	(13)	-	1,301
Interior installations	1	-	-	-	-	1
Transport equipment	-	-	-	-	-	-
Security equipment	86	13	-	-	-	99
Other equipment	46	-	-	-	-	46
<b>Right-of-use assets</b>						
Property	4,123	1,217	-	(10)	-	5,330
Vehicles	1,727	1,351	-	(269)	-	2,809
<b>Other tangible assets</b>	<b>1</b>	<b>1</b>	-	-	-	<b>2</b>
<b>Other tangible assets in progress</b>	<b>45</b>	<b>418</b>	<b>(463)</b>	-	-	<b>-</b>
<b>Accumulated depreciation</b>	<b>(4,463)</b>	<b>(2,220)</b>	-	<b>280</b>	-	<b>(6,403)</b>
<b>Property</b>						
Leasehold improvements	(368)	(262)	1	-	-	(629)
<b>Equipment</b>						
Furniture	(432)	(28)	(1)	-	-	(461)
Machinery and tools	(321)	(138)	-	10	-	(449)
IT equipment	(628)	(175)	-	13	-	(790)
Interior installations	(1)	-	-	-	-	(1)
Transport equipment	-	-	-	-	-	-
Security equipment	(73)	(5)	-	-	-	(78)
Other equipment	(10)	(1)	-	-	-	(11)
<b>Right-of-use assets</b>						
Property	(1,810)	(947)	-	14	-	(2,743)
Vehicles	(819)	(664)	-	243	-	(1,240)
<b>Other tangible assets</b>	<b>(1)</b>	<b>-</b>	-	-	-	<b>(1)</b>
	<b>5,338</b>	<b>1,946</b>	-	<b>(22)</b>	-	<b>7,262</b>

## Note 20 – Goodwill and Intangible Assets

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
<b>Goodwill</b>	<b>60,679</b>	<b>60,679</b>
321 Crédito – Instituição Financeira de Crédito, S.A.	60,679	60,679
<b>Intangible assets</b>	<b>28,557</b>	<b>24,090</b>
<b>Acquisition cost</b>	<b>72,861</b>	<b>62,147</b>
Software in use	68,133	59,038
Other intangible assets	16	16
Software in progress	4,712	3,093
<b>Accumulated amortisation</b>	<b>(44,304)</b>	<b>(38,057)</b>
Related to prior years	(38,056)	(31,904)
Related to the current year	(6,248)	(6,153)
<b>Goodwill and Intangible Assets</b>	<b>89,236</b>	<b>84,769</b>

Intangible assets mainly include costs related to the acquisition and development of software, including the core banking system and related implementation and customisation projects.

The core banking system had a net carrying amount of €6,251 thousand as at 31 December 2025 (31 December 2024: €7,493 thousand). As at 31 December 2023, this asset had an estimated remaining useful life of 7 years. During the first half of 2024, the Group revised the estimated remaining useful life of this asset to approximately 2 years, assigning it an estimated residual value of approximately €6,000 thousand. This change results from the signing of a service agreement with the current licensing provider, which provides for the migration and upgrade of the current licence (on premises) to access a software as a service solution. This solution will incorporate a set of customisations and configurations migrated from the current on premises system, to which a value similar to the above-mentioned residual value has been assigned, and which is expected to become effective during 2026.

The movements in the caption Goodwill and intangible assets during 2025 are analysed as follows:

*(amounts in thousands of euros)*

	2025					Balance as at 31 December
	Balance as at 1 January	Acquisitions / Charge	Transfers	Disposals / Write-offs	Other	
<b>Goodwill</b>	<b>60,679</b>	-	-	-	-	<b>60,679</b>
Consolidation and revaluation differences	60,679	-	-	-	-	60,679
Impairment	-	-	-	-	-	-
<b>Intangible assets</b>	<b>24,090</b>	<b>4,558</b>	-	<b>(91)</b>	-	<b>28,557</b>
<b>Acquisition cost</b>	<b>62,147</b>	<b>10,806</b>	-	<b>(92)</b>	-	<b>72,861</b>
Software in use	59,038	60	9,035	-	-	68,133
Other intangible assets	16	-	-	-	-	16
Software in progress	3,093	10,746	(9,035)	(92)	-	4,712
<b>Accumulated amortisation</b>	<b>(38,057)</b>	<b>(6,248)</b>	-	<b>1</b>	-	<b>(44,304)</b>
Software in use	(38,042)	(6,247)	-	1	-	(44,288)
Other intangible assets	(15)	(1)	-	-	-	(16)
	<b>84,769</b>	<b>4,558</b>	-	<b>(91)</b>	-	<b>89,236</b>

The movements in the caption Goodwill and intangible assets during 2024 are analysed as follows:

*(amounts in thousands of euros)*

	2024					Balance as at 31 December
	Balance as at 1 January	Acquisitions / Charge	Transfers	Disposals / Write-offs	Other	
<b>Goodwill</b>	<b>60.679</b>	-	-	-	-	<b>60.679</b>
Consolidation and revaluation differences	60.679	-	-	-	-	60.679
Impairment	-	-	-	-	-	-
<b>Intangible assets</b>	<b>21.221</b>	<b>2.869</b>	-	-	-	<b>24.090</b>
<b>Acquisition cost</b>	<b>53.125</b>	<b>9.022</b>	-	-	-	<b>62.147</b>
Software in use	52.752	68	-	6.218	-	59.038
Other intangible assets	16	-	-	-	-	16
Software in progress	357	8.954	-	(6.218)	-	3.093
<b>Accumulated amortisation</b>	<b>(31.904)</b>	<b>(6.153)</b>	-	-	-	<b>(38.057)</b>
Software in use	(31.891)	(6.151)	-	-	-	(38.042)
Other intangible assets	(13)	(2)	-	-	-	(15)
	<b>81.900</b>	<b>2.869</b>	-	-	-	<b>84.769</b>

Goodwill

The recoverable amount of goodwill is assessed annually or whenever there are indications of potential impairment. The recoverable amount is determined based on the value in use of the assets, calculated using methodologies supported by discounted cash flow techniques, taking into account market conditions, the time value of money and business risks.

In order to determine the recoverable amount of the investments made, impairment tests were performed as at 31 December 2025 and 2024 based on the following assumptions:

	2025			
	Basis for determining recoverable amount	Explicit cash flow period	Discount rate	Perpetual growth rate
321 Crédito – Instituição Financeira de Crédito, S.A.	Equity Value / DDM	10 years	10.0%	1.5%

	2024			
	Basis for determining recoverable amount	Explicit cash flow period	Discount rate	Perpetual growth rate
321 Crédito – Instituição Financeira de Crédito, S.A.	Equity Value / DDM	10 years	10.0%	1.5%

321 Crédito – Instituição Financeira de Crédito, S.A.

Cash flows were estimated based on projections of results and business activity, in line with the business plan associated with the cash-generating unit, as approved by Management. These projections cover a period of 10 years (until 2035), which has been applied consistently since the acquisition of 321 Crédito and which, in Management’s judgement, best reflects the nature of the investment, the maturity of the portfolio and economic/interest rate cycles. Over this period, the projections assume a compound annual growth rate of total assets of 5.6% (3.8% in 2024).

The valuation was based on the Dividend Discount Model (“DDM”), which is commonly used in the banking sector. The rationale of this methodology is that the investor considers two types of cash flows when valuing the asset: the dividend/capital reinforcement trade-off and the value of future dividends in perpetuity. The discount rate of 10.0% (post-tax) is consistent with internal benchmarks used for project and investment appraisal and remains within the range typically applied in the banking sector.

Sensitivity analyses were performed on the results of the impairment tests, namely on the following key variables: (i) a decrease/increase of 0.5% in the target CET1 ratio; or (ii) an increase of 50 basis points in the discount rates applied. Based on the impairment test performed, as well as the sensitivity analyses carried out, no impairment was identified in respect of the goodwill recognised as at 31 December 2025.

## Note 21 – Income Taxes

The Group is subject to Corporate Income Tax (IRC) and related surcharges.

Income taxes (current or deferred) are recognised in profit or loss for the period, except when they relate to items recognised directly in equity. In such cases, the corresponding tax is also recognised directly in equity and does not affect profit or loss for the period.

The calculation of current tax for the years 2025 and 2024 was based on nominal IRC rates of 20% and 21%, respectively, in accordance with Law no. 107-B/2003, of 31 December, and Law no. 2/2007, of 15 January.

Deferred taxes are calculated based on the tax rates expected to be in force at the time of reversal of the temporary differences, which correspond to rates enacted or substantively enacted at the reporting date.

As referred to in Note 2.7, the Group is subject to the Special Taxation Regime for Groups of Companies, which includes all companies in which CTT holds, directly or indirectly, at least 75% of the share capital and that are simultaneously resident in Portugal and subject to Corporate Income Tax (IRC).

## Reconciliation of the Effective Tax Rate

The reconciliation of the tax rate, in respect of the amount recognised in profit or loss, is presented as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Net income before income taxes	25,387	26,629
Statutory tax rate	20.0%	21.0%
<b>Expected income tax expense</b>	<b>5,077</b>	<b>5,516</b>
Surcharges	1,630	1,908
<b>Total expected tax expense</b>	<b>6,707</b>	<b>7,424</b>
Additions/(deductions) for tax purposes	676	416
Autonomous taxation	8	20
Other adjustments	(1,025)	1,117
<b>Current tax expense for the year</b>	<b>6,366</b>	<b>8,977</b>
<b>Adjustments relating to prior years</b>	<b>(892)</b>	<b>(911)</b>
<b>Deferred tax recognised</b>	<b>(852)</b>	<b>(1,845)</b>
<b>Income taxes</b>	<b>4,622</b>	<b>6,221</b>
Effective tax rate	18.2%	23.7%

*Note: negative amounts represent recoverable amounts.*

## Current Taxes

In accordance with the accounting policy described in Note 2.7, the amount relating to tax of entities included in the Special Taxation Regime for Groups of Companies (RETGS) is recognised as an amount receivable from or payable to the shareholder CTT (see Notes 21 and 25).

As at 31 December 2024, the caption Current tax liabilities, amounting to €1,344 thousand, related to amounts within the scope of IFRIC 23. During 2025, these amounts were released and are presented in the table above under Other adjustments.

## Deferred Taxes

The movement in deferred tax assets during the period is presented as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
<b>Opening balance</b>	<b>1,695</b>	<b>1,753</b>
Recognised in profit or loss	123	(58)
Recognised in other reserves	-	-
Other	-	-
<b>Deferred tax assets</b>	<b>1,818</b>	<b>1,695</b>

Deferred tax assets as at 31 December 2025 and 2024 arise mainly from temporary differences resulting from non-deductible impairment losses and long-term employee benefits, the tax deduction of which will occur upon payment.

The movement in deferred tax liabilities during the period is presented as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
<b>Opening balance</b>	<b>1,698</b>	<b>3,607</b>
Recognised in profit or loss	(729)	(1,903)
Recognised in other reserves	17	(6)
Other	-	-
<b>Deferred tax liabilities</b>	<b>986</b>	<b>1,698</b>

Deferred tax liabilities as at 31 December 2025 and 2024 arise mainly from temporary differences resulting from the consolidation of structured entities.

## Tax Regime for Impairment Losses

In 2019, the Group elected to adopt, on a definitive basis, the tax regime applicable to impairment losses of credit institutions and other financial institutions subject to the supervision of Banco de Portugal, as set out in Articles 2 and 3 of Law no. 98/2019, of 4 September, in accordance with paragraph 1 of Article 4 of the same law, with effect from the tax period starting on 1 January 2019 (inclusive).

## Special Taxation Regime for Groups of Companies (RETGS)

The Bank and its subsidiaries – directly or indirectly held by more than 75% for more than one year by the parent company, CTT – are subject to the Special Taxation Regime for Groups of Companies (RETGS), which includes

all companies in which CTT holds, directly or indirectly, at least 75% of the share capital and that are simultaneously resident in Portugal and subject to Corporate Income Tax (IRC).

Under this regime, and up to and including 2020, Banco CTT and its subsidiaries eligible to be included in the RETGS received from CTT the amount corresponding to the tax loss with which they contributed to the consolidated corporate income tax of the CTT Group and, similarly, paid to CTT the amount corresponding to their positive contribution to the consolidated corporate income tax of the CTT Group.

From 2021 onwards, the Banco CTT Group is considered a “tax sub-group” within the regime, in which CTT – Correios de Portugal, S.A. acts as the parent entity. Accordingly, the Bank’s subsidiaries settle corporate income tax with Banco CTT, which in turn pays or receives the net amount determined for the Banco CTT Group to or from the parent company. Where there are historical amounts receivable from CTT by the Group, any payments of corporate income tax to CTT are settled through the utilisation/reduction of those receivables, with cash payments only occurring once no such historical receivables remain.

The caption Other liabilities includes an amount of €4,063 thousand (2024: €4,421 thousand) relating to corporate income tax arising from the application of the Special Taxation Regime for Groups of Companies (RETGS), as described in Note 2.7. This amount qualifies as a financial instrument measured at amortised cost and bears interest at a market rate.

## SIFIDE

Based on the historical approval rate of submitted applications, the Group recognises, in the period to which the investments relate, an estimate of 70% of the tax credit submitted for certification by the competent authority (ANI – Agência Nacional de Inovação).

The amount of adjustments relating to prior years corresponds to differences in tax estimates, mainly arising from the recognition of tax credits related to SIFIDE 2022 and 2023, amounting to €621,558, as detailed below:

### *SIFIDE 2022*

In the 2022 financial year, the Group incurred R&D expenses for which it benefited - approved in 2023 and 2024 - from a corporate income tax credit amounting to €673,760 (of which €491,206 was recognised in profit or loss in 2023 and €182,554 was recognised in profit or loss in the first half of 2024).

### *SIFIDE 2023*

In the 2023 financial year, the Group incurred R&D expenses for which it benefited from a corporate income tax credit amounting to €428,666 (of which €439,004 was recognised in profit or loss in the first half of 2024 and €(12,893) was recognised in profit or loss in the first half of 2025).

### *SIFIDE 2024*

In the 2024 financial year, the Group incurred R&D expenses for which it expects to benefit from a corporate income tax credit amounting to €164,478 (of which €259,000 was recognised in profit or loss in 2024 and €(94,522) was recognised in profit or loss in 2025).

### *SIFIDE 2025*

In the 2025 financial year, the Group incurred R&D expenses for which it expects to benefit from a corporate income tax credit amounting to €73,250, which was recognised in profit or loss in 2025.

## Note 22 – Other Assets

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Operations to be cleared	4,170	2,500
Escrow accounts	12,819	15,951
Other receivables	3,355	4,720
Prepaid expenses	7,969	4,349
Public sector entities	635	662
Advances to suppliers	284	-
Income receivable	3,969	3,697
Impairment for other assets	<b>(2,425)</b>	<b>(2,579)</b>
<b>Other Assets</b>	<b>30,776</b>	<b>29,300</b>

The caption Escrow accounts includes an amount of €12,090 thousand (2024: €15,220 thousand) relating to amounts deposited with other financial institutions as margin calls in connection with derivative financial instruments.

The caption Other receivables mainly includes amounts receivable from credit intermediation and insurance mediation activities. It also includes overdue and unpaid amounts related to loan agreements granted to customers, namely administrative expenses and Value Added Tax (VAT) on finance lease instalments, totalling €1,890 thousand (2024: €1,850 thousand). These amounts are subject to impairment of €1,879 thousand (2024: €1,834 thousand).

The movements in impairment for other assets are analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
<b>Opening balance</b>	<b>2,579</b>	<b>2,587</b>
Charge for the period	79	55
Reversal for the period	(17)	(62)
Utilisation for the period	(216)	(1)
Transfers	-	-
<b>Impairment for Other Assets</b>	<b>2,425</b>	<b>2,579</b>

## Note 23 – Financial Liabilities at Amortised Cost – Deposits from Customers

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Demand deposits	1,652,925	1,492,536
Term deposits	2,252,986	2,204,178
Saving accounts	444,088	363,730
Fair value adjustments of hedged liabilities	(1,569)	18
<b>Financial Liabilities at Amortised Cost – Deposits from Customers</b>	<b>4,348,430</b>	<b>4,060,462</b>

In 2025, the average interest rate on customer deposits was 1.09% (2024: 1.70%).

The analysis of the caption Deposits from customers, by contractual residual maturity, is as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Demand deposits and saving accounts	2,097,013	1,856,226
Term deposits		
Up to 3 months	1,093,600	1,001,503
From 3 to 12 months	883,779	1,202,693
From 1 to 3 years	274,038	-
	<b>4,348,430</b>	<b>4,060,462</b>

## Note 24 – Financial Liabilities at Amortised Cost – Debt Securities Issued

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Securitisations (see Note 35)	174,633	252,916
Bonds	54,982	9,996
<b>Financial Liabilities at Amortised Cost – Debt Securities Issued</b>	<b>229,615</b>	<b>262,912</b>

As at 31 December 2025, there are two active securitisation transactions placed with institutional investors (Ulisses Finance No.2 and Ulisses Finance No.3) and two senior preferred bond issuances (eligible for MREL – Minimum Requirement for Own Funds and Eligible Liabilities). One of these, issued in December 2024, was fully subscribed by the shareholder CTT – Correios de Portugal, S.A., while the other, issued in November 2025, was subscribed by domestic and international institutional investors.

As at 31 December 2025 and 2024, debt securities issued and not retained are analysed as follows:

(amounts in thousands of euros)

Name	Issue Date	Maturity Date	Remuneration	2025		2024	
				Nominal amount	Carrying amount	Nominal amount	Carrying amount
<b>Ulisses Finance No.2</b>				<b>82,440</b>	<b>82,766</b>	<b>122,216</b>	<b>122,843</b>
Class A	Sep 2021	Sep 2038	Euribor 1M + 70 bps	67,172	67,492	99,581	100,200
Class B	Sep 2021	Sep 2038	Euribor 1M + 80 bps	3,298	3,298	4,889	4,889
Class C	Sep 2021	Sep 2038	Euribor 1M + 135 bps	6,595	6,597	9,777	9,780
Class D	Sep 2021	Sep 2038	Euribor 1M + 285 bps	3,726	3,729	5,524	5,528
Class E	Sep 2021	Sep 2038	Euribor 1M + 368 bps	1,220	1,221	1,809	1,810
Class F	Sep 2021	Sep 2038	Euribor 1M + 549 bps	429	429	636	636
Class G	Sep 2021	Sep 2038	Euribor 1M + 500 bps	-	-	-	-
<b>Ulisses Finance No.3</b>				<b>91,973</b>	<b>91,867</b>	<b>130,411</b>	<b>122,843</b>
Class A	Jun 2022	Jun 2039	Euribor 1M + 90 bps	77,258	77,229	99,581	100,200
Class B	Jun 2022	Jun 2039	Euribor 1M + 200 bps	3,679	3,665	4,889	4,889
Class C	Jun 2022	Jun 2039	Euribor 1M + 370 bps	5,518	5,500	9,777	9,780
Class D	Jun 2022	Jun 2039	Euribor 1M + 525 bps	2,759	2,734	5,524	5,528
Class E	Jun 2022	Jun 2039	Euribor 1M + 650 bps	2,299	2,282	1,809	1,810
Class F	Jun 2022	Jun 2039	Euribor 1M + 850 bps	460	457	636	636
Class G	Jun 2022	Jun 2039	Euribor 1M + 785 bps	-	-	-	-
<b>Banco CTT Senior Preferred</b>				<b>55,000</b>	<b>54,982</b>	<b>10,000</b>	<b>9,996</b>
Senior Pref.	Dec 2024	Jul 2027	Fixed rate 4.543%	10,000	10,202	10,000	9,996
Senior Pref.	Nov 2025	Nov 2028	Fixed rate 3.750%	45,000	44,780	-	-
				<b>229,413</b>	<b>229,615</b>	<b>262,627</b>	<b>262,912</b>

The movement in this caption during 2025 is presented as follows:

(amounts in thousands of euros)

	2025				
	Opening balance	Issuances	Redemptions	Other movements	Closing balance
Ulisses Finance No.2	122,843	-	(39,776)	(301)	82,766
Ulisses Finance No.3	130,073	-	(38,438)	232	91,867
Banco CTT Senior Preferred Due 2027	9,996	-	-	206	10,202
Banco CTT Senior Preferred Due 2028	-	45,000	-	(220)	44,780
	<b>262,912</b>	<b>45,000</b>	<b>(78,214)</b>	<b>(83)</b>	<b>229,615</b>

The movement in this caption during 2024 is presented as follows:

*(amounts in thousands of euros)*

	2024				Closing balance
	Opening balance	Issuances	Redemptions	Other movements	
Ulisses Finance No.2	172,973	-	(49,780)	(350)	122,843
Ulisses Finance No.3	174,402	-	(44,742)	413	130,073
Banco CTT Senior Preferred Due 2027	-	10,000	-	(4)	9,996
	<b>347,375</b>	<b>10,000</b>	<b>(94,522)</b>	<b>59</b>	<b>262,912</b>

## Note 25 – Provisions

This caption is analysed as follows:

*(amounts in thousands of euros)*

	2025	2024
Provisions for other risks and charges	2,628	1,825
Provisions for commitments	110	244
<b>Provisions</b>	<b>2,738</b>	<b>2,069</b>

Provisions for other risks and charges were recognised to cover contingencies related to the Group's activities, for which an outflow of resources is considered probable.

Provisions for commitments relate to provisions for off-balance sheet credit exposures.

At each reporting date, the Group reassesses the amounts recognised in this caption to ensure that they reflect the best estimate of the amount and probability of occurrence.

The movement in provisions during the period is presented as follows:

*(amounts in thousands of euros)*

	2025	2024
<b>Opening balance</b>	<b>2,069</b>	<b>1,692</b>
Charge for the period	1,781	610
Reversal for the period	(1,072)	(202)
Utilisation for the period	(40)	(31)
Transfers	-	-
	<b>2,738</b>	<b>2,069</b>

In 2025, the Group sold a portfolio of written-off loan contracts and, in connection with this transaction, recognised a provision to cover contingencies arising from the contractual terms.

## Note 26 – Other Liabilities

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Payables		
Suppliers	20,663	19,218
Related parties	709	1,152
Other payables	7,270	1,522
Staff costs	10,504	9,630
Operations to be cleared	28,481	31,905
Corporate income tax – RETGS	4,063	4,421
Deferred income	560	2,044
Public sector entities	2,711	3,313
Lease liabilities	6,810	4,339
<b>Other Liabilities</b>	<b>81,771</b>	<b>77,544</b>

The caption Operations to be cleared mainly reflects the balance of banking transactions pending financial settlement.

The caption Lease liabilities corresponds to lease liabilities recognised under IFRS 16, as described in accounting policy 2.6.

The caption Other liabilities includes an amount of €4,063 thousand (2024: €4,421 thousand) relating to corporate income tax arising from the application of the Special Taxation Regime for Groups of Companies (RETGS), as described in Note 2.7. This amount qualifies as a financial instrument measured at amortised cost.

## Note 27 – Share Capital

The share capital amounts to €321,400,000, represented by 324,682,443 shares with no nominal value, and is fully subscribed and paid up.

On 29 November 2024, a share capital increase was carried out, from €296,400,000 (two hundred and ninety-six million four hundred thousand euros) to €321,400,000 (three hundred and twenty-one million four hundred thousand euros), through a new cash contribution from Generali Seguros, S.A. in the amount of €25,000,000 (twenty-five million euros), resulting in the issuance of 28,282,443 new shares with no nominal value, ordinary, registered and with an issue price of €0.8839 each.

As at 31 December 2025 and 2024, the Bank's shareholders are as follows:

	2025		2024	
	Number of shares	% share capital	Numbers of shares	% share capital
CTT – Correios de Portugal, S.A. (sociedade aberta)	296,400,000	91.29%	296,400,000	91.29%
Generali Seguros, S.A.	28,282,443	8.71%	28,282,443	8.71%
<b>Total</b>	<b>324,682,443</b>	<b>100.00%</b>	<b>324,682,443</b>	<b>100.00%</b>

## Note 28 – Fair value reserves, other reserves and retained earnings

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Fair value reserves		
Other financial assets at fair value through other comprehensive income	27	-
Legal reserves	6,830	4,830
Other reserves	(200)	(335)
Retained earnings	(12,820)	(30,868)
<b>Reserves and retained earnings</b>	<b>(6,163)</b>	<b>(26,373)</b>

## Note 29 – Guarantees and Other Commitments

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Guarantees given	65,975	64,913
Guarantees received	2,958,814	2,719,352
Commitments granted to third parties		
Revocable commitments		
Credit lines	13,872	13,288
Irrevocable commitments		
Credit lines	30,875	26,836
Commitments received from third parties		
Revocable commitments		
Credit lines	46,500	27,916

The amount recorded as Guarantees given mainly includes securities pledged as collateral to secure the settlement of interbank transactions.

The amount recorded as Guarantees received mainly includes guarantees and mortgages over properties provided as collateral for mortgage lending operations.

Revocable and irrevocable commitments represent contractual agreements to grant credit to the Group's customers (e.g. unused credit lines and overdrafts), which are generally contracted for fixed terms or subject to other expiry conditions. Substantially all outstanding credit commitments require customers to maintain certain conditions established at inception.

Notwithstanding the specific characteristics of these commitments, their assessment follows the same basic principles as any other commercial transaction, namely the borrower's creditworthiness, and the Group requires such exposures to be adequately collateralised where appropriate. As a portion of these commitments is expected to expire without being drawn, the amounts disclosed do not necessarily represent future cash outflows.

Provisions for commitments granted to third parties are disclosed in Note 25.

### Note 30 – Related Party Transactions

All transactions and operations carried out by the Group with related parties are conducted on an arm's length basis for similar transactions and form part of the Group's ordinary course of business.

For this purpose, the concept of related parties is defined in Chapter 4 of the Banco CTT Group's Related Party Transactions Policy (which refers to IAS 24, the RGICSF and Banco de Portugal Notice no. 3/2020), available at:

<https://www.bancoctt.pt/sobre-o-banco-ctt/governo-da-sociedade/estatutos-e-regulamentos>

As at 31 December 2025, the value of transactions between the Group and related parties and shareholders, as well as the respective expenses and income recognised during the year, were as follows:

*(amounts in thousands of euros)*

	2025			
	Balance Sheet		Income Statement	
	Assets	Liabilities	Expenses	Income
CTT – Correios de Portugal, S.A	467	17,940	5,561	19
CTT Expresso – Serviços Postais e Logística, S.A.	34	10	94	-
NewSpring Services, S.A.	665	189	377	-
Wolfspring, ACE	-	36	144	-
Payshop (Portugal), S.A.	-	10,641	121	7
Generali Seguros, S.A.	97	-	-	3,210
<b>Total</b>	<b>1,263</b>	<b>28,816</b>	<b>6,297</b>	<b>3,229</b>

The balance of liabilities towards CTT – Correios de Portugal, S.A. includes €3,280 thousand relating to bank deposits.

The balance of liabilities towards Payshop (Portugal), S.A. relates to bank deposits.

As at 31 December 2024, the value of transactions between the Group and related parties and shareholders, as well as the respective expenses and income recognised during the year, were as follows:

*(amounts in thousands of euros)*

	2024			
	Balance Sheet		Income Statement	
	Assets	Liabilities	Assets	Liabilities
CTT – Correios de Portugal, S.A	732	22,547	6,280	27
CTT Expresso – Serviços Postais e Logística, S.A.	1	10	102	-
NewSpring Services, S.A.	562	29	165	-
Wolfspring, ACE	-	31	158	-
Payshop (Portugal), S.A.	7	9,877	22	7
Generali Seguros, S.A.	48	-	-	927
<b>Total</b>	<b>1,350</b>	<b>32,494</b>	<b>6,727</b>	<b>961</b>

The balance of liabilities towards CTT – Correios de Portugal, S.A. includes €6,867 thousand relating to bank deposits.

The balance of liabilities towards Payshop (Portugal), S.A. relates to bank deposits.

With regard to members of the governing bodies, as at 31 December 2025, deposits held with the Group amounted to €231 thousand (2024: €120 thousand).

## Note 31 – Fair Value

The fair value of financial assets and liabilities as at 31 December 2025 is analysed as follows:

(amounts in thousands of euros)

	2025				
	At fair value through profit or loss	At fair value through reserves	Amortised cost	Carrying amount	Fair value
Cash and deposits with central banks	-	-	67,829	67,829	67,829
Deposits with other credit institutions	-	-	36,923	36,923	36,923
Financial assets at amortised cost					
Placements with credit institutions	-	-	662,941	662,941	662,941
Loans and advances to customers	-	-	1,994,804	1,994,804	2,008,184
Debt securities	-	-	2,048,437	2,048,437	2,027,106
Public sector issuers	-	-	1,613,689	1,613,689	1,592,558
Supranational issuers	-	-	434,749	434,749	434,549
Other issuers	-	-	-	-	-
Financial assets at fair value through profit or loss					
Derivatives	3,391	-	-	3,391	3,391
Financial assets at fair value through other comprehensive income					
Debt securities	-	52,243	-	52,243	52,243
Other issuers	-	52,243	-	52,243	52,243
Hedging derivatives	7,279	-	-	7,279	7,279
Other financial assets	-	-	12,819	12,819	12,819
<b>Financial Assets</b>	<b>10,670</b>	<b>52,243</b>	<b>4,823,753</b>	<b>4,886,666</b>	<b>4,878,715</b>
Financial liabilities at fair value through profit or loss					
Derivatives	5,405	-	-	5,405	5,405
Financial liabilities at amortised cost					
Deposits from customers	-	-	4,348,430	4,348,430	4,348,430
Debt securities issued	-	-	229,615	229,615	230,341
Hedging derivatives	1,277	-	-	1,277	1,277
Other financial liabilities	-	-	4,063	4,063	4,063
<b>Financial Liabilities</b>	<b>6,682</b>	<b>-</b>	<b>4,582,108</b>	<b>4,588,790</b>	<b>4,589,516</b>

The fair value of financial assets and liabilities as at 31 December 2024 is analysed as follows:

(amounts in thousands of euros)

	2024				
	At fair value through profit or loss	At fair value through reserves	Amortised cost	Carrying amount	Fair value
Cash and deposits with central banks	-	-	64,826	64,826	64,826
Deposits with other credit institutions	-	-	30,918	30,918	30,918
Financial assets at amortised cost					
Placements with credit institutions	-	-	701,297	701,297	701,297
Loans and advances to customers	-	-	1,742,032	1,742,032	1,725,795
Debt securities	-	-	2,059,137	2,059,137	2,036,925
Public sector issuers	-	-	1,412,688	1,412,688	1,390,079
Supranational issuers	-	-	637,434	637,434	637,825
Other issuers	-	-	9,015	9,015	9,021
Financial assets at fair value through profit or loss					
Derivatives	6,283	-	-	6,283	6,283
Hedging derivatives	6	-	-	6	6
Other financial assets	-	-	15,951	15,951	15,951
<b>Financial Assets</b>	<b>6,289</b>	<b>-</b>	<b>4,614,161</b>	<b>4,620,450</b>	<b>4,582,001</b>
Financial liabilities at fair value through profit or loss					
Derivatives	6,409	-	-	6,409	6,409
Financial liabilities at amortised cost					
Deposits from customers	-	-	4,060,462	4,060,462	4,060,462
Debt securities issued	-	-	262,912	262,912	262,733
Hedging derivatives	12	-	-	12	12
Other financial derivatives	-	-	4,421	4,421	4,019
<b>Financial Liabilities</b>	<b>6,421</b>	<b>-</b>	<b>4,327,795</b>	<b>4,334,216</b>	<b>4,333,635</b>

Fair value is based on quoted market prices whenever these are available. Where such prices are not available, fair value is estimated using internal models based on discounted cash flow techniques. The cash flows of the various instruments are determined based on their respective financial characteristics, and the discount rates used incorporate both the market interest rate curve and the current risk levels of the respective issuer.

Accordingly, the fair value obtained is influenced by the parameters used in the valuation model, which inherently incorporate a degree of subjectivity, and reflects exclusively the value attributed to the different financial instruments.

The Group uses the following fair value hierarchy, comprising three levels in the valuation of financial instruments (assets or liabilities), which reflects the level of judgement, the observability of the inputs used and the significance of the parameters applied in determining the fair value measurement of the instrument, in accordance with IFRS 13:

- Level 1: Fair value is determined based on unadjusted quoted prices in active markets for identical financial instruments. Where more than one active market exists for the same financial instrument, the relevant price is that prevailing in the principal market for the instrument, or the most advantageous market to which the entity has access;
- Level 2: Fair value is determined using valuation techniques based on observable inputs in active markets, whether direct (prices, rates, spreads, etc.) or indirect (derived), and valuation assumptions

similar to those that an unrelated party would use in estimating the fair value of the same financial instrument. This category also includes instruments whose valuation is obtained through quotations provided by independent entities, but whose markets are less liquid; and,

- Level 3: Fair value is determined using inputs that are not observable in active markets, based on techniques and assumptions that market participants would use to value the same instruments, including assumptions regarding inherent risks, the valuation technique used and the inputs applied, as well as processes for reviewing the accuracy of the values obtained.

The Group considers a market to be active for a given financial instrument at the measurement date depending on the trading volume and liquidity of transactions, the relative volatility of quoted prices, and the timeliness and availability of information. For this purpose, the following minimum conditions must be met:

- Frequent daily quoted prices have been observed over the past year;
- The above-mentioned prices change regularly;
- Executable quotes are available from more than one entity.

An input used in a valuation technique is considered observable if the following conditions are met:

- Its value is determined in an active market;
- An OTC market exists and it is reasonable to assume that active market conditions are met, except for trading volume; and,
- The value of the parameter can be derived by reverse engineering the prices of financial instruments and/or derivatives, where the remaining inputs required for the initial valuation are observable in a liquid market or in an OTC market that meets the above conditions.

The following table summarises, by valuation level, the fair value of financial assets and liabilities as at 31 December 2025:

(amounts in thousands of euros)

	2025			Total
	Fair value hierarchy level			
	Level 1	Level 2	Level 3	
Cash and deposits with central banks	67,829	-	-	67,829
Deposits with other credit institutions	36,923	-	-	36,923
Financial assets at amortised cost				
Placements with credit institutions	-	-	662,941	662,941
Loans and advances to customers	-	-	2,008,184	2,008,184
Debt securities	2,027,106	-	-	2,027,106
Public sector issuers	1,592,558	-	-	1,592,558
Supranational issuers	434,549	-	-	434,549
Other issuers	-	-	-	-
Financial assets at fair value through profit or loss				
Derivatives	-	-	3,391	3,391
Financial assets at fair value through other comprehensive income				
Debt securities	52,243	-	-	52,243
Other issuers	52,243	-	-	52,243
Hedging derivatives	-	-	7,279	7,279
Other financial assets	-	-	12,819	12,819
<b>Financial Assets</b>	<b>2,184,101</b>	<b>-</b>	<b>2,694,614</b>	<b>4,878,715</b>
Financial liabilities at fair value through profit or loss				
Derivatives	-	-	5,405	5,405
Financial liabilities at amortised cost				
Deposits from customers	-	-	4,348,430	4,348,430
Debt securities issued	-	230,341	-	230,341
Hedging derivatives	-	-	1,277	1,277
Other financial liabilities	-	-	4,063	4,063
<b>Financial Liabilities</b>	<b>-</b>	<b>230,341</b>	<b>4,359,175</b>	<b>4,589,516</b>

### Sensitivity analysis

The caption Loans and advances to customers, which as at 31 December 2025 has a fair value of €2,008,184 thousand, shows a sensitivity of - € 21,146 thousand and + €21,175 thousand to a change in interest rates of - 10% and +10%, respectively.

The following table summarises, by valuation level, the fair value of financial assets and liabilities as at 31 December 2024:

(amounts in thousands of euros)

	2024			Total
	Fair value hierarchy level			
	Level 1	Level 2	Level 3	
Cash and deposits with central banks	64,826	-	-	64,826
Deposits with other credit institutions	30,918	-	-	30,918
Financial assets at amortised cost				
Placements with credit institutions	-	-	701,297	701,297
Loans and advances to customers	-	-	1,725,795	1,725,795
Debt securities	2,036,925	-	-	2,036,925
Public sector issuers	1,390,079	-	-	1,390,079
Supranational issuers	637,825	-	-	637,825
Other issuers	9,021	-	-	9,021
Financial assets at fair value through profit or loss				
Derivatives	-	-	6,283	6,283
Hedging derivatives	-	-	6	6
Other financial assets	-	-	15,951	15,951
<b>Financial Assets</b>	<b>2,132,669</b>	<b>-</b>	<b>2,449,332</b>	<b>4,582,001</b>
Financial liabilities at fair value through profit or loss				
Derivatives	-	-	6,409	6,409
Financial liabilities at amortised cost				
Deposits from customers	-	-	4,060,462	4,060,462
Debt securities issued	-	262,733	-	262,733
Hedging derivatives	-	-	12	12
Other financial derivatives	-	-	4,019	4,019
<b>Financial Liabilities</b>	<b>-</b>	<b>262,733</b>	<b>4,070,902</b>	<b>4,333,635</b>

### Sensitivity analysis

The caption Loans and advances to customers, which as at 31 December 2024 has a fair value of €1,725,795 thousand, shows a sensitivity of - € 27,894 thousand and + €27,960 thousand to a change in interest rates of -10% and +10%, respectively.

The main methodologies and assumptions used in estimating the fair value of financial assets and liabilities recognised in the balance sheet are analysed as follows:

#### Cash and deposits with central banks, deposits with other credit institutions and placements with central banks and other credit institutions

These financial instruments are very short-term in nature and, therefore, their carrying amount is a reasonable estimate of their fair value.

#### Other financial assets

Fair value is estimated based on the present value of expected future cash flows of principal and interest for these instruments.

### Loans and advances to customers

#### *Loans with defined maturity*

Fair value is calculated by discounting expected cash flows over the life of the contracts using the average rates of new production in the most recent reference month, taking into account historical prepayment rates.

#### *Loans with no defined maturity (overdrafts)*

Given the short-term nature of these instruments, the conditions of this portfolio are similar to those prevailing at the reporting date, and therefore their carrying amount is considered a reasonable estimate of their fair value.

### Financial assets at fair value through profit or loss (excluding derivatives)

These financial assets are measured at fair value. Fair value is based on market quotations.

### Financial assets at fair value through profit or loss (derivatives)

All derivatives are measured at fair value. As these are OTC (over-the-counter) derivatives, numerical models based on discounted cash flow techniques and option pricing models are applied, taking into account market variables and other inputs.

### Financial assets at fair value through other comprehensive income

The fair value of these instruments is estimated based on market quotations.

### Deposits from central banks and other credit institutions

These financial instruments are very short-term in nature and, therefore, their carrying amount is a reasonable estimate of their fair value.

### Deposits from customers

The fair value of these financial instruments is estimated based on the present value of expected future cash flows of principal and interest. The discount rate used reflects the rates applied to deposits with similar characteristics at the reporting date. Considering that applicable interest rates are renewed for periods of less than one year, there are no materially significant differences in their fair value. For deposits with no defined maturity, the carrying amount of these liabilities is considered a reasonable estimate of their fair value.

### Debt securities issued

Fair value is estimated based on the present value of expected future cash flows of principal and interest for these instruments.

## Note 32 – Risk Management

The Group is exposed to various risks in the course of its activities.

The Group's Risk Management and Internal Control Policy aims to ensure the effective implementation of the risk management system through the continuous monitoring of its adequacy and effectiveness, seeking to identify, assess, monitor and control all materially relevant risks to which the institution is exposed, both internally and externally.

In this context, particular importance is given to the monitoring and control of the main types of financial risks to which the Group's activities are exposed – namely credit risk, liquidity risk, interest rate risk, market risk and operational risk.

### Credit Risk

Credit risk reflects the degree of uncertainty in expected returns arising from the failure of a borrower or a counterparty to a contract to meet their obligations.

The Group's credit risk management includes the identification, measurement, assessment and monitoring of different credit exposures, ensuring risk management throughout the various stages of the credit lifecycle.

The monitoring and oversight of credit risk, particularly with regard to the evolution of credit exposures and the monitoring of losses, are carried out on a regular basis by the Risk Department and the Capital, Risk and Sustainability Committee.

As at 31 December 2025, the exposure related to mortgage lending (net of impairment and including off-balance sheet exposures) amounted to €962,932 thousand (€800,600 thousand as at 31 December 2024). Retail exposure, specifically in auto loans originated at the point of sale, amounted to €1,028,622 thousand (net of impairment and including off-balance sheet exposures), compared to €938,314 thousand in 2024.

The Group is also exposed to credit risk in relation to placements and deposits with other credit institutions (counterparty risk), debt securities held in its own portfolio (mainly sovereign debt issued by Euro Area countries or debt issued by supranational entities), and other portfolios of 321 Crédito which are essentially in run-off.

In order to mitigate credit risk, mortgage lending operations are secured by collateral, namely mortgages. The fair value of such collateral is determined at the time the loan is granted and is periodically reviewed. Auto loan operations are granted with retention of title, and the value of the vehicle is assessed at the time the loan is granted.

The following table presents the gross amount of loans and the corresponding fair value of collateral, limited to the amount of the related loan:

*(amounts in thousands of euros)*

	2025		2024	
	Loans and advances to customers	Fair value of collateral	Loans and advances to customers	Fair value of collateral
Mortgage loans	965,481	1,845,943	802,333	1,551,091
Auto loans	1,087,050	1,049,881	980,643	1,074,702
Credit cards	-	-	-	-
Other	5,276	5,098	5,625	34,182
<b>Total</b>	<b>2,057,807</b>	<b>2,900,922</b>	<b>1,788,601</b>	<b>2,659,975</b>

The following table presents information on the Group's exposure to credit risk, by risk class (net of impairment and including off-balance sheet exposures), as at 31 December 2025 and 31 December 2024:

*(amounts in thousands of euros)*

	2025	2024
Central governments or central banks	2,266,401	2,097,907
Regional governments or local authorities	-	-
Multilateral development banks	-	-
International organisations	434,749	637,434
Credit institutions	101,783	96,483
Corporates	16,272	10,712
Retail customers	812,935	662,772
Loans secured by real estate	974,772	811,155
Collective investment undertakings (CIUs)	-	-
Defaulted exposures	48,577	38,725
Equity exposures	-	-
Covered bonds	51,965	9,015
Other items	89,740	71,457
<b>Risk classes</b>	<b>4,797,194</b>	<b>4,435,660</b>

The breakdown of information relating to risk classes (including off-balance sheet exposures) as at 31 December 2025 and 31 December 2024 is presented as follows:

(amounts in thousands of euros)

	2025			2024		
	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
Demand deposits and placements	651,828	-	651,828	685,220	-	685,220
Other financial assets at amortised cost	1,614,722	(149)	1,614,573	1,412,784	(97)	1,412,687
<b>Central governments or central banks</b>	<b>2,266,550</b>	<b>(149)</b>	<b>2,266,401</b>	<b>2,098,004</b>	<b>(97)</b>	<b>2,097,907</b>

(amounts in thousands of euros)

	2025			2024		
	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
Other financial assets at amortised cost	-	-	-	-	-	-
<b>Multilateral development banks</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(amounts in thousands of euros)

	2025			2024		
	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
Other financial assets at amortised cost	434,767	(18)	434,749	637,440	(6)	637,434
<b>International organisations</b>	<b>434,767</b>	<b>(18)</b>	<b>434,749</b>	<b>637,440</b>	<b>(6)</b>	<b>637,434</b>

(amounts in thousands of euros)

	2025			2024		
	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
Demand deposits	25,770	-	25,770	24,676	-	24,676
Placements with credit institutions	55,911	(3)	55,908	56,941	(4)	56,937
Other	20,105	-	20,105	14,870	-	14,870
<b>Credit institutions</b>	<b>101,786</b>	<b>(3)</b>	<b>101,783</b>	<b>96,487</b>	<b>(4)</b>	<b>96,483</b>

*(amounts in thousands of euros)*

	2025			2024		
	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
Other financial assets at amortised cost	16,370	(98)	16,272	10,767	(55)	10,712
<b>Corporates</b>	<b>16,370</b>	<b>(98)</b>	<b>16,272</b>	<b>10,767</b>	<b>(55)</b>	<b>10,712</b>

*(amounts in thousands of euros)*

	2025			2024		
	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
Loans and advances to customers	822,716	(9,781)	812,935	671,722	(8,950)	662,772
<b>Retail customers</b>	<b>822,716</b>	<b>(9,781)</b>	<b>812,935</b>	<b>671,722</b>	<b>(8,950)</b>	<b>662,772</b>

*(amounts in thousands of euros)*

	2025			2024		
	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
Loans and advances to customers	976,368	(1,596)	974,772	812,287	(1,132)	811,155
<b>Loans secured by real estate</b>	<b>976,368</b>	<b>(1,596)</b>	<b>974,772</b>	<b>812,287</b>	<b>(1,132)</b>	<b>811,155</b>

*(amounts in thousands of euros)*

	2025			2024		
	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
Loans and advances to customers	85,776	(37,199)	48,577	62,656	(23,931)	38,725
<b>Defaulted exposures</b>	<b>85,776</b>	<b>(37,199)</b>	<b>48,577</b>	<b>62,656</b>	<b>(23,931)</b>	<b>38,725</b>

*(amounts in thousands of euros)*

	2025			2024		
	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
Other financial assets at fair value through other comprehensive income	51,975	(10)	51,965	-	-	-
Other financial assets at amortised cost	-	-	-	9,015	-	9,015
<b>Covered bonds</b>	<b>51,975</b>	<b>(10)</b>	<b>51,965</b>	<b>9,015</b>	<b>-</b>	<b>9,015</b>

The exposure to sovereign debt, net of impairment, of Euro Area countries is detailed as follows:

*(amounts in thousands of euros)*

	2025			2024		
	Other financial assets at fair value through other comprehensive income	Other financial assets at amortised cost	Total	Other financial assets at fair value through other comprehensive income	Other financial assets at amortised cost	Total
Portugal	-	358,660	358,660	-	179,913	179,913
Spain	-	349,399	349,399	-	385,114	385,114
Italy	-	333,064	333,064	-	100,311	100,311
France	-	304,968	304,968	-	375,888	375,888
Germany	-	-	-	-	-	-
Austria	-	-	-	-	9,909	9,909
Belgium	-	268,482	268,482	-	361,553	361,553
	-	<b>1,614,573</b>	<b>1,614,573</b>	-	<b>1,412,688</b>	<b>1,412,688</b>

The analysis of the financial assets portfolio by stages is presented as follows:

*(amounts in thousands of euros)*

	2025				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Cash and deposits with central banks and other credit institutions</b>	81,719	-	-	-	81,719
Impairment losses	-	-	-	-	-
<b>Net amount</b>	<b>81,719</b>	-	-	-	<b>81,719</b>
<b>Placements with credit institutions</b>	55,911	-	-	-	55,911
Impairment losses	(3)	-	-	-	(3)
<b>Net amount</b>	<b>55,908</b>	-	-	-	<b>55,908</b>
<b>Financial assets at amortised cost – Debt securities</b>	2,048,604	-	-	-	2,048,604
Impairment losses	(167)	-	-	-	(167)
<b>Net amount</b>	<b>2,048,437</b>	-	-	-	<b>2,048,437</b>
<b>Financial assets at amortised cost – Loans and advances to customers</b>	1,858,962	88,344	109,897	604	2,057,807
Impairment losses	(5,070)	(8,056)	(49,629)	(248)	(63,003)
<b>Net amount</b>	<b>1,853,892</b>	<b>80,288</b>	<b>60,268</b>	<b>356</b>	<b>1,994,804</b>
<b>Financial assets at fair value through other comprehensive income – Debt securities</b>	52,253	-	-	-	52,253
Impairment losses	(10)	-	-	-	(10)
<b>Net amount</b>	<b>52,243</b>	-	-	-	<b>52,243</b>

(amounts in thousands of euros)

	2024				Total
	Stage 1	Stage 2	Stage 3	POCI	
<b>Cash and deposits with central banks and other credit institutions</b>	73,262	-	-	-	73,262
Impairment losses	-	-	-	-	-
<b>Net amount</b>	<b>73,262</b>	-	-	-	<b>73,262</b>
<b>Placements with credit institutions</b>	56,941	-	-	-	56,941
Impairment losses	(5)	-	-	-	(5)
<b>Net amount</b>	<b>56,936</b>	-	-	-	<b>56,936</b>
<b>Financial assets at amortised cost – Debt securities</b>	2,059,240	-	-	-	2,059,240
Impairment losses	(103)	-	-	-	(103)
<b>Net amount</b>	<b>2,059,137</b>	-	-	-	<b>2,059,137</b>
<b>Financial assets at amortised cost – Loans and advances to customers</b>	1,617,178	85,499	85,924	778	1,789,379
Impairment losses	(4,992)	(7,883)	(33,694)	(245)	(46,814)
<b>Net amount</b>	<b>1,612,186</b>	<b>77,616</b>	<b>52,230</b>	<b>533</b>	<b>1,742,565</b>

## Liquidity Risk

Liquidity risk reflects the possibility of incurring significant losses arising from a deterioration in funding conditions (funding risk) and/or from the sale of assets at prices below market value (market liquidity risk).

At an overall level, the liquidity risk management strategy is the responsibility of the Board of Directors, which delegates to the Executive Committee, and is implemented by the Treasury and Financial Markets Department. It is based on the continuous monitoring of exposure indicators and is subject to close oversight by the Capital, Risk and Sustainability Committee.

The Capital, Risk and Sustainability Committee is responsible for controlling exposure to liquidity risk by analysing the liquidity position and assessing its compliance with applicable regulatory requirements and limits, as well as with the objectives and guidelines defined by the Group.

The assessment of the Group's liquidity risk is carried out using regulatory indicators defined by supervisory authorities, as well as other internal metrics.

As at 31 December 2025, assets and liabilities by residual and contractual maturity are analysed as follows:

(amounts in thousands of euros)

	2025						Total
	At sight	Up to 3 months	From 3 to 12 months	From 1 to 3 years	More than 3 years	Indeterminate	
<b>Assets</b>							
Cash and deposits with central banks	67,829	-	-	-	-	-	67,829
Deposits with other credit institutions	36,923	-	-	-	-	-	36,923
Financial assets at amortised cost							
Placements with credit institutions	-	654,577	8,367	-	-	-	662,944
Loans and advances to customers	2,361	49,427	131,234	339,076	1,497,299	38,410	2,057,807
Debt securities	-	643,105	598,130	280,273	527,096	-	2,048,604
Financial assets at fair value through profit or loss							
Derivatives	-	-	-	132	3,259	-	3,391
Financial assets at fair value through other comprehensive income							
Debt securities	-	459	-	15,165	36,619	-	52,243
<b>Total assets</b>	<b>107,113</b>	<b>1,347,568</b>	<b>737,731</b>	<b>634,646</b>	<b>2,064,273</b>	<b>38,410</b>	<b>4,929,741</b>
<b>Liabilities</b>							
Financial liabilities at fair value through profit or loss							
Derivatives	-	-	-	259	5,146	-	5,405
Financial liabilities at amortised cost							
Deposits from customers	2,097,013	1,093,600	883,779	274,038	-	-	4,348,430
Debt securities issued	-	345	204	-	229,066	-	229,615
<b>Total liabilities</b>	<b>2,097,013</b>	<b>1,093,945</b>	<b>883,983</b>	<b>274,297</b>	<b>234,212</b>	<b>-</b>	<b>4,583,450</b>
<b>Gap (Assets – Liabilities)</b>	<b>(1,989,900)</b>	<b>253,623</b>	<b>(146,252)</b>	<b>360,349</b>	<b>1,830,061</b>	<b>38,410</b>	<b>346,291</b>
<b>Cumulative gap</b>	<b>(1,989,900)</b>	<b>(1,736,277)</b>	<b>(1,882,529)</b>	<b>(1,522,180)</b>	<b>307,881</b>	<b>346,291</b>	

As at 31 December 2024, assets and liabilities by residual and contractual maturity are analysed as follows:

(amounts in thousands of euros)

	2024						Total
	At sight	Up to 3 months	From 3 to 12 months	From 1 to 3 years	More than 3 years	Indeterminate	
<b>Assets</b>							
Cash and deposits with central banks	64,826	-	-	-	-	-	64,826
Deposits with other credit institutions	30,918	-	-	-	-	-	30,918
Financial assets at amortised cost							
Placements with credit institutions	-	694,333	6,869	-	-	-	701,302
Loans and advances to customers	2,700	43,403	116,014	300,613	1,303,606	22,265	1,788,601
Debt securities	-	925,719	775,485	66,610	291,426	-	2,059,240
Financial assets at fair value through profit or loss							
Derivatives	-	-	-	-	6,283	-	6,283
<b>Total assets</b>	<b>98,444</b>	<b>1,663,555</b>	<b>898,368</b>	<b>367,223</b>	<b>1,601,315</b>	<b>22,265</b>	<b>4,651,170</b>
<b>Liabilities</b>							
Financial liabilities at fair value through profit or loss							
Derivatives	-	-	-	-	6,409	-	6,409
Financial liabilities at amortised cost							
Deposits from customers	1,856,266	1,001,503	1,202,693	-	-	-	4,060,462
Debt securities issued	-	251	19	-	262,642	-	262,912
<b>Total liabilities</b>	<b>1,856,266</b>	<b>1,001,754</b>	<b>1,202,712</b>	<b>-</b>	<b>269,051</b>	<b>-</b>	<b>4,329,783</b>
<b>Gap (Assets – Liabilities)</b>	<b>(1,757,822)</b>	<b>661,801</b>	<b>(304,344)</b>	<b>367,223</b>	<b>1,332,264</b>	<b>22,265</b>	<b>321,387</b>
<b>Cumulative gap</b>	<b>(1,757,822)</b>	<b>(1,096,021)</b>	<b>(1,400,365)</b>	<b>(1,033,142)</b>	<b>299,122</b>	<b>321,387</b>	

Additionally, as part of the periodic monitoring of its liquidity position, the Group calculates the liquidity mismatch under the Additional Liquidity Monitoring Metrics (ALMM), in accordance with the amendments introduced in 2018 to Commission Regulation (EU) No 680/2014.

The ALMM takes into account all contractual outflows and inflows and uses a maturity ladder that allows the Group to assess the existence of any liquidity mismatch, as well as its capacity to offset a potential liquidity mismatch.

The liquidity mismatch is calculated across various time buckets, ranging from overnight to over five years, taking into account on-balance sheet and off-balance sheet positions with expected and estimated cash flows, which are allocated according to their respective residual maturities or the expected timing of cash inflows and outflows.

As at 31 December 2025, the ALMM shows a positive liquidity mismatch (difference between contractual outflows and inflows) of €922,236 thousand.

## Interest Rate Risk

Interest rate risk relates to losses arising from the impact of fluctuations in interest rates on balance sheet or off-balance sheet items that are sensitive to such changes.

As at 31 December 2025, one of the main tools used to monitor interest rate risk in the banking book is based on Banco de Portugal Instruction no. 10/2024, which repeals Instruction no. 34/2018 and establishes the adoption of standardised methodologies and assumptions set out in Commission Delegated Regulation (EU) 2024/857 and Commission Delegated Regulation (EU) 2024/856.

This model groups interest rate-sensitive assets and liabilities according to their maturity dates or next repricing dates, where applicable, from which a potential impact on economic value is calculated.

(amounts in thousands of euros)

	2025					
	Up to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years	Sensitive amounts
<b>Assets</b>	<b>1,766,729</b>	<b>547,958</b>	<b>705,392</b>	<b>1,311,234</b>	<b>599,526</b>	<b>4,930,839</b>
Central bank & cash balances	688,788	-	-	-	-	688,788
Loans and advances to customers	438,186	241,442	393,300	736,496	248,737	2,058,161
Debt securities	639,755	306,516	312,092	574,738	350,789	2,183,890
<b>Liabilities</b>	<b>1,727,672</b>	<b>651,447</b>	<b>520,967</b>	<b>1,274,375</b>	<b>512,972</b>	<b>4,687,433</b>
Debt securities issued	92,405	9,374	26,550	105,778	-	234,107
Deposits with no defined maturity	508,934	84,234	168,081	896,950	512,972	2,171,171
Term deposits	1,126,333	557,839	326,336	271,647	-	2,282,155
<b>Off-balance sheet items</b>	<b>(101,759)</b>	<b>225,408</b>	<b>18,635</b>	<b>23,316</b>	<b>(151,000)</b>	<b>14,600</b>
<b>Total</b>	<b>(62,702)</b>	<b>121,919</b>	<b>203,060</b>	<b>60,175</b>	<b>(64,446)</b>	<b>258,006</b>

*(amounts in thousands of euros)*

	2024					
	Up to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years	Sensitive amounts
<b>Assets</b>	<b>1,928,689</b>	<b>727,222</b>	<b>627,338</b>	<b>913,174</b>	<b>421,392</b>	<b>4,618,355</b>
Central bank & cash balances	716,195	-	-	-	-	716,195
Loans and advances to customers	285,636	168,674	397,004	748,184	203,164	1,802,662
Debt securities	926,858	558,548	230,334	164,990	218,768	2,099,498
<b>Liabilities</b>	<b>1,560,387</b>	<b>871,589</b>	<b>674,036</b>	<b>897,349</b>	<b>405,649</b>	<b>4,409,010</b>
Sebt securities issued	134,641	11,229	20,402	100,961	-	267,233
Deposits with no defined maturity	413,602	98,723	196,988	796,388	405,649	1,911,350
Term deposits	1,012,144	761,637	456,646	-	-	2,230,427
<b>Off-balance sheet items</b>	<b>(138,252)</b>	<b>53,469</b>	<b>24,828</b>	<b>100,699</b>	<b>2,393</b>	<b>43,137</b>
<b>Total</b>	<b>230,050</b>	<b>(90,898)</b>	<b>(21,870)</b>	<b>116,524</b>	<b>18,676</b>	<b>252,482</b>

The economic value is calculated as the sum of discounted cash flows brought to present value. The discounting is based on a risk-free interest rate curve not subject to any type of shock.

As at 31 December 2025, the impact on economic value of an increase in short-term interest rates of +250 basis points amounted to - €3,946 thousand, representing the most adverse scenario among the shocks required by the regulator (in 2024, the impact of an instantaneous and parallel shift of +200 basis points, then the most adverse scenario, amounted to - €8,797 thousand).

The results of the Supervisory Outlier Test, reflecting the impact of each of the six regulatory shocks on the Group's economic value in 2025 and 2024, were as follows:

*(amounts in thousands of euros)*

Change in economic value under a given shock scenario	Impact on own funds	
	2025	2024
Scenario		
Parallel upward shift of the yield curve	(2,816)	(8,797)
Parallel downward shift of the yield curve	(3,921)	5,367
Steepening of the yield curve	962	(2,987)
Flattening of the yield curve	(2,985)	564
Increase in short-term interest rates	(3,946)	(1,379)
Decrease in short-term interest rates	3,209	942

The main assumptions used in 2024 in the Group's analyses were as follows:

- For demand deposits: 18.46% on demand, 81.54% distributed non-linearly over 10 years, resulting in a duration of 2.7 years;
- Savings accounts: 30.00% on demand, 70.00% distributed non-linearly over 10 years, resulting in a duration of 2.2 years;
- Change in the annual prepayment rate for mortgage loans from 10% to 12.5%, distributed proportionally over 12 months;
- The annual prepayment rate for auto loans and the annual early withdrawal rate for term deposits remained unchanged at 9% and 1.27%, respectively.

For 2025, these assumptions were revised as part of the annual review, resulting in the following:

- For demand deposits: 16.95% on demand, 83.05% distributed non-linearly over 10 years, resulting in a duration of 2.93 years;
- Savings accounts: 30.00% on demand, 70.00% distributed non-linearly over 10 years, resulting in a duration of 2.96 years;
- Change in the annual prepayment rate for mortgage loans from 12.5% to 10%, distributed proportionally over 12 months;
- Change in the annual early withdrawal rate for term deposits from 1.27% to 10%, distributed proportionally over 12 months;
- The annual prepayment rate for auto loans remained unchanged at 9%.

Additionally, the Group monitors the impact of changes in market interest rates on net interest income over a 12-month horizon. This analysis considers all on-balance sheet and off-balance sheet items that are sensitive to interest rate changes.

The calculation is based on the repricing characteristics and maturities of instruments, taking into account behavioural models and interest rate pass-through coefficients (betas).

All else being equal, a positive change in market interest rates of 200 basis points, as at 31 December 2025 on a consolidated basis, would result in an increase of €1,863 thousand in net interest income (2024: increase of €4,214 thousand), while a negative change in market interest rates of 200 basis points over the same period would result in a decrease of €8,545 thousand (2024: decrease of €9,621 thousand).

The asymmetry observed between the two impacts in 2025 and 2024 is largely explained by the behavioural assumptions applied in modelling non-maturity deposits, namely the different interest rate pass-through coefficients assumed for rising and falling interest rate scenarios.

<i>(amounts in thousands of euros)</i>		
Change in net interest income under a given shock scenario	Impact on own funds	
Scenario	2025	2024
Net interest income – parallel upward shock (+200 bps)	1,863	4,214
Net interest income – parallel downward shock (-200 bps)	(8,545)	(9,621)

## Market Risk

Market risk generally represents the potential loss resulting from an adverse change in the value of a financial instrument due to fluctuations in interest rates, foreign exchange rates, equity prices, commodity prices, or real estate prices, as well as volatility and credit spreads.

The Group does not have a trading portfolio, and its entire portfolio of debt securities is measured at amortised cost. Therefore, the main risk arising from its investments is credit risk rather than market risk.

## Operational Risk

Given the nature of its activities, the Group is exposed to potential losses or reputational risk as a result of human error, system and/or processing failures, unexpected business interruptions, or failures by third parties in terms of supply or service execution.

The approach to operational risk management is supported by an end-to-end process framework, ensuring the effective adequacy of controls involving the functional units participating in each process. The Group identifies and assesses risks and controls within its processes, ensuring their compliance with the requirements and principles of the Internal Control System.

### Encumbered Assets

In accordance with Banco de Portugal Instruction no. 28/2014, which implements the European Banking Authority (EBA) Guidelines on the disclosure of encumbered and unencumbered assets (EBA/GL/2014/03), and taking into account the recommendation issued by the European Systemic Risk Board, the following information is presented regarding assets and collateral:

*(amounts in thousands of euros)*

	2025			
	Encumbered assets		Unencumbered assets	
	Carrying amount	Fair value	Carrying amount	Fair value
Equity instruments	-	-	-	-
Debt securities	55,294	55,395	2,045,386	2,046,160
Other assets	193,900	n/a	2,711,644	n/a
	<b>249,194</b>		<b>4,757,030</b>	

*(amounts in thousands of euros)*

	2024			
	Encumbered assets		Unencumbered assets	
	Carrying amount	Fair value	Carrying amount	Fair value
Equity instruments	-	-	-	-
Debt securities	55,584	55,839	2,003,552	1,971,962
Other assets	272,205	n/a	2,396,184	n/a
	<b>327,789</b>		<b>4,399,736</b>	

*(amounts in thousands of euros)*

	Fair value of encumbered collateral received or own debt securities issued		Fair value of collateral received or own debt securities issued available for encumbrance	
	2025	2024	2025	2024
	<b>Collateral received</b>	<b>953,413</b>	<b>961,170</b>	<b>1,951,948</b>
Debt securities	-	-	-	-
Other collateral received	953,413	961,170	1,951,948	1,673,201
<b>Own debt securities issued other than own covered bonds or ABS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(amounts in thousands of euros)

	Carrying amount of selected financial liabilities	
	2025	2024
Associated liabilities, contingent liabilities and securities lent	-	-
Assets, collateral received and own debt securities issued other than own covered bonds or ABS encumbered	12,090	15,220

Encumbered assets are mainly related to collateral provided to the central bank (debt securities) and to the amount of securitised contracts under securitisation transactions (other assets). Encumbered collateral received mainly relates to the collateral of securitised contracts under securitisation transactions.

Collateral received available for encumbrance mainly relates to collateral received in non-securitised lending operations, namely mortgage loans and auto loans.

Of the total unencumbered other assets amounting to €2,711,644 thousand (2024: €2,396,184 thousand), approximately 4% (2024: 4%) relate to non-encumberable items (other tangible assets, intangible assets, current and deferred tax assets).

### Note 33 – Capital Management and Solvency Ratio

The main objective of capital management is to ensure compliance with the Group's strategic objectives regarding capital adequacy, while meeting and enforcing the minimum own funds requirements defined by supervisory authorities.

The Group used, for the calculation of capital requirements, the standardised approach for credit and counterparty risks and the basic indicator approach for operational risk.

Own funds, calculated in accordance with Directive 2013/36/EU and Regulation (EU) No. 575/2013 of the European Parliament and of the Council, and Banco de Portugal Notice no. 10/2017, include Tier 1 capital and Tier 2 capital. Tier 1 capital comprises Common Equity Tier 1 (CET1) and Additional Tier 1 capital.

The Group's Common Equity Tier 1 includes: (i) paid-up share capital, reserves and retained earnings; (ii) regulatory deductions related to intangible assets, goodwill, insufficient coverage of non-performing exposures and losses for the current financial year; and (iii) prudential filters. The Group does not have Additional Tier 1 capital or Tier 2 capital.

The legislation in force provides for a transition period between own funds requirements calculated under national legislation and those calculated under European legislation, in order to phase out the inclusion/exclusion of elements previously considered (phased-out) and to phase in the inclusion/deduction of new elements (phased-in).

At the prudential level, institutions are required to report Common Equity Tier 1, Tier 1 and Total Capital ratios of no less than 7%, 8.5% and 10.5%, respectively, already including a capital conservation buffer of 2.5% and a countercyclical buffer of, in the case of the Group, 0%. For 2025, the regulatory requirements defined under the

SREP (Supervisory Review and Evaluation Process) were 8.69%, 10.75% and 13.50% for the Common Equity Tier 1, Tier 1 and Total Capital ratios, respectively. These requirements will be adjusted to 9.44%, 11.5% and 14.25%, respectively, from 1 January 2026, with the entry into force of a 0.75% countercyclical buffer (CCyB). Following communication from the Regulator, within the scope of the periodic SREP assessment, from April 2026 onwards, the requirements are adjusted to 9.38%, 11.43% and 14.15% for the Common Equity Tier 1, Tier 1 and Total Capital ratios, respectively.

Banco de Portugal Notice no. 10/2017 established the transitional regime provided for in the CRR with regard to own funds, namely concerning deductions related to deferred tax assets generated prior to 2014 and subordinated debt and non-eligible hybrid instruments, both of which are not applicable to Banco CTT.

With the introduction of IFRS 9, the Bank opted to recognise gradually the impacts of the static component in accordance with Article 473a of the CRR.

As at 31 December 2025 and 31 December 2024, the Group reported the following capital ratios, calculated in accordance with the transitional provisions set out in the CRR:

(amounts in thousands of euros)

OWN FUNDS	2025		2024		Notes
	CRR Phased-in	CRR Fully Implemented	CRR Phased-in	CRR Fully Implemented	
<b>Share capital</b>	<b>321,400</b>	<b>321,400</b>	<b>321,400</b>	<b>321,400</b>	27
<b>Retained earnings</b>	<b>(12,820)</b>	<b>(12,820)</b>	<b>(30,868)</b>	<b>(30,868)</b>	28
<b>Legal reserves</b>	<b>6,830</b>	<b>6,830</b>	<b>4,830</b>	<b>4,830</b>	
<b>Eligible earnings<sup>(1)</sup></b>	<b>20,765</b>	<b>20,765</b>	<b>20,048</b>	<b>20,048</b>	
<b>Other reserves</b>	<b>494</b>	<b>494</b>	<b>360</b>	<b>360</b>	
<b>Prudential filters</b>	<b>(33)</b>	<b>(33)</b>	<b>(11)</b>	<b>(11)</b>	28
Fair value reserves <sup>(2)</sup>	27	27	-	-	
Additional valuation adjustment (AVA) <sup>(3)</sup>	(60)	(60)	(11)	(11)	
<b>Deductions from Common Equity Tier 1 capital</b>	<b>(78,397)</b>	<b>(78,397)</b>	<b>(74,088)</b>	<b>(74,088)</b>	
Losses for the current period	-	-	-	-	
Intangible assets	(15,720)	(15,720)	(14,454)	(14,454)	20
Goodwill	(60,679)	(60,679)	(60,679)	(60,679)	20
IFRS 9 adoption	(695)	(695)	1,245	(695)	
Insufficient coverage of NPLs	(1,301)	(1,301)	(198)	(198)	
Securitisation deduction (1250%)	(2)	(2)	(2)	(2)	
<b>Items not deducted from own funds pursuant to Article 437 of the CRR</b>	<b>1,818</b>	<b>1,818</b>	<b>1,695</b>	<b>1,695</b>	
Deferred tax assets	1,818	1,818	1,695	1,695	
<b>Common Equity Tier 1 capital (CET1)</b>	<b>258,239</b>	<b>258,239</b>	<b>241,671</b>	<b>239,731</b>	
<b>Tier 1 capital</b>	<b>258,239</b>	<b>258,239</b>	<b>241,671</b>	<b>239,731</b>	
<b>Total capital</b>	<b>258,239</b>	<b>258,239</b>	<b>241,671</b>	<b>239,731</b>	
<b>RWA</b>	<b>1,189,543</b>	<b>1,189,543</b>	<b>1,131,228</b>	<b>1,129,948</b>	
Credit risk	1,010,588	1,010,588	892,183	892,183	
Operational risk	173,392	173,392	219,138	219,138	
Market risk	-	-	-	-	
CVA	5,563	5,563	19,907	19,907	
IFRS 9 adjustments	-	-	-	(1,280)	
<b>CAPITAL RATIOS</b>					
Common Equity Tier 1 ratio	21.7%	21.7%	21.4%	21.2%	
Tier 1 ratio	21.7%	21.7%	21.4%	21.2%	
Total capital ratio	21.7%	21.7%	21.4%	21.2%	

(1) Includes net income for the year in 2024 and 2025.

(2) Fair value reserve relating to gains or losses on financial assets measured at fair value.

(3) Additional valuation adjustments required to adjust assets and liabilities measured at fair value.

## Note 34 – Employee Benefits

As referred to in Note 2.14, the Group, through 321 Crédito, has undertaken, within the scope of the Collective Labour Agreement of the banking sector (ACT), published in the Boletim do Trabalho e Emprego No. 38/2017 of 15 October, the following commitments regarding the payment of the benefits described below:

### Benefits

#### **Career Award**

The Career Award is established in Clause 69 of the ACT, the first and second paragraphs of which state that, upon retirement due to disability or old age, the employee is entitled to a bonus equal to 1.5 times the monthly salary in effect at that date. In the event of death while in service, a bonus calculated in accordance with paragraph 1, based on the monthly salary at the date of death, shall be paid.

#### **Death Benefit Resulting from a Work Accident**

In the event of the death of a participant resulting from a work accident, a lump-sum payment – death benefit – shall be paid in accordance with Clause 72 of the aforementioned ACT.

#### **Post-Retirement Medical Benefits (SAMS)**

Medical care is provided by the Medical and Social Assistance Service (SAMS), whose post-retirement costs for the member are defined in Clause 92 of the ACT referred to above.

For calculation purposes, the values set out in Annex III of the ACT are considered, including the salary table growth rate.

321 Crédito is responsible for the payment of the aforementioned costs for all its employees upon retirement, as well as for survivor pension beneficiaries.

For the purpose of calculating years of service, the employee's seniority date within the Group is considered.

### Actuarial Assumptions

To estimate liabilities and the expense to be recognised in each period, an actuarial study is prepared annually by an independent entity, based on the Projected Unit Credit method, and using assumptions considered appropriate and reasonable. Actuarial valuations were performed as at 31 December 2025 and 2024.

The main actuarial assumptions used in the calculation of liabilities are as follows:

(amounts in thousands of euros)

	2025	2024
<b>Financial assumptions</b>		
Discount rate	4.10%	3.60%
Salary growth rate (including career progression)	1.25%	1.25%
Medical inflation rate	1.00%	1.00%
<b>Demographic assumptions</b>		
Work accident mortality rate	0.000035	0.000035
Mortality table	Men: TV 88 / 91 Women: TV 88 / 90 (-1)	Men: TV 88 / 90 Women: TV 88 / 90 (-1)
Disability table	Swiss RE	Swiss RE
Retirement age	67*	67*

\* The normal retirement age is determined in accordance with Decree-Law no. 167-E/2013, of 31 December, and based on the projections of the latest Ageing Report issued by the European Commission. This implies that the estimated life expectancy will increase by one year per decade.

The discount rate is estimated based on interest rates of high-quality corporate bonds ("AA" or equivalent) at the balance sheet date and with a duration consistent with that of the healthcare obligations.

The discount rate is determined based on the Group's analysis of macroeconomic developments and the ongoing need to align actuarial and financial assumptions with that environment.

In 2025, the rate was adjusted to 4.10% (3.60% in 2024), reflecting the increase in market interest rates for this type of benefit and expectations regarding inflation trends.

Demographic assumptions are based on mortality and disability tables considered appropriate for the actuarial valuation of this plan.

## Obligations

The movement in the Group's obligations relating to healthcare and other post-employment benefits for the years ended 31 December 2025 and 2024 is presented below:

*(amounts in thousands of euros)*

	2025			2024		
	Healthcare – SAMS	Other post-employment benefits	Total	Healthcare – SAMS	Other post-employment benefits	Total
<b>Opening balance</b>	<b>1,167</b>	<b>212</b>	<b>1,379</b>	<b>1,054</b>	<b>191</b>	<b>1,245</b>
Current service cost	84	14	98	81	14	95
Interest cost	42	7	49	38	7	45
Benefits paid	(1)	-	(1)	(1)	-	(1)
Actuarial gains and losses for the period	(152)	(14)	(166)	(5)	-	(5)
<b>Closing balance</b>	<b>1,140</b>	<b>219</b>	<b>1,359</b>	<b>1,167</b>	<b>212</b>	<b>1,379</b>

For the years ended 31 December 2025 and 2024, employee benefits expenses recognised in the consolidated income statement and actuarial gains and losses recognised in the balance sheet under "Other changes in equity" were as follows:

*(amounts in thousands of euros)*

	2025	2024
Healthcare – SAMS	125	118
Other post-employment benefits	7	21
<b>Expenses for the period recognised in the income statement</b>	<b>132</b>	<b>139</b>
Healthcare – SAMS	(152)	(5)
Other post-employment benefits	-	-
<b>Actuarial gains and losses recognised in equity under "Other changes in equity"</b> <i>(before deferred tax effect)</i>	<b>(152)</b>	<b>(5)</b>
<b>Change in obligations</b>	<b>(20)</b>	<b>134</b>

The average duration of the obligations relating to healthcare (SAMS) and other employee benefits is approximately 18.97 years (2024: 20.16 years).

## Sensitivity Analysis

The sensitivity analysis to changes in assumptions, in accordance with IAS 19, is as follows:

### Discount rate

*(amounts in thousands of euros)*

2025	Discount rate		Δ	
	4.10%	4.35%	Value	%
<b>Obligations</b>	<b>1,359</b>	<b>1,298</b>	<b>(61)</b>	<b>-4.5%</b>

*(amounts in thousands of euros)*

2024	Discount rate		Δ	
	3.60%	3.85%	Value	%
<b>Obligations</b>	<b>1,379</b>	<b>1,312</b>	<b>(67)</b>	<b>-4.9%</b>

The analysis above shows that an increase of 25 basis points in the discount rate, with all other assumptions remaining constant, may result in a reduction in obligations for past service of approximately 4.5% (2024: -4.9%).

Conversely, a decrease of 25 basis points in the discount rate may result in an increase in obligations for past service of approximately 4.7% (2024: +5.0%).

### Mortality Table

A sensitivity analysis was also performed to measure the impact on obligations of changes in the mortality table, considering the TV 73/77 (-2) table for men and the TV 88/90 (-3) table for women. This change may result in an increase in obligations for past service of approximately 1.5% (2024: +1.5%), increasing to €1,379 thousand (2024: €1,400 thousand).

*(amounts in thousands of euros)*

2025	Mortality table		Δ	
	Men: TV 88/91 Women: TV 88/90 (-1)	Men: TV 73/77 (-2) Women: TV 88/90 (-3)	Value	%
<b>Obligations</b>	<b>1,359</b>	<b>1,379</b>	<b>20</b>	<b>1.5%</b>

*(amounts in thousands of euros)*

2024	Mortality table		Δ	
	Men: TV 88/90 Women: TV 88/90 (-1)	Men: TV 73/77 (-2) Women: TV 88/90 (-3)	Value	%
<b>Obligations</b>	<b>1,379</b>	<b>1,400</b>	<b>21</b>	<b>1.5%</b>

## Note 35 – Securitisation of Assets

As at 31 December 2025 and 2024, the Group had the following securitisation transactions outstanding:

(amounts in thousands of euros)

2025						
Issue	Securitised asset	Issue date	Maturity date	Initial loan amount	Initial retained interest	Current loan amount
Chaves Funding No.8	Consumer credit	Nov 2019	Nov 2024	310,200	16,025	729,192
Ulisses Finance No.2	Consumer credit	Sep 2021	Sep 2038	250,000	1,500	88,416
Ulisses Finance No.3	Consumer credit	Jun 2022	Jun 2039	200,000	1,800	97,744
				<b>760,500</b>	<b>19,325</b>	<b>915,352</b>

(amounts in thousands of euros)

2024						
Issue	Securitised asset	Issue date	Maturity date	Initial loan amount	Initial retained interest	Current loan amount
Chaves Funding No.8	Consumer credit	Nov 2019	Nov 2024	310,200	16,025	556,478
Ulisses Finance No.2	Consumer credit	Sep 2021	Sep 2038	250,000	1,500	126,254
Ulisses Finance No.3	Consumer credit	Jun 2022	Jun 2039	200,000	1,800	133,196
				<b>760,500</b>	<b>19,325</b>	<b>815,928</b>

### Chaves Funding No.8

This private securitisation transaction was issued in November 2019 by Tagus – Sociedade de Titularização de Créditos, S.A. and included a consumer credit portfolio originated by 321 Crédito. The transaction was structured with the support of the law firm PLMJ. The structure of the transaction includes a Class A and a Class B tranche, both of which are fully held by the Group.

This transaction includes an optional early amortisation clause that allows the Issuer to redeem all classes of notes when the residual value of the receivables represents 10% or less of the value of the credit portfolio at the inception date of the securitisation transaction.

The underlying assets of the Chaves Funding No.8 transaction were not derecognised from the Statement of Financial Position, as the Group has retained substantially all the risks and rewards associated with their ownership.

### Ulisses Finance No.2

This securitisation transaction was established in September 2021 and issued by Tagus – Sociedade de Titularização de Créditos, S.A., and forms part of a public credit securitisation programme (Ulisses), with the Ulisses Finance No.2 transaction placed in the market. The transaction was structured with the support of the law firm PLMJ and Deutsche Bank, and included a consumer credit portfolio originated by 321 Crédito, with an initial total amount of €250,000 thousand, maintained over a 12-month revolving period.

The transaction structure includes six collateralised tranches from A to F, as well as tranches G and Z. All tranches are placed in the capital markets, except for the Z tranche, which had an initial amount of €1.5 million and had a value of €1,000 as at 31 December 2024.

This transaction obtained credit ratings from DBRS and Moody's for the tranches placed in the market, namely tranches A to G.

The Ulisses Finance No.2 transaction qualifies as STS (Simple, Transparent and Standardised).

### Ulisses Finance No.3

This securitisation transaction was established in June 2022 and issued by Tagus – Sociedade de Titularização de Créditos, S.A., and forms part of a public credit securitisation programme (Ulisses), with the Ulisses Finance No.3 transaction placed in the market. The transaction was structured with the support of the law firm VdA – Vieira de Almeida and Deutsche Bank, and included a consumer credit portfolio originated by 321 Crédito, with an initial total amount of €200,000 thousand, maintained over a 12-month revolving period.

The transaction structure includes six collateralised tranches from A to F, as well as tranches G and Z. All tranches are placed in the capital markets, except for the Z tranche, which had an initial amount of €1.8 million.

This transaction obtained credit ratings from DBRS and Moody's for the tranches placed in the market, namely tranches A to G.

The Ulisses Finance No.3 transaction qualifies as STS (Simple, Transparent and Standardised).

For capital ratio calculation purposes, as the Ulisses Finance No.3 transaction complies with Article 244(1)(b) of Regulation (EU) No 575/2013 (full capital deduction), the Group reduced its risk-weighted assets in respect of the securitised exposures under this transaction.

The transaction includes an interest rate swap as a mechanism to mitigate interest rate risk for the transaction and its investors, including the Group. This swap was not entered into directly by the Group but by the issuer of the securitisation transaction (Tagus – STC, S.A.). The Group also holds a back-to-back interest rate swap.

The underlying assets of the Ulisses Finance No.3 transaction were not derecognised from the Statement of Financial Position, as the Group has retained substantially all the risks and rewards associated with their ownership.

The main characteristics of these transactions, as at 31 December 2025 and 2024, are described as follows:

(amounts in thousands of euros)

	2025											
	Nominal amount		Maturity date	Remuneration	Initial rating				Rating as at Dec-25			
	Initial	Current			Fitch	Moody's	S&P	DBRS	Fitch	Moody's	S&P	DBRS
<b>Chaves Funding No.8</b>												
Class A	294,975	649,193	Nov 2024	SWAP Rate + 90 bps	-	-	-	-	-	-	-	-
Class B	16,025	75,051	Nov 2024	-	-	-	-	-	-	-	-	-
<b>Ulisses Finance No.2</b>												
Class A	203,700	67,172	Sep 2038	Euribor 1M + 70 bps	-	Aa3	-	AA(low)	-	Aaa (sf)	-	AA (high)(sf)
Class B	10,000	3,298	Sep 2038	Euribor 1M + 80 bps	-	A2	-	A(low)	-	Aa2 (sf)	-	AA(sf)
Class C	20,000	6,595	Sep 2038	Euribor 1M + 135 bps	-	Baa2	-	BBB(low)	-	A3 (sf)	-	BBB(high)(sf)
Class D	11,300	3,726	Sep 2038	Euribor 1M + 285 bps	-	Ba2	-	BB(low)	-	Ba1 (sf)	-	BB(high)(sf)
Class E	3,700	1,220	Sep 2038	Euribor 1M + 368 bps	-	B1	-	B(low)	-	Ba3 (sf)	-	B(high)(sf)
Class F	1,300	429	Sep 2038	Euribor 1M + 549 bps	-	-	-	-	-	-	-	-
Class G	1,500	-	Sep 2038	Euribor 1M + 500 bps	-	-	-	-	-	-	-	-
Class Z	1,500	1	Sep 2038	Euribor 1M + 600 bps	-	-	-	-	-	-	-	-
<b>Ulisses Finance No.3</b>												
Class A	168,000	77,258	Jun 2039	Euribor 1M + 90 bps	-	Aa2	-	AA	-	Aaa (sf)	-	AA(sf)
Class B	8,000	3,679	Jun 2039	Euribor 1M + 200 bps	-	A1	-	A(high)	-	Aa1 (sf)	-	A(high)(sf)
Class C	12,000	5,518	Jun 2039	Euribor 1M + 370 bps	-	Baa1	-	BBB	-	A2 (sf)	-	BBB(sf)
Class D	6,000	2,759	Jun 2039	Euribor 1M + 525 bps	-	Ba1	-	BB	-	Baa3 (sf)	-	BB(sf)
Class E	5,000	2,299	Jun 2039	Euribor 1M + 650 bps	-	Ba3	-	B	-	Ba2 (sf)	-	B(sf)
Class F	1,000	460	Jun 2039	Euribor 1M + 850 bps	-	B1	-	B(low)	-	Ba3 (sf)	-	B(low)(sf)
Class G	1,500	-	Jun 2039	Euribor 1M + 785 bps	-	-	-	-	-	-	-	-
Class Z	1,800	1	Jun 2039	Euribor 1M + 750 bps	-	-	-	-	-	-	-	-
	<b>767,300</b>	<b>898,659</b>										

(amounts in thousands of euros)

	2024											
	Nominal amount		Maturity date	Remuneration	Initial rating				Rating as at Dec-24			
	Initial	Current			Fitch	Moody's	S&P	DBRS	Fitch	Moody's	S&P	DBRS
<b>Chaves Funding No.8</b>												
Class A	294,975	501,603	Nov 2024	SWAP Rate + 90 bps	-	-	-	-	-	-	-	-
Class B	16,025	57,352	Nov 2024	-	-	-	-	-	-	-	-	-
<b>Ulisses Finance No.2</b>												
Class A	203,700	99,581	Sep 2038	Euribor 1M + 70 bps	-	Aa3	-	AA(low)	-	Aaa (sf)	-	AA(sf)
Class B	10,000	4,889	Sep 2038	Euribor 1M + 80 bps	-	A2	-	A(low)	-	Aa2 (sf)	-	A(high)(sf)
Class C	20,000	9,777	Sep 2038	Euribor 1M + 135 bps	-	Baa2	-	BBB(low)	-	A3 (sf)	-	BBB(low)(sf)
Class D	11,300	5,524	Sep 2038	Euribor 1M + 285 bps	-	Ba2	-	BB(low)	-	Ba1 (sf)	-	BB(low)(sf)
Class E	3,700	1,809	Sep 2038	Euribor 1M + 368 bps	-	B1	-	B(low)	-	Ba3 (sf)	-	B(low)(sf)
Class F	1,300	636	Sep 2038	Euribor 1M + 549 bps	-	-	-	-	-	-	-	-
Class G	1,500	-	Sep 2038	Euribor 1M + 500 bps	-	-	-	-	-	-	-	-
Class Z	1,500	1	Sep 2038	Euribor 1M + 600 bps	-	-	-	-	-	-	-	-
<b>Ulisses Finance No.3</b>												
Class A	168,000	109,546	Jun 2039	Euribor 1M + 90 bps	-	Aa2	-	AA	-	Aaa (sf)	-	AA
Class B	8,000	5,216	Jun 2039	Euribor 1M + 200 bps	-	A1	-	A(high)	-	Aa1 (sf)	-	A(high)(sf)
Class C	12,000	7,825	Jun 2039	Euribor 1M + 370 bps	-	Baa1	-	BBB	-	A2 (sf)	-	BBB
Class D	6,000	3,912	Jun 2039	Euribor 1M + 525 bps	-	Ba1	-	BB	-	Baa3 (sf)	-	BB
Class E	5,000	3,260	Jun 2039	Euribor 1M + 650 bps	-	Ba3	-	B	-	Ba2 (sf)	-	B
Class F	1,000	652	Jun 2039	Euribor 1M + 850 bps	-	B1	-	B(low)	-	Ba3 (sf)	-	B(low)
Class G	1,500	-	Jun 2039	Euribor 1M + 785 bps	-	-	-	-	-	-	-	-
Class Z	1,800	1	Jun 2039	Euribor 1M + 750 bps	-	-	-	-	-	-	-	-
	<b>767,300</b>	<b>811,584</b>										

## Note 36 – Insurance and Reinsurance Intermediation Services

As at 31 December 2025 and 2024, the fees arising from the provision of insurance and reinsurance intermediation services are composed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Life business	9,937	7,980
Non-life business	1,337	963
	<b>11,274</b>	<b>8,943</b>

Amounts receivable and payable related to insurance intermediation activities are presented as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Amounts receivable	854	1,594
Amounts payable	700	516

## Note 37 – Standards, Interpretations, Amendments and Revisions Effective in the Period

The following standards, interpretations, amendments and revisions endorsed by the European Union became effective for the first time for the financial year beginning on 1 January 2025:

### Amendments to IAS 21– Lack of Exchangeability

Effective for annual periods beginning on or after 1 January 2025, these amendments clarify the criteria for determining when a currency is exchangeable into another currency and provide guidance on determining the spot exchange rate when such exchangeability does not exist, including additional disclosure requirements regarding the impacts on financial position, financial performance and cash flows.

These amendments are applied prospectively, and comparative information has not been restated.

These standards and amendments did not have a material impact on the consolidated financial statements of the Banco CTT Group.

## Note 38 – Standards, Interpretations, Amendments and Revisions Not Yet Effective

The following standards, interpretations, amendments and revisions, with mandatory application in future financial periods, had, as at the date of approval of these financial statements, been endorsed by the European Union:

### Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

Effective for annual periods beginning on or after 1 January 2026, these amendments clarify the timing of derecognition of financial liabilities, the assessment of the contractual cash flow characteristics of financial assets that include contingent features, namely those related to ESG factors, as well as the treatment of non-recourse assets, also introducing additional disclosure requirements.

### Annual Improvements to IFRS – Volume 11

Effective for annual periods beginning on or after 1 January 2026, these introduce narrow-scope amendments and clarifications to several standards, including IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7, with the objective of eliminating inconsistencies and improving wording, without changing the underlying principles.

### Amendments to IFRS 9 and IFRS 7 – Nature-dependent Electricity Contracts

Effective for annual periods beginning on or after 1 January 2026, these update the requirements of the 'own-use' exception applicable to contracts referencing electricity dependent on natural conditions, allow the designation of variable volumes as hedged items in cash flow hedge relationships and introduce specific disclosure requirements.

### IFRS 18 – Presentation and Disclosure in Financial Statements

Effective for annual periods beginning on or after 1 January 2027, this standard will replace IAS 1 and introduce a new structure for the income statement, including mandatory categories and new subtotals, as well as requirements for the disclosure of management-defined performance measures and enhanced principles for aggregation and disaggregation.

The Group is currently assessing the impacts and expects qualitative effects, but no material quantitative impacts are anticipated.

### IFRS 19 – Subsidiaries Without Public Accountability: Disclosures

Effective for annual periods beginning on or after 1 January 2027, this standard allows certain subsidiaries without public accountability to apply a reduced disclosure regime, while maintaining the recognition, measurement and presentation requirements set out in other IFRS standards.

### Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency

Effective for annual periods beginning on or after 1 January 2027, these amendments require that, when the functional currency is not hyperinflationary but the presentation currency is, amounts are translated using the closing rate at the date of the most recent balance sheet, and introduce additional disclosure requirements.

### Disclosure of Uncertainties in Financial Statements (Illustrative examples)

Issued in November 2025, these illustrative examples do not establish an effective date and represent additional guidance aimed at improving the consistency and clarity of disclosures related to uncertainties, without changing existing requirements.

The Group has not early adopted these standards in the financial statements for the twelve-month period ended 31 December 2025. No significant future impacts on the financial statements are expected from their adoption.

### Note 39 – Standards, Interpretations, Amendments and Revisions Not Yet Endorsed by the European Union

The following standards, interpretations, amendments and revisions, with mandatory application in future financial periods, had not, as at the date of approval of these financial statements, been endorsed by the European Union:

#### Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture

No effective date has been determined, as application has been deferred by the IASB until the completion of the project on the equity method. These amendments aim to eliminate the inconsistency between IFRS 10 and IAS 28 regarding the recognition of gains or losses resulting from the loss of control of a subsidiary.

#### IFRS Practice Statement 1 – Management Commentary (Revised)

Applicable to financial statements prepared after 23 June 2025, this provides guidance on the content of the management commentary, including its objective, material information, consistency and use of metrics, and does not constitute a mandatory IFRS standard.

These standards have not yet been endorsed by the European Union and, as such, have not been applied by the Group in the financial statements for the twelve-month period ended 31 December 2025. No significant impacts on the financial statements are expected from their adoption.

## Note 40 – Subsequent Events

The Group has been monitoring developments arising from the escalation of the conflict in the Middle East, which began in February 2026 and has intensified geopolitical instability in the region, generating indirect impacts on the global economy and financial markets.

This situation has increased uncertainty regarding the future evolution of economic conditions, and it is not currently possible to reliably estimate the potential effects that may, even indirectly, affect the Group's operations. Nevertheless, the Group conducts its business exclusively in Portugal and has no credit exposure to countries outside the euro area, including those directly involved in the aforementioned conflict.

The Group will continue to monitor the situation, assessing the associated risks and adopting, whenever necessary, the measures deemed appropriate.

Up to the date of approval of these financial statements, and subsequent to the end of the 2025 financial year, no other subsequent events have occurred that could have a material impact on the Group's financial statements.

**ACCOUNTS AND NOTES TO THE SEPARATE ACCOUNTS OF 2025**

SEPARATE FINANCIAL STATEMENTS

**Separate Income Statement for the years ended 31 December 2025 and 2024**
*(amounts in thousands of euros)*

	Notes	2025	2024
Interest income calculated using the effective interest method	4	113,943	137,290
Interest expense calculated using the effective interest method	4	(47,630)	(65,576)
<b>Net interest income</b>	4	<b>66,313</b>	<b>71,714</b>
Net fee and commission income	5	23,916	19,984
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss	6	1,042	(167)
Net gains/(losses) on hedge accounting	18	2	-
Other operating income / (expenses)	7	(2,173)	(626)
<b>Operating income</b>		<b>89,100</b>	<b>90,905</b>
Staff costs	8	(29,543)	(25,321)
General and administrative expenses	9	(35,640)	(32,133)
Depreciation and amortisation	19,20	(8,064)	(7,444)
<b>Operating expenses</b>		<b>(73,247)</b>	<b>(64,898)</b>
<b>Net operating income before provisions and impairment</b>		<b>15,853</b>	<b>26,007</b>
Credit impairment	14	(944)	(1,035)
Impairment of other financial assets	13,15	(137)	(70)
Impairment of other assets	23	(88)	21
Provisions	27	(51)	(289)
<b>Net operating income</b>		<b>14,633</b>	<b>24,634</b>
Results from Investments in Subsidiaries and Associates	21	9,914	1,444
<b>Net income before income taxes</b>		<b>24,547</b>	<b>26,078</b>
Income taxes			
Current	22	(3,851)	(6,140)
Deferred	22	12	58
<b>Net income for the year</b>		<b>20,708</b>	<b>19,996</b>
Earnings per share (in euros)			
Basic	10	0.06	0.07
Diluted	10	0.06	0.07

*The accompanying notes form an integral part of these financial statements.*

**CERTIFIED ACCOUNTANT**

Nuno Filipe dos Santos Fernandes

**BOARD OF DIRECTORS**

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## Separate Statement of Comprehensive Income for the years ended on 31 December 2025 and 2024

(amounts in thousands of euros)

	Notes	2025	2024
<b>Net income for the year</b>		<b>20,708</b>	<b>19,996</b>
<b>Other comprehensive income for the year, after income taxes</b>		<b>162</b>	<b>9</b>
<b>Items that may be reclassified to the income statement</b>			
Fair value reserves	30	27	-
<b>Items that will not be reclassified to the income statement</b>			
Actuarial gains/(losses) for the year			
Employee benefits	30	135	9
<b>Total Comprehensive Income for the Year</b>		<b>20,870</b>	<b>20,005</b>

The accompanying notes form an integral part of these financial statements.

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**Separate Statement of Financial Position as at 31 December 2025 and 2024**
*(amounts in thousands of euros)*

	Notes	2025	2024
<b>Assets</b>			
Cash and deposits with central banks	11	67,358	64,413
Deposits with other credit institutions	12	11,054	8,069
Financial assets at amortised cost			
Placements with credit institutions	13	827,622	861,331
Loans and advances to customers	14	966,181	803,718
Debt securities	15	2,691,519	2,554,555
Financial assets at fair value through profit or loss	16	132	-
Financial assets at fair value through other comprehensive income			
Debt securities	17	52,243	-
Hedging derivatives	18	7,279	6
Other tangible assets	19	9,592	6,576
Intangible assets	20	27,585	23,150
Investments in subsidiaries and associates	21	167,607	142,558
Deferred tax assets	22	1,103	1,090
Other assets	23	30,720	29,846
<b>Total Assets</b>		<b>4,859,995</b>	<b>4,495,312</b>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	16	5,405	6,409
Financial liabilities at amortised cost			
Deposits from credit institutions	24	55,116	46,106
Deposits from customers	25	4,348,430	4,060,462
Debt securities issued	26	54,982	9,996
Hedging derivatives	18	1,277	12
Provisions	27	1,103	1,091
Other liabilities	28	57,609	56,033
<b>Total Liabilities</b>		<b>4,523,922</b>	<b>4,180,109</b>
<b>Equity</b>			
Share capital	29	321,400	321,400
Legal reserves	30	6,830	4,830
Fair value reserves	30	27	-
Other reserves	30	(200)	(335)
Retained earnings	30	(12,692)	(30,688)
Net income for the year		20,708	19,996
<b>Total Equity</b>		<b>336,073</b>	<b>315,203</b>

*The accompanying notes form an integral part of these financial statements.*

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## Separate Statement of Changes in Equity for the years ended 31 December 2025 and 2024

(amounts in thousands of euros)

	Notes	Share capital	Fair value reserves	Legal reserves	Other reserves	Retained earnings	Net income for the year	Total Equity
<b>Balance as at 31 December 2023</b>		<b>296,400</b>	-	<b>3,037</b>	<b>(344)</b>	<b>(46,830)</b>	<b>17,935</b>	<b>270,198</b>
Share capital increase	29	25,000	-	-	-	-	-	25,000
Appropriation of net income		-	-	1,793	-	16,142	(17,935)	-
Comprehensive income for the year		-	-	-	9	-	19,996	20,005
Actuarial gains/(losses)	30	-	-	-	9	-	-	9
Net income for the year		-	-	-	-	-	19,996	19,996
<b>Balance as at 31 December 2024</b>		<b>321,400</b>	-	<b>4,830</b>	<b>(335)</b>	<b>(30,688)</b>	<b>19,996</b>	<b>315,203</b>
Share capital increase	29	-	-	-	-	-	-	-
Appropriation of net income		-	-	2,000	-	17,996	(19,996)	-
Comprehensive income for the year		-	27	-	135	-	20,708	20,870
Fair value reserves	30	-	27	-	-	-	-	27
Actuarial gains/(losses)	30	-	-	-	135	-	-	135
Net income for the year		-	-	-	-	-	20,708	20,708
<b>Balance as at 31 December 2025</b>		<b>321,400</b>	<b>27</b>	<b>6,830</b>	<b>(200)</b>	<b>(12,692)</b>	<b>20,708</b>	<b>336,073</b>

The accompanying notes form an integral part of these financial statements.

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## Separate Statement of Cash Flows for the years ended 31 December 2025 and 2024

*(amounts in thousands of euros)*

	Notes	2025	2024
<b>Cash flows from operating activities</b>		<b>105,980</b>	<b>855,697</b>
Interest received		84,745	90,866
Interest paid		(62,934)	(61,086)
Fees and commissions received		29,025	23,637
Fees and commissions paid		(4,786)	(4,752)
Payments to employees		(27,656)	(23,800)
Income tax payments		(6,833)	163
Sectoral contributions		(614)	(449)
Other payments and receipts		(42,091)	(33,203)
Changes in operating assets and liabilities		137,124	864,321
<i>Other operating assets and liabilities</i>		<i>(6,064)</i>	<i>(7,255)</i>
<i>Loans and advances to customers</i>	14	<i>(159,317)</i>	<i>(70,874)</i>
<i>Deposits from customers</i>	25	<i>302,505</i>	<i>942,450</i>
<b>Cash flows from investing activities</b>		<b>(155,927)</b>	<b>(901,991)</b>
Deposits with Banco de Portugal		(2,472)	(11,822)
Investment in securities		(159,806)	(1,436,933)
<i>Investment</i>		<i>(3,401,038)</i>	<i>(2,716,933)</i>
<i>Redemptions / disposals</i>		<i>3,241,232</i>	<i>1,280,000</i>
Placements with the Central Bank	13	37,308	615,350
Placements with other credit institutions	13	(3,000)	(54,890)
<i>Investment</i>		<i>(492,350)</i>	<i>(332,200)</i>
<i>Redemptions</i>		<i>489,350</i>	<i>277,310</i>
Acquisition of tangible and intangible assets	19,20	(12,957)	(8,696)
Acquisitions/disposals of subsidiaries and associates	21	(15,000)	(5,000)
<b>Cash flows from financing activities</b>		<b>52,374</b>	<b>44,378</b>
Share capital increases	29	-	25,000
Deposits from credit institutions	24	9,042	10,675
Debt securities issued	26	44,921	10,000
Leases		(1,589)	(1,297)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>26,752</b>	<b>28,668</b>
Net changes in cash and cash equivalents		2,427	(1,916)
<b>Cash and cash equivalents at the end of the year</b>		<b>29,179</b>	<b>26,752</b>
Cash	11	23,032	23,966
Demand deposits with Banco de Portugal	11	1,407	-
Balances with credit institutions	12	4,740	2,786

The accompanying notes form an integral part of these financial statements.

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## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

### Note 1 – Basis of Presentation

Pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, and Banco de Portugal Notice No. 5/2015, the financial statements of Banco CTT are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union at the date of their presentation.

IFRS comprise accounting standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as well as by their respective predecessor bodies.

Banco CTT, S.A. (hereinafter referred to as “Banco CTT” or the “Bank”) is a credit institution headquartered at Praça Duque de Saldanha, No. 1, Atrium Saldanha Building, 3rd floor, 1050-094 Lisbon, controlled by CTT – Correios de Portugal, S.A., and was incorporated in August 2015.

The Bank’s activity consists of raising funds from third parties, in the form of deposits or otherwise, which it applies, together with its own funds, primarily in the form of loans to customers in the retail segment or in debt securities, while also providing other banking services to its customers.

The financial statements presented herein relate to the year ended 31 December 2025 and have been prepared in accordance with IFRS in force as adopted by the European Union as at 31 December 2025.

The financial statements are presented in thousands of euros, rounded to the nearest thousand, and have been prepared on a going concern basis and under the historical cost convention, except for assets and liabilities measured at fair value. The Bank has no plans or intentions that may cast doubt on the continuity of its operations.

The accounting policies used by the Bank in preparing the financial statements as at 31 December 2025 are consistent with those used in the preparation of the financial statements as at 31 December 2024. The material accounting policies are described in Note 2.

The preparation of financial statements in accordance with IFRS requires the Bank to make judgements and estimates and to use assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities. Changes in such assumptions or differences between them and actual outcomes may impact current estimates and judgements. The areas involving a higher degree of judgement or complexity, or where significant assumptions and estimates are used in the preparation of the financial statements, are disclosed in Note 3.

These financial statements were approved at a meeting of the Board of Directors on 17 March 2026.

## Note 2 – Material Accounting Policies

The material accounting policies used in the preparation of the financial statements are as follows:

### 2.1 Financial instruments – IFRS 9

#### 2.1.1 Financial assets

##### Classification, initial recognition and subsequent measurement

At initial recognition, financial assets are classified into one of the following categories:

- Financial assets at amortised cost;
- Financial assets at fair value through other comprehensive income; or
- Financial assets at fair value through profit or loss.

The classification is determined based on the following:

- the Bank's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

##### Business Model Assessment

The Bank assesses the business model in which a financial instrument is held at a portfolio level, as this approach best reflects how assets are managed and how information is provided to management bodies. The information considered in this assessment includes:

- the policies and objectives established for the portfolio and the practical operation of those policies, including how the management strategy focuses on earning contractual interest income or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management bodies;
- the risks that affect the performance of the business model (and the financial assets held within that model) and how those risks are managed;
- the frequency, volume and timing of sales in prior periods, the reasons for those sales and expectations about future sales. However, information about sales is not considered in isolation, but as part of an overall assessment of how the Bank manages financial assets and how cash flows are generated; and
- whether contractual cash flows represent solely payments of principal and interest (SPPI – Solely Payments of Principal and Interest).

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

In assessing whether contractual cash flows are solely payments of principal and interest, the Bank considers the contractual terms of the instrument. This assessment includes analysing whether contractual terms may change the timing or amount of cash flows such that they would not meet the SPPI condition. In performing this assessment, the Bank considers:

- contingent events that may change the timing and amount of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse arrangements); and
- features that modify consideration for the time value of money.

Additionally, a prepayment feature is consistent with the SPPI criterion if:

- the financial asset is acquired or originated at a premium or discount to its contractual par amount;
- the prepayment amount substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may include reasonable compensation for early termination); and
- the fair value of the prepayment feature is insignificant at initial recognition.

### Reclassification of financial instruments

If the Bank changes its business model for managing financial assets, which is expected to occur infrequently and only in exceptional circumstances, it reclassifies all affected financial assets in accordance with the requirements of IFRS 9 – Financial Instruments. Reclassification is applied prospectively from the date on which it becomes effective. In accordance with IFRS 9 – Financial Instruments, reclassification is not permitted for equity instruments for which the fair value through other comprehensive income option has been elected, or for financial assets and liabilities designated at fair value under the fair value option.

#### *2.1.1.1 Financial assets at amortised cost*

##### Classification

A financial asset is classified in the category of "Financial assets at amortised cost" if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- its contractual cash flows occur on specified dates and represent solely payments of principal and interest on the principal amount outstanding (SPPI).

This category includes placements with credit institutions, loans and advances to customers and debt securities managed under a business model aimed at collecting contractual cash flows (government bonds and corporate bonds).

### Initial recognition and subsequent measurement

Placements with credit institutions and loans and advances to customers are recognised on the date on which funds are made available to the counterparty (settlement date). Debt securities are recognised on the trade date, i.e. the date on which the Bank commits to acquire them.

Financial assets at amortised cost are initially recognised at fair value plus transaction costs and are subsequently measured at amortised cost. In addition, from initial recognition, they are subject to impairment for expected credit losses, which is recognised against the caption "Impairment of other financial assets, net of reversals and recoveries".

Interest on financial assets at amortised cost is recognised under the caption "Interest and similar income calculated using the effective interest rate", based on the effective interest method and in accordance with the criteria described in Note 2.9.

Gains or losses arising on derecognition are recognised under the captions "Gains/losses on financial assets at amortised cost" and "Impairment of loans".

### Initial recognition and subsequent measurement

Debt instruments at fair value through other comprehensive income are initially recognised at fair value plus transaction costs and are subsequently measured at fair value. Changes in the fair value of these financial assets are recognised in other comprehensive income and, upon disposal, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to a specific income statement caption designated "Gains/losses on financial assets at fair value through other comprehensive income".

Debt instruments at fair value through other comprehensive income are also subject, from initial recognition, to impairment for expected credit losses. The estimated impairment losses are recognised in profit or loss under the caption "Impairment of other financial assets, net of reversals and recoveries", with a corresponding entry in other comprehensive income, and do not reduce the carrying amount of the financial asset in the statement of financial position.

Interest, premiums or discounts on financial assets at fair value through other comprehensive income are recognised under the caption "Interest and similar income calculated using the effective interest rate", based on the effective interest method and in accordance with the criteria described in Note 2.9.

Equity instruments at fair value through other comprehensive income are initially recognised at fair value plus transaction costs and are subsequently measured at fair value. Changes in the fair value of these financial assets are recognised in other comprehensive income. Dividends are recognised in profit or loss when the right to receive them is established.

No impairment is recognised for equity instruments at fair value through other comprehensive income, and the respective cumulative gains or losses recognised in fair value reserves are transferred to retained earnings upon derecognition.

#### *2.1.1.2 Derecognition of financial assets*

- i) The Bank derecognises a financial asset when, and only when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the financial asset as defined in ii) and iii) below and the transfer qualifies for derecognition in accordance with iv).

ii) The Bank transfers a financial asset if, and only if:

- it transfers the contractual rights to receive the cash flows from the financial asset; or
- it retains the contractual rights to receive the cash flows from the financial asset but assumes a contractual obligation to pay those cash flows to one or more recipients under an arrangement that meets the conditions set out in iii).

iii) When the Bank retains the contractual rights to receive the cash flows from a financial asset (the “original asset”) but assumes a contractual obligation to pay those cash flows to one or more entities (the “ultimate recipients”), the Bank treats the transaction as a transfer of a financial asset if, and only if, all of the following conditions are met:

- the Bank has no obligation to pay amounts to the ultimate recipients unless it collects equivalent amounts from the original asset. Short-term advances by the entity with full recovery rights of the amount lent plus accrued interest at market rates do not breach this condition;
- the Bank is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the ultimate recipients for the obligation to pay them cash flows; and
- the Bank is obliged to remit any cash flows it collects on behalf of the ultimate recipients without significant delay. In addition, it does not have the right to reinvest those cash flows, except for investments in cash or cash equivalents (as defined in IAS 7 Statement of Cash Flows) during the short settlement period between the date of receipt and the date of required remittance to the ultimate recipients, and any interest earned on such investments is passed on to the ultimate recipients.

iv) When the Bank transfers a financial asset (see point ii above), it shall assess the extent to which it retains the risks and rewards of ownership of that asset. In this case:

- if the Bank transfers substantially all the risks and rewards of ownership of the financial asset, it derecognises the financial asset and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer;
- if the Bank retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognise the financial asset;
- if the Bank neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it shall determine whether it has retained control of the financial asset. In this case:
  - if the Bank has not retained control, it shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer;

- if the Bank has retained control, it shall continue to recognise the financial asset to the extent of its continuing involvement in the financial asset.

v) The transfer of risks and rewards referred to in the previous point is assessed by comparing the Bank's exposure, before and after the transfer, to the variability in the amounts and timing of the net cash flows from the transferred asset.

vi) The assessment of whether the Bank has retained control (see point iv above) of the transferred asset depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the entity is deemed not to have retained control. In all other cases, the entity is deemed to have retained control.

#### 2.1.1.3 *Write-off*

The Bank recognises a write-off when it has no reasonable expectations of recovering a financial asset in whole or in part. This recognition occurs after all recovery actions undertaken by the Bank have proven unsuccessful. Written-off exposures are recorded in off-balance sheet accounts.

#### 2.1.1.4 *Impairment losses*

The Bank determines expected credit losses for each exposure based on the deterioration in credit risk observed since initial recognition. For this purpose, exposures are classified into one of the following three stages:

- Stage 1: exposures for which there has been no significant increase in credit risk since initial recognition. Impairment losses associated with exposures classified in this stage correspond to expected credit losses resulting from default events that may occur within a period of 12 months after the reporting date (12-month expected credit losses);
- Stage 2: exposures for which there has been a significant increase in credit risk since initial recognition, but which are not credit-impaired. Impairment losses associated with exposures classified in this stage correspond to expected credit losses resulting from default events that may occur over the expected remaining lifetime of the exposures (lifetime expected credit losses);
- Stage 3: exposures that are credit-impaired. Impairment losses associated with exposures classified in this stage correspond to lifetime expected credit losses. Exposures acquired or originated as credit-impaired (Purchased or Originated Credit-Impaired – POCI) are also classified in Stage 3.

#### Forward-looking information

The Bank's impairment model is designed to incorporate public information and other verifiable information from market participants, whenever historical default data is not sufficient to support the development of sophisticated statistical models.

In the case of mortgage loans, for which historical default data is very limited, it proved impossible to apply a statistically based forward-looking component. Accordingly, parameters based on internal data, public data and judgement were applied.

#### Significant Increase in Credit Risk (SICR)

A significant increase in credit risk (SICR – Significant Increase in Credit Risk) is determined based on a set of predominantly quantitative criteria, complemented by qualitative criteria, aimed at identifying significant increases in the Probability of Default (PD), supplemented by other information, notably customer behaviour within the financial system. However, irrespective of the identification of a significant increase in credit risk for a given exposure, it is classified in Stage 2 whenever one of the following conditions is met:

- exposures past due by more than 30 days (backstop);
- exposures subject to qualitative risk triggers, namely those set out in Banco de Portugal Circular Letter no. 62/2018.

#### Definition of financial assets in default and credit-impaired

Customers are considered to be in default when at least one of the following criteria is met:

- principal or interest payments overdue by more than 90 days;
- debtors in bankruptcy, insolvency or liquidation;
- exposures under litigation;
- cross-default exposures;
- restructured exposures due to financial difficulties with economic loss;
- exposures in default probation;
- exposures for which there is suspicion of fraud or confirmed fraud;
- exposures that have been written off.

#### Estimation of expected credit losses – Individual assessment

Individual assessment is performed for customers that meet one of the following conditions:

- retail customers with exposures exceeding €500,000;
- exposures to credit institutions, sovereign entities, central banks or corporates through debt securities classified in Stage 2 or 3.

#### Estimation of expected credit losses – Collective assessment

Exposures not subject to individual impairment assessment are grouped according to their risk characteristics and assessed collectively. The Bank's loan portfolio is segmented by internal risk grades and according to the following segments:

Financial Assets	Retail Offering	Mortgage Loans	Mortgage loans of the Bank secured by residential property, regardless of the stage of construction.
		Overdrafts	Bank overdrafts and credit overruns.
	Sovereigns and International Organisations		Public debt securities of the euro area and International Organisations.

Expected credit losses are estimates of credit losses determined as follows:

- financial assets without evidence of impairment at the reporting date: the present value of the difference between contractual cash flows and the cash flows that the Bank expects to receive;
- financial assets with evidence of impairment at the reporting date: the difference between the gross carrying amount and the present value of estimated cash flows;
- undrawn credit commitments: the present value of the difference between contractual cash flows that would result if the commitment is drawn and the cash flows that the Bank expects to receive.

The main inputs used in the measurement of expected credit losses on a collective basis include the following variables:

- Probability of Default (“PD”);
- Loss Given Default (“LGD”); and
- Exposure at Default (“EAD”).

These parameters are obtained through internal models and other relevant historical data, taking into account existing regulatory models adapted in accordance with the requirements of IFRS 9.

PDs are calculated based on historical data. If there is a change in the risk profile of the counterparty or the exposure, the associated PD estimate also varies. PDs are calculated considering the contractual maturities of the exposures.

The Bank collects performance and default indicators relating to its credit risk exposures, with analyses by type of customer and product.

LGD represents the magnitude of the loss expected to occur if an exposure defaults. In the case of exposures secured by real estate, LTV (loan-to-value) ratios are a highly relevant parameter in determining LGD.

EAD represents the expected exposure at the time the exposure and/or customer defaults. The Bank derives EAD values from the current exposure of the counterparty and from potential changes to that exposure as a result of contractual conditions. For commitments, EAD includes both the utilised amount and the expected potential future amount that may be drawn in accordance with the contract.

As described above, except for financial assets for which a 12-month PD is considered due to the absence of a significant increase in credit risk, the Bank calculates expected credit losses taking into account the risk of default over the maximum contractual maturity period of the contract, even if, for risk management purposes, a longer period is considered. The maximum contractual period is considered to be the period until the date on which the Bank has the right to demand repayment or to terminate the commitment or guarantee.

For the financial assets “Balances with other credit institutions”, “Placements with other credit institutions” and “Investments in securities”, impairment is calculated by assigning:

- a probability of default derived from the external rating of the issuer or counterparty, respectively; and
- a Loss Given Default (LGD) defined by the Group, based on data from Moody’s rating agency, depending on the type of counterparty (Corporate or Sovereign).

#### *2.1.1.5 Modification of financial assets*

If the terms of a financial asset are modified, the Bank assesses whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, the contractual rights to the cash flows of the original financial asset are considered to have expired and the principles described in Note 2.1.1.2 Derecognition of financial assets are applied.

If the modification of a financial asset measured at amortised cost or at FVOCI does not result in derecognition of the financial asset, the Bank first recalculates the gross carrying amount of the financial asset by applying the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For financial assets with a variable interest rate, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market conditions at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

#### *2.1.2 Financial liabilities*

An instrument is classified as a financial liability when there is a contractual obligation for its settlement to be made through the delivery of cash or another financial asset, regardless of its legal form.

Non-derivative financial liabilities mainly include customer deposits.

These financial liabilities are recognised (i) initially at their fair value less transaction costs incurred and (ii) subsequently at amortised cost, based on the effective interest method.

The Bank derecognises financial liabilities when they are cancelled, extinguished or expire.

#### *2.1.3 Derivative financial instruments*

Derivative financial instruments are recognised at fair value on the date on which the Bank enters into the contracts and are subsequently measured at fair value. Fair value is determined based on quoted market prices in active markets, including recent market transactions, and valuation models, namely discounted cash flow models and option pricing models.

Derivatives are recognised as assets when their fair value is positive and as liabilities when their fair value is negative. Revaluation results are recognised in “Gains/losses on financial assets and liabilities at fair value through profit or loss”.

Certain embedded derivatives in other financial instruments, such as the indexation of the return of debt instruments to the value of shares or share indices, are bifurcated and treated as separate derivatives when their risks and economic characteristics are not closely related to those of the host contract and the host

contract is not measured at fair value through profit or loss. These embedded derivatives are measured at fair value, with subsequent changes recognised in the income statement.

Derivatives are also recorded in off-balance sheet accounts at their notional amount.

#### 2.2.4 *Hedge accounting*

Hedge accounting applies exclusively to fair value hedge relationships of interest rate risk, in accordance with IFRS 9 – Financial Instruments.

The hedging instruments used consist mainly of interest rate derivatives, namely swaps, entered into with the objective of mitigating exposure to changes in market interest rates associated with recognised financial assets and liabilities.

#### Recognition and measurement

Derivatives are initially recognised at fair value on the trade date and subsequently measured at fair value.

In fair value hedge relationships:

- changes in the fair value of the hedging instrument are recognised in profit or loss;
- the gain or loss attributable to the hedged risk of the hedged item adjusts its carrying amount and is also recognised in profit or loss.

When the hedged item is measured at amortised cost, the cumulative adjustment arising from the hedge is amortised to profit or loss over the remaining life of the instrument, using the effective interest method, if the hedging relationship is discontinued.

#### Application requirements

The application of hedge accounting depends on the existence of:

- formal documentation of the hedging relationship at the date of designation;
- clear identification of the hedging instrument, the hedged item and the risk being hedged;
- demonstration that there is an economic relationship between the hedging instrument and the hedged item and that credit risk does not dominate the value changes.

Hedge effectiveness is assessed on a prospective basis and on an ongoing basis throughout the life of the hedging relationship.

#### Discontinuation

Hedge accounting is discontinued prospectively when the relationship no longer meets the requirements set out in IFRS 9 or when the hedging instrument expires, is sold or is terminated.

## 2.2 **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 2.3 Equity instruments

An instrument is classified as an equity instrument when there is no contractual obligation for its settlement to be made through the delivery of cash or another financial asset, regardless of its legal form, and it evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Costs directly attributable to the issuance of equity instruments are recognised in equity as a deduction from the proceeds of the issue. Amounts paid and received for the purchase and sale of equity instruments are recognised in equity, net of transaction costs.

Distributions made in respect of equity instruments are deducted from equity as dividends when declared.

### 2.4 Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for using the equity method from the date on which the Bank obtains significant influence until the date on which such influence ceases. Associates are entities over which the Bank has significant influence but does not control their financial and operating policies. It is presumed that the Bank exercises significant influence when it holds more than 20% of the voting rights of the associate. Where the Bank holds, directly or indirectly, less than 20% of the voting rights, it is presumed that the Bank does not have significant influence, unless such influence can be clearly demonstrated.

The existence of significant influence by the Bank is usually evidenced by one or more of the following:

- representation on the Board of Directors or equivalent governing body;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the Bank and the investee;
- interchange of managerial personnel;
- provision of essential technical information.

The individual financial statements include the Bank's share of the total reserves and of the profit or loss recognised by the associate accounted for using the equity method. When the Bank's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to zero and recognition of further losses is discontinued, except to the extent that the Bank has incurred a legal obligation to assume those losses on behalf of the associate.

### 2.5 Intangible assets

Intangible assets are recorded at acquisition cost, less accumulated amortisation and impairment losses, where applicable. Intangible assets are only recognised when it is probable that future economic benefits will flow to the Bank and when their cost can be measured reliably.

Intangible assets mainly comprise software expenditure (where the software is separable from the hardware and is associated with projects for which the generation of future economic benefits can be quantified), licences and other rights of use. They also include development expenditure relating to R&D projects whenever there is evidence of the intention and technical ability to complete such development so that it is available for use or sale. Research expenditure, incurred in the pursuit of new technical or scientific knowledge or in the search for alternative solutions, is recognised in profit or loss as incurred.

Intangible assets are amortised on a straight-line basis from the month in which they are available for use, over their estimated useful lives, which, in most cases, range between 3 and 6 years. In the specific case of the core operating system, following a specific assessment of its expected period of effective use, it was initially decided to amortise it over a period of 15 years (until 2030); in 2024, the expected period of use of this asset was revised from 2030 to 2025.

The Bank performs impairment tests whenever events or circumstances indicate that the carrying amount may exceed the recoverable amount, with any difference recognised in profit or loss. The recoverable amount is determined as the higher of its net selling price and its value in use, the latter being calculated based on the present value of estimated future cash flows expected to arise from the continued use of the asset and its disposal at the end of its useful life.

Gains or losses arising from the disposal of intangible assets are determined as the difference between the selling price and the respective carrying amount and are recognised in profit or loss under the caption "Other operating income".

## 2.6 Leases

At the inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

- the contract involves the use of an identified asset – which may be specified explicitly or implicitly and must be physically distinct or represent substantially all of the capacity of a physically distinct asset. Even if an asset is specified, the Bank does not have the right to use an identified asset if the supplier has the substantive right to substitute that asset throughout the period of use;
- the Bank has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use; and
- the Bank has the right to direct the use of the identified asset. The Bank has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used throughout the period of use. In cases where decisions about how and for what purpose the asset is used are predetermined, the Bank has the right to direct the use of the asset if:
  - the Bank has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
  - the Bank designed the asset (or specific aspects of the asset) in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

The Bank applied this approach to contracts entered into or modified on or after 1 January 2019.

At the inception or on reassessment of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of its relative standalone price. However, for leases of land and buildings in which it is a lessee, the Bank has elected not to separate non-lease components and accounts for the lease and non-lease components as a single component.

### As a lessee

The Bank recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Subsequently, the right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of right-of-use assets is determined on the same basis as that of tangible assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Bank's incremental borrowing rate is used. As a rule, the Bank uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if the Bank is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease by the Bank.

The lease liability is measured at amortised cost using the effective interest method. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, when there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, or when the Bank changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, the Bank recognises the amount of the remeasurement as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Bank recognises that reduction in profit or loss.

The Bank presents right-of-use assets that do not meet the definition of investment property within "Other tangible assets" and lease liabilities within "Other liabilities" in the statement of financial position.

#### Short-term leases and leases of low-value assets

IFRS 16 permits a lessee not to recognise right-of-use assets and lease liabilities for short-term leases with a lease term of 12 months or less and leases of low-value assets, with the lease payments associated with these leases recognised as an expense on a straight-line basis over the lease term.

## 2.7 Income taxes

Income tax comprises the sum of current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss, except when they relate to items recognised directly in equity. In such cases, deferred tax is also recognised in equity.

Current tax payable is based on the taxable profit for the period, calculated in accordance with the tax rules in force at the reporting date. Taxable profit differs from accounting profit as it excludes certain expenses and income that are only deductible or taxable in other periods. Taxable profit also excludes items of income and expense that are never deductible or taxable.

Deferred taxes relate to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are recognised for deductible temporary differences. However, such recognition only occurs when there are reasonable expectations that sufficient future taxable profits will be available against which those deferred tax assets can be utilised, or when there are deferred tax liabilities whose reversal is expected to occur in the same period in which the deferred tax assets can be utilised. At each reporting date, these deferred tax assets are reviewed and adjusted in accordance with expectations regarding their future utilisation.

Deferred tax assets and liabilities are measured using the tax rates expected to be in force at the date of reversal of the corresponding temporary differences, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Bank and its subsidiaries – directly or indirectly held at more than 75% for more than one year by the parent company, CTT – are subject to the Special Tax Regime for Groups of Companies (RETGS).

This regime includes all companies in which CTT holds, directly or indirectly, at least 75% of the share capital for more than one year and which are simultaneously resident in Portugal and subject to Corporate Income Tax (IRC).

Within this framework, and up to and including 2020, Banco CTT and its subsidiaries eligible to be included in the RETGS receive from CTT the amount relating to the tax loss with which they contribute to the consolidated IRC of the CTT Group and, likewise, pay to CTT the amount relating to their positive contribution to the consolidated IRC of the CTT Group. From 2021 onwards, the Banco CTT Group is considered a “tax sub-group” within the regime in which CTT – Correios de Portugal, S.A. is the parent company. Accordingly, the subsidiaries of Banco CTT settle their IRC with Banco CTT, and Banco CTT pays or receives the net amount determined for the Banco CTT Group to or from the aforementioned parent company. Where there are historical amounts receivable from CTT by the Group, any IRC payments to CTT are settled through the utilisation/reduction of those receivables, with actual cash payments only occurring once there are no longer any historical amounts receivable.

## 2.8 Provisions

Provisions are recognised when, cumulatively: (i) the Bank has a present obligation (legal or constructive) arising from a past event, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) a reliable estimate can be made of the amount of the obligation. The amount of provisions corresponds to the present value of the obligation, with the unwinding of the discount recognised as a finance cost under the caption “Interest and similar expenses”.

Provisions are reviewed at each reporting date and adjusted to reflect the best estimate at that date.

## 2.9 Interest recognition

Interest income and expense relating to financial instruments measured at amortised cost and at fair value through other comprehensive income are recognised under the captions “Interest and similar income” or “Interest and similar expenses”, using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The effective interest rate is determined at initial recognition of the financial assets and liabilities and is not subsequently revised.

For the purpose of calculating the effective interest rate, future cash flows are estimated considering all contractual terms of the financial instrument, but not considering expected future credit losses. The calculation includes fees that are an integral part of the effective interest rate, transaction costs and all premiums and discounts directly related to the transaction.

The Bank does not recognise interest on financial assets with amounts past due for more than 90 days.

## 2.10 Recognition of fee and commission income

Fee and commission income is recognised as follows:

- fee and commission income earned from the execution of a significant act is recognised in profit or loss when the significant act has been completed;
- fee and commission income earned as services are rendered is recognised in profit or loss in the period to which it relates;
- fee and commission income that is an integral part of the effective interest rate of a financial instrument is recognised in profit or loss using the effective interest method; and
- fee income relating to services for which the performance obligation is satisfied at a point in time is recognised at the date on which the service is provided, in accordance with IFRS 15. Where such fees give rise to potential future renewals of the product, the Bank estimates the variable consideration associated with those renewals, including in the transaction price only the amount that does not give rise to a material reversal, in accordance with the variable consideration and constraint requirements set out in the standard. Accordingly, revenue includes expectations of future renewals only to the extent that it is highly probable that no significant adjustments will arise in a subsequent period.

## 2.11 Earnings per share

Basic earnings per share is calculated by dividing net profit by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding and net profit for the effects of all dilutive potential ordinary shares.

## 2.12 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise amounts recorded in the statement of financial position with an original maturity of less than three months from the date of acquisition/origination, including cash and balances with other credit institutions.

Cash and cash equivalents presented in the statement of cash flows exclude mandatory deposits held with central banks.

### 2.13 Provision of insurance intermediation services

Banco CTT is an authorized entity by the Insurance and Pension Funds Supervisory Authority (“ASF”) to carry out insurance intermediation activities, in the category of tied insurance intermediary, in accordance with Article 8(a)(i) of Decree-Law no. 144/2006 of 31 July, carrying out insurance intermediation activities in both life and non-life segments.

Within the scope of insurance intermediation services, the Bank sells insurance contracts. As remuneration for the insurance intermediation services provided, the Bank receives commissions from insurance intermediation contracts, which are defined in agreements/protocols established with insurance companies.

Commissions received from insurance intermediation services are recognised in accordance with the accrual principle. Accordingly, commissions whose receipt occurs in a period different from that to which they relate are recognised as amounts receivable under the caption “Other assets”.

## Note 3 – Key Estimates and Judgements Used in the Preparation of the Financial Statements

judgements used in applying the Group’s accounting policies are presented in this Note in order to explain how their application affects the Group’s reported results and disclosures.

A detailed description of the main accounting policies used by the Bank is presented in Note 2 to the financial statements.

Considering that, in certain situations, there are alternative accounting treatments to those adopted by the Board of Directors, the Bank’s reported results could differ if a different treatment were selected.

The Board of Directors considers that the choices made are appropriate and that the financial statements present fairly the Bank’s financial position and the results of its operations in all material respects.

### 3.1 Financial instruments – IFRS 9

#### 3.1.1 Classification and measurement

The classification and measurement of financial assets depends on the results of the SPPI test (analysis of the characteristics of contractual cash flows to determine whether they represent solely payments of principal and interest on the principal amount outstanding) and the business model test.

The Bank determines the business model taking into account how Banks of financial assets are managed together to achieve a specific business objective. This assessment requires judgement, as it involves consideration, among other aspects, of how the performance of the assets is evaluated and the risks that affect the performance of the assets and how those risks are managed.

The Bank monitors financial assets measured at amortised cost and at fair value through other comprehensive income that are derecognised prior to maturity, in order to understand the reasons for their disposal and to determine whether they are consistent with the objective of the business model defined for those assets. This monitoring forms part of the Bank's ongoing assessment of the business model for financial assets that remain on the balance sheet, in order to determine whether it remains appropriate and, if not, whether there has been a change in the business model and, consequently, a prospective change in the classification of those financial assets.

### *3.1.2 Impairment losses on financial assets at amortised cost and debt instruments at fair value through other comprehensive income*

The determination of impairment losses for financial instruments involves judgements and estimates in respect of the following aspects, among others:

#### *Significant increase in credit risk*

Impairment losses correspond to expected losses in the event of default over a 12-month horizon, or the estimated maturity if shorter, for assets in Stage 1, and to expected losses considering the probability of a default event occurring at any point up to the maturity date of the financial instrument, for assets in Stages 2 and 3. An asset is classified in Stage 2 when there has been a significant increase in its credit risk since initial recognition. In assessing whether there has been a significant increase in credit risk, the Bank considers reasonable and supportable qualitative and quantitative information.

#### *Definition of groups of assets with common credit risk characteristics*

When expected credit losses are measured on a collective basis, financial instruments are grouped based on shared risk characteristics. This procedure is necessary to ensure that, in the event of changes in credit risk characteristics, the segmentation of assets is reviewed. This review may result in the creation of new portfolios or the transfer of assets to existing portfolios that better reflect their credit risk characteristics.

#### *Probability of default*

Probability of default is a key input in the measurement of expected credit losses. It represents an estimate of the likelihood of default over a given time horizon, calculated based on historical data, benchmarks or market data.

#### *Loss given default*

Loss given default corresponds to an estimate of the loss in a default scenario. It is based on the difference between contractual cash flows and those that the Group expects to receive, either from the borrower's business or income or from the realisation of collateral. The estimation of loss given default takes into account, among other factors, different recovery scenarios, historical information, market data, costs involved in the recovery process and the estimated value of collateral associated with the credit exposures.

### 3.1.3 *Fair value of derivative financial instruments*

Fair value is based on quoted market prices when available and, in their absence, is determined using recent transaction prices for similar instruments carried out under market conditions or through valuation methodologies based on discounted future cash flow techniques, taking into account market conditions, the time value of money, yield curves and volatility factors. These methodologies may require the use of assumptions or judgements in estimating fair value. Consequently, the use of different methodologies or different assumptions or judgements in applying a given model could result in outcomes different from those reported.

## 3.2 Provisions

The Bank exercises significant judgement in measuring and recognising provisions. Due to the uncertainties inherent in the assessment process, actual losses may differ from those originally estimated in the provision. These estimates are subject to change as new information becomes available. Revisions to these estimates may affect future results.

Where relevant, judgement includes assessing the likelihood that litigation will be successful. Provisions are recognised when the Bank expects that ongoing legal proceedings will result in an outflow of resources, the loss is probable and can be reasonably estimated.

## 3.3 Impairment of Investments in Subsidiaries and Associates

The Bank tests its investments in subsidiaries and associates for impairment, with the objective of assessing whether they are impaired, in accordance with the policy described in Note 2.1.1.4. The calculation of the recoverable amounts of cash-generating units involves judgement and is substantially based on Management's analysis of the future evolution of the respective investee. The assumptions used in the assessment underlying the calculations are based on available information regarding both the business and the macroeconomic environment. Variations in these assumptions may have an impact on results and on the consequent recognition of impairment losses.

## Note 4 – Net Interest Income

This caption is composed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
<b>Interest and similar income</b>	<b>113,943</b>	<b>137,920</b>
Interest on deposits with central banks and credit institutions	10	-
Interest on financial assets at amortised cost		
Placements with credit institutions	18,936	37,108
Loans and advances to customers	28,295	31,330
Debt securities	66,206	67,953
Interest on financial assets at fair value through other comprehensive income		
Debt securities	180	-
Interest on hedging derivatives	13	-
Other interest income	303	899
<b>Interest and similar expenses</b>	<b>(47,630)</b>	<b>(65,576)</b>
Interest on financial liabilities at amortised cost		
Deposits from credit institutions	(914)	(1,171)
Deposits from customers	(45,703)	(63,638)
Debt securities issued	(696)	(20)
Interest on hedging derivatives	(107)	(24)
Other interest expense	(210)	(123)
<b>Net Interest Income</b>	<b>66,313</b>	<b>71,714</b>

Interest and similar income for the year ended 31 December 2025 includes a total amount of €331 thousand (2024: €376 thousand) related to financial assets with impairment (stage 3) at the reporting date.

Interest on placements with credit institutions and the central bank, amounting to €18,936 thousand (31 December 2024: €37,108 thousand), mainly relates to the remuneration of placements with the Central Bank.

In 2024, the interest rate on the Eurosystem deposit facility was 4.00% between 1 January 2024 and 12 July 2024, at which date it was set at 3.75%, subsequently decreasing to 3.00% on 18 December 2024. During 2025, this rate was reduced four times until reaching 2.00% on 11 June 2025, a rate which remained in force until 31 December 2025.

During 2025, these placements generated €13,767 thousand of interest (2024: €30,911 thousand), representing a decrease compared to 2024, explained both by the effect of interest rates and by the reduction in the volumes placed.

Interest on the securities portfolio amounted to €66,386 thousand (2024: €67,953 thousand), representing a decrease of €1,567 thousand, resulting from the decrease in the average interest rates during the year.

Interest on customer deposits amounted to €45,703 thousand (2024: €63,638 thousand), representing a decrease of €17,935 thousand, resulting from the decrease in deposit interest rates, which more than offset the increase in the volumes of deposits raised.

The volume of interest-bearing deposits increased from €2,567,908 thousand at the end of 2024 to €2,697,074 thousand at the end of 2025, representing an increase of €129,166 thousand.

## Note 5 – Net Fee and Commission Income

This caption is composed as follows:

*(amounts in thousands of euros)*

	2025	2024
<b>Fee and commission income</b>	<b>28,701</b>	<b>24,736</b>
Banking services provided	17,296	15,858
Credit intermediation services	3,051	2,184
Bancassurance	8,310	6,649
Guarantees provided	29	29
Other fee and commission income	15	16
<b>Fee and commission expense</b>	<b>(4,785)</b>	<b>(4,752)</b>
Banking services provided by third parties	(4,467)	(4,483)
Securities transactions	(318)	(237)
Other fee and commission expense	-	(32)
<b>Net Fee and Commission Income</b>	<b>23,916</b>	<b>19,984</b>

Fee and commission income and fee and commission expense relating to banking services provided and banking services provided by third parties, respectively, mainly relate to interbank fees, the financial settlement of which is carried out on a net basis.

Fee and commission income relating to credit intermediation services and insurance intermediation services is recognised in accordance with IFRS 15 – Revenue from Contracts with Customers, and includes variable amounts that depend on future events (variable consideration). In such cases, and in accordance with the aforementioned standard, when recognising revenue the Bank assesses the probability that a material reversal will not occur in the future (Note 2.10).

## Note 6 – Net Gains/(Losses) on Financial Assets and Liabilities at Fair Value Through Profit or Loss

This caption is composed as follows:

*(amounts in thousands of euros)*

	2025	2024
<b>Gains on financial assets and liabilities at fair value through profit or loss</b>	<b>1,042</b>	-
Derivatives	-	-
Investment fund units	1,042	-
<b>Losses on financial assets and liabilities at fair value through profit or loss</b>	-	<b>(167)</b>
Derivatives	-	(167)
<b>Net Gains/(Losses) on Financial Assets and Liabilities at Fair Value Through Profit or Loss</b>	<b>1,042</b>	<b>(167)</b>

The fair value of financial assets and liabilities at fair value through profit or loss is presented in Note 16.

## Note 7 – Other Operating Income / (Expenses)

This caption is composed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
<b>Operating income</b>	<b>184</b>	<b>171</b>
Credit recoveries	37	27
Other operating income	147	144
<b>Custos de exploração</b>	<b>(2,357)</b>	<b>(797)</b>
Contributions / taxes on the banking sector	(323)	(335)
Contribution to the Single Resolution Fund	(4)	(4)
Contribution to the Resolution Fund	(159)	(65)
Contribution to the Deposit Guarantee Fund	(25)	(17)
Other sectoral contributions	(30)	(28)
Membership fees and donations	(88)	(35)
Taxes	(134)	(133)
Other operating expenses	(1,594)	(180)
<b>Other Operating Income / (Expenses)</b>	<b>(2,173)</b>	<b>(626)</b>

The caption Contributions / taxes on the banking sector includes the “Banking Sector Levy” and the “Additional Solidarity Levy on the Banking Sector”. The “Banking Sector Levy” is calculated in accordance with Law no. 55-A/2010, with the amount determined based on: (i) the annual average liabilities recorded on the balance sheet, excluding Tier 1 capital and Tier 2 capital and deposits covered by the Deposit Guarantee Fund; and (ii) the notional amount of derivative financial instruments. The “Additional Solidarity Levy on the Banking Sector”, introduced by Law no. 27-A/2020 of 24 July, was a measure implemented in response to the COVID-19 pandemic, with a calculation similar to that of the “Banking Sector Levy”. In 2025, the Constitutional Court declared unconstitutional, with general binding effect, the provisions that created and regulate the ASSB. The decision was based on the breach of constitutional principles such as the prohibition of arbitrariness (tax equality) and the principle of ability to pay, considering that the tax lacked material justification and was contrary to the Constitution. This decision had a positive impact of €126 thousand on the results for 2025, recognised under the caption “Contributions / taxes on the banking sector”.

The caption “Contribution to the Single Resolution Fund” relates to the ex ante contribution to the Single Resolution Fund within the framework of the Single Resolution Mechanism, in accordance with Article 70(2) of Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, as well as the administrative contribution to the Single Resolution Board.

In 2025 and 2024, no ex ante contribution was made by the Bank, as the available financial means of the Single Resolution Fund as at 31 December 2024 and 2023, respectively, had already reached the target level of at least 1% of covered deposits held by the Member States participating in the Single Resolution Mechanism, as established in Article 69(1) of Regulation (EU) No. 806/2014.

The caption “Contribution to the Resolution Fund” corresponds to mandatory periodic contributions to the Fund, in accordance with Decree-Law no. 24/2013. The periodic contributions are calculated based on a base rate to be applied each year, determined by Banco de Portugal through instruction, which may be adjusted according to the institution’s risk profile, applied to the objective base of the contributions. These contributions are levied on the liabilities of institutions participating in the Fund, as defined in Article 10 of the aforementioned Decree-Law, excluding elements of liabilities that form part of Tier 1 capital and Tier 2 capital and deposits covered by the Deposit Guarantee Fund.

## Note 8 – Staff Costs

This caption is composed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Remunerations	18,041	15,383
Social security contributions	4,145	3,613
Employees with a multiple employer arrangement	3,100	2,915
Incentives and performance bonuses	3,303	2,874
Insurance for work accidents and occupational diseases	525	333
Other costs	429	293
<b>Staff Costs</b>	<b>29,543</b>	<b>25,321</b>

The total amount of fixed remuneration granted to the Board of Directors and Supervisory Bodies of Banco CTT in the year ended 2025, recorded under the caption Remunerations, amounted to €1,946 thousand (2024: €1,826 thousand). During 2025, costs relating to social security contributions in respect of the Board of Directors and Supervisory Bodies amounted to €439 thousand (2024: €415 thousand). Included under the caption Incentives and performance bonuses, as at 31 December 2025, are €754 thousand of bonuses attributable to the Board of Directors (2024: €563 thousand). In 2025, the Bank recognised under the caption Other costs €35 thousand relating to pension savings plans granted to the Board of Directors (2024: €35 thousand).

A significant proportion of employees in the branch network are under multiple-employer arrangements, as provided for in Article 101 of the Portuguese Labour Code, combining their roles with the postal services of CTT. In 2025, the cost relating to these employees shared with CTT amounted to €3,085 thousand (2024: €2,915 thousand).

In 2025, variable remuneration paid to the Board of Directors amounted to €530 thousand (2024: €490 thousand).

As at the end of the financial years 2025 and 2024, the number of employees, excluding those under multiple employer arrangements, broken down by major professional categories, was as follows:

	2025	2024
Board of Directors	13	13
Executive Directors	5	5
Non-Executive Directors	8	8
<i>Of which: Audit Committee</i>	3	3
Other corporate bodies and internal committees	5	4
Heads of functional areas	56	50
Technical staff and administrative support	446	386
	<b>520</b>	<b>453</b>

## Note 9 – General and Administrative Expenses

This caption is composed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Water, electricity and fuel	320	274
Consumables	81	45
Hygiene and cleaning supplies	-	-
Rents and leases	17	-
Communications	1,446	1,632
Travel, accommodation and representation expenses	198	145
Advertising	1,382	2,215
Maintenance and repairs	50	6
Training costs	190	191
Insurance	137	128
IT	13,506	11,387
Consultancy and independent services	2,839	1,785
Other specialised services	4,446	4,223
Other supplies and services	11,028	10,102
<b>General and Administrative Expenses</b>	<b>35,640</b>	<b>32,133</b>

The caption IT records costs incurred with the implementation and maintenance of IT systems and infrastructure.

The caption Advertising records costs incurred with advertising and communication of the brand and products.

The caption Other specialised services records costs incurred with banking and transactional operations.

The caption Other supplies and services includes, among others, costs relating to the use of the CTT branch network, the servicing of banking operations and the use of payment networks. The cost relating to the use of the physical and technical infrastructure of the CTT branch network amounted to €3,670 thousand (2024: €4,886 thousand).

The costs incurred with services provided by the Statutory Auditors to the Bank are as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Statutory audit services	232	212
Other assurance services	318	109
Other services	-	-
	<b>550</b>	<b>321</b>

## Note 10 – Earnings per Share

Earnings per share is calculated as follows:

	2025	2024
Net income for the year (thousands of euros)	20,708	19,996
Average number of shares	324,682,443	298,950,056
Earnings per share (in euros)		
Basic	0.06	0.07
Diluted	0.06	0.07

The Bank's share capital amounts to €321,400,000, represented by 324,682,443 ordinary shares with no nominal value, fully paid up.

Basic earnings per share is calculated by dividing net profit by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding and net profit for the effects of all dilutive potential ordinary shares.

As at 31 December 2025 and 2024, the Bank did not have any dilutive potential ordinary shares and, therefore, diluted earnings per share is equal to basic earnings per share.

## Note 11 – Cash and Deposits with Central Banks

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Cash	23,032	23,966
Demand deposits at Banco de Portugal	44,326	40,447
<b>Cash and Deposits with Central Banks</b>	<b>67,358</b>	<b>64,413</b>

The caption Cash is represented by banknotes and coins denominated in euros.

The caption Demand deposits at Banco de Portugal includes mandatory deposits held to meet legal minimum reserve requirements. As at 31 December 2025, the amount of minimum reserves was €42,919 thousand (2024: €40,447 thousand).

In accordance with Regulation (EU) No. 1358/2011 of the European Central Bank, of 14 December 2011, minimum reserve requirements held as demand deposits with Banco de Portugal correspond to 1% of deposits and other liabilities.

## Note 12 – Deposits with Other Credit Institutions

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Credit institutions in Portugal	4.740	2.786
Credit institutions abroad	-	-
Cheques for collection	6.314	5.283
<b>Deposits with Other Credit Institutions</b>	<b>11.054</b>	<b>8.069</b>

The caption Cheques in collection represents cheques drawn by third parties on other credit institutions that are in the process of collection.

## Note 13 – Financial Assets at Amortised Cost – Placements with Credit Institutions

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Placements with central banks	607,033	644,361
Banco de Portugal		
Placements with other credit institutions in Portugal		
Term placements	55,911	56,941
Loans	164,697	160,050
Impairment	(19)	(21)
<b>Financial Assets at Amortised Cost – Placements with Credit Institutions</b>	<b>827,622</b>	<b>861,331</b>

The caption Placements with central banks records very short-term (overnight) placements with Banco de Portugal. As at 31 December 2025, these placements amounted to €607,033 thousand (2024: €644,361 thousand).

The maturity breakdown of this caption is presented as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Up to 3 months	654,576	694,433
From 3 to 12 months	8,367	6,869
From 1 to 3 years	164,698	149,289
More than 3 years	-	10,761
	<b>827,641</b>	<b>861,352</b>

The caption Placements with credit institutions presented an average annual rate of 2.77% (2024: 3.57%) during the period.

## Note 14 – Financial Assets at Amortised Cost – Loans and Advances to Customers

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Mortgage loans	965,440	802,289
Overdrafts	2,361	2,701
<b>Performing loans</b>	<b>967,801</b>	<b>804,990</b>
Past due loans – less than 90 days	172	116
Past due loans – more than 90 days	1,978	1,858
<b>Past due loans</b>	<b>2,150</b>	<b>1,974</b>
<b>Impairment for credit risk</b>	<b>(3,770)</b>	<b>(3,246)</b>
<b>Financial Assets at Amortised Cost – Loans and Advances to Customers</b>	<b>966,181</b>	<b>803,718</b>

The maturity breakdown of this caption is as follows:

	<i>(amounts in thousands of euros)</i>						
	2025						
	At sight	Up to 3 months	From 3 to 12 months	From 1 to 3 years	More than 3 years	Past due loans	Total
Mortgage loans	-	7,260	16,709	46,691	894,780	41	965,481
Overdrafts	2,361	-	-	-	-	2,109	4,470
	<b>2,361</b>	<b>7,260</b>	<b>16,709</b>	<b>46,691</b>	<b>894,780</b>	<b>2,150</b>	<b>969,951</b>

*(amounts in thousands of euros)*

	2024						Total
	At sight	Up to 3 months	From 3 to 12 months	From 1 to 3 years	More than 3 years	Past due loans	
Mortgage loans	-	5,366	11,836	31,618	753,468	44	802,332
Overdrafts	2,701	-	-	-	-	1,930	4,630
	<b>2,701</b>	<b>5,366</b>	<b>11,836</b>	<b>31,618</b>	<b>753,468</b>	<b>1,974</b>	<b>806,964</b>

The breakdown of this caption by type of interest rate is as follows:

*(amounts in thousands of euros)*

	2025	2024
Fixed rate	228,098	292,044
Variable rate	741,853	514,920
	<b>969,951</b>	<b>806,964</b>

The breakdown of this caption by type of collateral is presented as follows:

*(amounts in thousands of euros)*

	2025				
	Performing loans	Past due loans	Gross amount	Impairment	Net amount
Loans with collateral	965,440	41	965,481	(2,214)	963,267
Unsecured loans	2,361	2,109	4,470	(1,556)	2,914
	<b>967,801</b>	<b>2,150</b>	<b>969,951</b>	<b>(3,770)</b>	<b>966,181</b>

*(amounts in thousands of euros)*

	2024				
	Performing loans	Past due loans	Gross amount	Impairment	Net amount
Loans with collateral	802,289	44	802,333	(1,775)	800,558
Unsecured loans	2,701	1,930	4,631	(1,471)	3,160
	<b>804,990</b>	<b>1,974</b>	<b>806,964</b>	<b>(3,246)</b>	<b>803,718</b>

The breakdown of this caption by type of loan is presented as follows:

(amounts in thousands of euros)

	2025				
	Performing loans	Past due loans	Gross amount	Impairment	Net amount
Mortgage loans	965,440	41	965,481	(2,214)	963,267
Overdrafts	2,361	2,109	4,470	(1,556)	2,914
	<b>967,801</b>	<b>2,150</b>	<b>969,951</b>	<b>(3,770)</b>	<b>966,181</b>

(amounts in thousands of euros)

	2024				
	Performing loans	Past due loans	Gross amount	Impairment	Net amount
Mortgage loans	802,289	44	802,333	(1,775)	800,558
Overdrafts	2,701	1,930	4,631	(1,471)	3,160
	<b>804,990</b>	<b>1,974</b>	<b>806,964</b>	<b>(3,246)</b>	<b>803,718</b>

The breakdown of this caption by sector of activity is presented as follows:

(amounts in thousands of euros)

	2025				
	Performing loans	Past due loans	Gross amount	Impairment	Net amount
<b>Individuals</b>					
Mortgage	965,440	41	965,481	(2,214)	963,267
Consumer	2,361	2,109	4,470	(1,556)	2,914
	<b>967,801</b>	<b>2,150</b>	<b>969,951</b>	<b>(3,770)</b>	<b>966,181</b>

(amounts in thousands of euros)

	2024				
	Performing loans	Past due loans	Gross amount	Impairment	Net amount
<b>Individuals</b>					
Mortgage	802,289	44	802,333	(1,775)	800,558
Consumer	2,701	1,930	4,631	(1,471)	3,160
	<b>804,990</b>	<b>1,974</b>	<b>806,964</b>	<b>(3,246)</b>	<b>803,718</b>

The movement in impairment of loans during the period is presented as follows:

(amounts in thousands of euros)

	2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance</b>	<b>362</b>	<b>795</b>	<b>2,089</b>	<b>3,246</b>
<b>Movement during the period:</b>				
Financial assets originated or purchased	98	364	184	646
Changes due to variations in exposure or risk parameters	(234)	383	536	685
Financial assets derecognised excluding write-offs	(39)	(124)	(224)	(387)
Write-offs	-	-	(420)	(420)
Transfers to:				
Stage 1	121	(113)	(8)	-
Stage 2	(11)	148	(137)	-
Stage 3	(5)	(100)	105	-
Other movements	-	-	-	-
<b>Impairment for credit risk</b>	<b>292</b>	<b>1,353</b>	<b>2,125</b>	<b>3,770</b>
<i>Of which: POCI</i>	-	-	-	-

(amounts in thousands of euros)

	2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Opening balance</b>	<b>319</b>	<b>848</b>	<b>1,044</b>	<b>2,211</b>
<b>Movement during the period:</b>				
Financial assets originated or purchased	96	62	182	340
Changes due to variations in exposure or risk parameters	(284)	306	961	983
Financial assets derecognised excluding write-offs	(44)	(139)	(105)	(288)
Write-offs	-	-	-	-
Transfers to:				
Stage 1	291	(245)	(46)	-
Stage 2	(7)	130	(123)	-
Stage 3	(9)	(167)	176	-
Other movements	-	-	-	-
<b>Impairment for credit risk</b>	<b>362</b>	<b>795</b>	<b>2,089</b>	<b>3,246</b>
<i>Of which: POCI</i>	-	-	-	-

The reconciliation of accounting movements related to impairment losses is presented below:

*(amounts in thousands of euros)*

	2025			Total
	Stage 1	Stage 2	Stage 3	
<b>Opening balance</b>	<b>362</b>	<b>795</b>	<b>1,044</b>	<b>2,211</b>
<b>Movement during the period:</b>				
Changes in ECL of the loan portfolio	(175)	623	496	944
Transfers between stages (net)	105	(65)	(40)	-
Loan sales	-	-	-	-
Utilisation of impairment	-	-	-	-
Write-offs	-	-	(420)	(420)
Other movements	-	-	-	-
<b>Impairment for credit risk</b>	<b>292</b>	<b>1,353</b>	<b>2,125</b>	<b>3,770</b>

*(amounts in thousands of euros)*

	2024			Total
	Stage 1	Stage 2	Stage 3	
<b>Opening balance</b>	<b>319</b>	<b>848</b>	<b>1,044</b>	<b>2,211</b>
<b>Movement during the period:</b>				
Changes in ECL of the loan portfolio	(232)	229	1,038	1,035
Transfers between stages (net)	275	(282)	7	-
Utilisation of impairment	-	-	-	-
Write-offs	-	-	-	-
Other movements	-	-	-	-
<b>Impairment for credit risk</b>	<b>362</b>	<b>795</b>	<b>2,089</b>	<b>3,246</b>

The total loan portfolio, broken down by stage as defined under IFRS 9, is presented as follows:

*(amounts in thousands of euros)*

	2025	2024
<b>Stage 1</b>	<b>936,391</b>	<b>778,267</b>
Gross carrying amount	936,683	778,629
Impairment	(292)	(362)
<b>Stage 2</b>	<b>23,277</b>	<b>18,271</b>
Gross carrying amount	24,630	19,066
Impairment	(1,353)	(795)
<b>Stage 3</b>	<b>6,513</b>	<b>7,180</b>
Gross carrying amount	8,638	9,269
Impairment	(2,125)	(2,089)
	<b>966,181</b>	<b>803,718</b>

## Note 15 – Financial Assets at Amortised Cost – Debt Securities

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Government debt securities		
Portuguese	352,215	173,479
Foreign	1,255,151	1,232,850
Supranational debt securities	434,767	637,440
Bonds issued by other entities		
Portuguese	649,811	502,068
Foreign	-	9,015
Impairment	(425)	(297)
<b>Financial Assets at Amortised Cost – Debt Securities</b>	<b>2,691,519</b>	<b>2,554,555</b>

The financial assets in this portfolio are managed under a business model whose objective is to collect their contractual cash flows (Note 2.2.1.1).

The breakdown of this caption as at 31 December 2025 and 2024, by residual maturity, is as follows:

	<i>(amounts in thousands of euros)</i>				
	2025				
	Up to 3 months	From 3 to 12 months	From 1 to 3 years	More than 3 years	Total
Government debt securities					
Portuguese	161,105	48,248	37,430	105,432	352,215
Foreign	334,033	401,240	117,946	401,932	1,255,151
Supranational debt securities	141,495	148,642	124,897	19,733	434,767
Bonds issued by other entities					
Portuguese	618	-	-	649,193	649,811
Foreign	-	-	-	-	-
	<b>637,251</b>	<b>598,130</b>	<b>280,273</b>	<b>1,176,290</b>	<b>2,691,944</b>

*(amounts in thousands of euros)*

	2024				Total
	Up to 3 months	From 3 to 12 months	From 1 to 3 years	More than 3 years	
Government debt securities					
Portuguese	6,729	4,936	37,554	124,260	173,479
Foreign	394,999	641,629	29,056	167,166	1,232,850
Supranational debt securities	508,520	128,920	-	-	637,440
Bonds issued by other entities					
Portuguese	465	-	-	501,603	502,068
Foreign	9,015	-	-	-	9,015
	<b>919,727</b>	<b>775,485</b>	<b>66,610</b>	<b>793,030</b>	<b>2,554,852</b>

The movements in impairment of debt securities at amortised cost are analysed as follows:

*(amounts in thousands of euros)*

	2025	2024
	Stage 1	Stage 1
<b>Opening balance</b>	<b>297</b>	<b>224</b>
<b>Movement during the period:</b>		
Financial assets originated or purchased	98	49
Changes due to variations in exposure or risk parameters	80	54
Financial assets derecognised excluding write-offs	(50)	(30)
<b>Impairment of debt securities at amortised cost</b>	<b>425</b>	<b>297</b>

The reconciliation of accounting movements related to impairment losses is presented below:

*(amounts in thousands of euros)*

	2025	2024
	Stage 1	Stage 1
<b>Opening balance</b>	<b>297</b>	<b>224</b>
<b>Movement during the period:</b>		
Financial assets originated or purchased	128	73
<b>Impairment of debt securities at amortised cost</b>	<b>425</b>	<b>297</b>

## Note 16 – Financial Assets and Liabilities at Fair Value Through Profit or Loss

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Derivatives	132	-
<b>Financial Assets at Fair Value Through Profit or Loss</b>	<b>132</b>	<b>-</b>
Derivatives	(5,405)	(6,409)
of which: embedded derivatives	(1,821)	-
<b>Financial Liabilities at Fair value Through Profit or Loss</b>	<b>(5,405)</b>	<b>(6,409)</b>

The caption Derivatives represents the fair value of financial derivative instruments whose purpose is to mitigate interest rate risk.

In connection with derivative contracts, as at 31 December 2025, Banco CTT has an amount of €12,090 thousand (2024: €15,220 thousand) held in accounts with other financial institutions as margin calls, recognised under Other assets (Note 23).

The caption Financial liabilities at fair value through profit or loss includes the valuation of embedded derivatives separated in accordance with Note 2.1.3, amounting to €1,821 thousand.

The breakdown of the derivatives caption is presented as follows:

	2025			2024		
	Notional	Fair Value		Notional	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Interest rate contracts						
Interest Rate Swaps	227,692	132	(1,551)	130,412	-	(2,951)
Interest Rate Options	127,603	-	(2,033)	163,677	-	(3,458)
Embedded derivatives	135,718	-	(1,821)	-	-	-
<b>Derivatives</b>		<b>132</b>	<b>(5,405)</b>		<b>-</b>	<b>(6,409)</b>

The impact on profit or loss for the period of financial assets and liabilities at fair value through profit or loss is presented in Note 6.

## Note 17 – Financial Assets at Fair value Through Other Comprehensive Income – Debt Securities

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Bonds issued by other entities		
Portuguese	8,943	-
Foreign	43,300	-
<b>Financial Assets at Fair value Through Other Comprehensive Income – Debt Securities</b>	<b>52,243</b>	<b>-</b>

Changes in fair value and impairment of these assets are recognised in other comprehensive income (see Note 30).

## Note 18 – Derivatives – Hedge Accounting and Fair Value Changes of Hedged Items

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
<b>Hedging Derivatives</b>	<b>6,002</b>	<b>(6)</b>
Assets	7,279	6
Liabilities	(1,277)	(12)
<b>Hedge Accounting Results</b>		
(Fair value component of hedged assets and liabilities attributable to interest rate risk)	<b>2</b>	<b>-</b>
<b>Financial Liabilities</b>	<b>2</b>	<b>-</b>
Deposits from customers	-	-
Debt securities at amortised cost	3	-
Debt securities at fair value through other comprehensive income	(1)	-

## Fair Value Hedge

Fair value hedge transactions as at 31 December 2025 are analysed as follows:

Hedging instrument	Hedged item	Risk hedged	Notional	Fair value of derivative	<i>(amounts in thousands of euros)</i>	
					Gains/(losses) attributable to the hedged risk	
					Hedged item	Hedging instrument
Interest Rate Swap	Deposits from customers	Interest rate	-	-	18	(18)
Interest Rate Swap	Securities – AC	Interest rate	252,333	6,054	(884)	887
Interest Rate Swap	Securities – FVTOCI	Interest rate	52,000	(52)	(285)	284
				<b>6,002</b>	<b>(1,151)</b>	<b>1,153</b>

Fair value hedge transactions as at 31 December 2024 are analysed as follows:

*(amounts in thousands of euros)*

Hedging instrument	Hedged item	Risk hedged	Notional	Fair value of derivative	Gains/(losses) attributable to the hedged risk	
					Hedged item	Hedging instrument
Interest Rate Swap	Deposits from customers	Interest rate	50,000	(6)	(18)	18
				<b>(6)</b>	<b>(18)</b>	<b>18</b>

The ineffective portion of fair value hedge transactions is recognised in hedge accounting results. In 2025, the ineffective portion of hedge transactions amounted to €2 thousand (in 2024, there was no impact). The Group performs periodic effectiveness testing of existing hedge relationships.

## Note 19 – Other Tangible Assets

This caption is analysed as follows:

*(amounts in thousands of euros)*

	2025	2024
<b>Acquisition cost</b>	<b>15,857</b>	<b>11,041</b>
<b>Property</b>		
Leasehold improvements	1,984	1,399
<b>Equipment</b>		
Furniture	1,069	742
Machinery and tools	1,340	1,336
IT equipment	1,359	1,068
Interior installations	10	1
Transport equipment	-	-
Security equipment	89	80
Other equipment	16	16
<b>Right-of-use assets</b>		
Property	6,958	4,162
Vehicles	2,662	2,237
<b>Other tangible assets</b>	-	-
<b>Other tangible assets in progress</b>	370	-
<b>Accumulated depreciation</b>	<b>(6,265)</b>	<b>(4,465)</b>
Related to previous years	(4,064)	(2,721)
Related to the current year	(2,201)	(1,744)
<b>Other Tangible Assets</b>	<b>9,592</b>	<b>6,576</b>

The movements in the caption Other tangible assets during 2025 are analysed as follows:

(amounts in thousands of euros)

	2025					Balance as at 31 December
	Balance as at 1 January	Acquisitions / Charge	Transfers	Disposals / Write-offs	Other	
<b>Acquisition cost</b>	<b>11,041</b>	<b>5,220</b>	-	<b>(404)</b>	-	<b>15,857</b>
<b>Property</b>						
Leasehold improvements	1,399	563	22	-	-	1,984
<b>Equipment</b>						
Furniture	742	349	(22)	-	-	1,069
Machinery and tools	1,336	4	-	-	-	1,340
IT equipment	1,068	291	-	-	-	1,359
Interior installations	1	9	-	-	-	10
Transport equipment	-	-	-	-	-	-
Security equipment	80	9	-	-	-	89
Other equipment	16	-	-	-	-	16
<b>Right-of-use assets</b>						
Property	4,162	2,796	-	-	-	6,958
Vehicles	2,237	829	-	(404)	-	2,662
<b>Other tangible assets</b>	-	-	-	-	-	-
<b>Other tangible assets in progress</b>	-	370	-	-	-	370
<b>Accumulated depreciation</b>	<b>(4,466)</b>	<b>(2,201)</b>	-	<b>401</b>	-	<b>(6,265)</b>
<b>Property</b>						
Leasehold improvements	(372)	(281)	(1)	-	-	(654)
<b>Equipment</b>						
Furniture	(386)	(62)	1	-	-	(447)
Machinery and tools	(306)	(146)	-	-	-	(452)
IT equipment	(621)	(233)	-	-	-	(854)
Interior installations	(1)	(1)	-	-	-	(2)
Transport equipment	-	-	-	-	-	-
Security equipment	(63)	(5)	-	-	-	(68)
Other equipment	(11)	(1)	-	-	-	(11)
<b>Right-of-use assets</b>						
Property	(1,657)	(792)	-	-	-	(2,449)
Vehicles	(1,048)	(680)	-	401	-	(1,328)
<b>Other tangible assets</b>	-	-	-	-	-	-
	<b>6,576</b>	<b>3,019</b>	-	<b>(3)</b>	-	<b>9,592</b>

The movements in the caption Other tangible assets during 2024 are analysed as follows:

(amounts in thousands of euros)

	2024					Balance as at 31 December
	Balance as at 1 January	Acquisitions / Charge	Transfers	Disposals / Write-offs	Other	
<b>Acquisition cost</b>	<b>7,382</b>	<b>3,822</b>	-	<b>(163)</b>	-	<b>11,041</b>
<b>Property</b>						
Leasehold improvements	849	123	427	-	-	1,399
<b>Equipment</b>						
Furniture	422	284	36	-	-	742
Machinery and tools	905	431	-	-	-	1,336
IT equipment	773	295	-	-	-	1,068
Interior installations	1	-	-	-	-	1
Transport equipment	-	-	-	-	-	-
Security equipment	68	12	-	-	-	80
Other equipment	16	-	-	-	-	16
<b>Right-of-use assets</b>						
Property	2,969	1,193	-	-	-	4,162
Vehicles	1,334	1,066	-	(163)	-	2,237
<b>Other tangible assets</b>	-	-	-	-	-	-
<b>Other tangible assets in progress</b>	45	418	(463)	-	-	-
<b>Accumulated depreciation</b>	<b>(2,876)</b>	<b>(1,745)</b>	-	<b>155</b>	-	<b>(4,466)</b>
<b>Property</b>						
Leasehold improvements	(139)	(234)	1	-	-	(372)
<b>Equipment</b>						
Furniture	(361)	(24)	(1)	-	-	(386)
Machinery and tools	(213)	(93)	-	-	-	(306)
IT equipment	(473)	(148)	-	-	-	(621)
Interior installations	(1)	-	-	-	-	(1)
Transport equipment	-	-	-	-	-	-
Security equipment	(59)	(4)	-	-	-	(63)
Other equipment	(10)	(1)	-	-	-	(11)
<b>Right-of-use assets</b>						
Property	(926)	(731)	-	-	-	(1,657)
Vehicles	(694)	(509)	-	155	-	(1,048)
<b>Other tangible assets</b>	-	-	-	-	-	-
	<b>4,506</b>	<b>2,078</b>	-	<b>(8)</b>	-	<b>6,576</b>

## Note 20 – Intangible Assets

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
<b>Acquisition cost</b>	<b>69,842</b>	<b>59,544</b>
Software in use	65,466	56,047
Other intangible assets	16	16
Software in progress	4,360	2,881
<b>Accumulated amortisation</b>	<b>(42,257)</b>	<b>(36,394)</b>
Related to prior years	(36,394)	(30,694)
Related to the current year	(5,863)	(5,700)
<b>Intangible Assets</b>	<b>27,585</b>	<b>23,150</b>

Intangible assets mainly include costs related to the acquisition and development of software, including the core banking system and related implementation and customisation projects.

The core banking system had a net carrying amount of €6,251 thousand as at 31 December 2025 (31 December 2024: €7,493 thousand). As at 31 December 2023, this asset had an estimated remaining useful life of 7 years. During the first half of 2024, the Group revised the estimated remaining useful life of this asset to approximately 2 years, assigning it an estimated residual value of approximately €6,000 thousand. This change results from the signing of a service agreement with the current licensing provider, which provides for the migration and upgrade of the current licence (on premises) to access a software as a service solution. This solution will incorporate a set of customisations and configurations migrated from the current on premises system, to which a value similar to the above-mentioned residual value has been assigned, and which is expected to become effective during 2026.

The movements in the caption Intangible assets during 2025 are analysed as follows:

	<i>(amounts in thousands of euros)</i>					
	2025					
	Balance as at 1 January	Acquisitions / Charge	Transfers	Disposals / Write-offs	Other	Balance as at 31 December
<b>Acquisition cost</b>	<b>59,544</b>	<b>10,389</b>	-	<b>(91)</b>	-	<b>69,842</b>
Software in use	56,647	51	8,768	-	-	65,466
Other intangible assets	16	-	-	-	-	16
Software in progress	2,881	10,338	<b>(8,768)</b>	<b>(91)</b>	-	4,360
<b>Accumulated amortisation</b>	<b>(36,394)</b>	<b>(5,863)</b>	-	-	-	<b>(42,257)</b>
Related to prior years	(36,377)	(5,862)	-	-	-	(42,239)
Related to the current year	(17)	(1)	-	-	-	(18)
	<b>23,150</b>	<b>4,526</b>	-	<b>(91)</b>	-	<b>27,585</b>

The movements in the caption Intangible assets during 2025 are analysed as follows:

(amounts in thousands of euros)

	Balance as at 1 January	Acquisitions / Charge	2024			Balance as at 31 December
			Transfers	Disposals / Write-offs	Other	
<b>Acquisition cost</b>	<b>50.783</b>	<b>8.762</b>	-	-	<b>(1)</b>	<b>59.544</b>
Software in use	50.593	-	-	6.055	(1)	56.647
Other intangible assets	16	-	-	-	-	16
Software in progress	174	8.762	-	(6.055)	-	2.881
<b>Accumulated amortisation</b>	<b>(30.695)</b>	<b>(5.700)</b>	-	-	<b>1</b>	<b>(36.394)</b>
Related to prior years	(30.680)	(5.698)	-	-	1	(36.377)
Related to the current year	(15)	(2)	-	-	-	(17)
	<b>20.088</b>	<b>3.062</b>	-	-	-	<b>23.150</b>

## Note 21 – Investments in Subsidiaries and Associates

This caption is analysed as follows:

(amounts in thousands of euros)

	2025		2024	
	Ownership (%)	Carrying amount	Ownership (%)	Carrying amount
321 Crédito – Instituição Financeira de Crédito, S.A.	100%	167,607	100%	142,558
<b>Investments in Subsidiaries and Associates</b>		<b>167,607</b>		<b>142,558</b>

The financial information relating to the most significant associates is presented in the table below:

(amounts in thousands of euros)

	Assets		Liabilities		Equity		Net Income	
	2025	2024	2025	2024	2025	2024	2025	2024
321 Crédito – Instituição Financeira de Crédito, S.A.	1,101,857	1,000,350	997,847	923,058	104,010	77,292	11,583	6,314

The breakdown of Results from investments in subsidiaries and associates is as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
321 Crédito – Instituição Financeira de Crédito, S.A.	11,583	6,314
Equity method adjustments	(1,669)	(4,870)
<b>Results from Investments in Subsidiaries and Associates</b>	<b>9,914</b>	<b>1,444</b>

Equity method adjustments arise mainly from the recognition of results generated by structured entities (securitisation vehicles) controlled by 321 Crédito, in accordance with paragraph 27 of IAS 28. These adjustments result primarily from the recognition of the fair value of derivative financial instruments contracted by the structured entities to mitigate interest rate risk.

### Impairment

The recoverable amount of investments in subsidiaries and associates is assessed annually or whenever there are indications of potential impairment. The recoverable amount is determined based on the value in use of the assets, calculated using methodologies supported by discounted cash flow techniques, taking into account market conditions, the time value of money and business risks.

In order to determine the recoverable amount of the investments, impairment tests were performed as at 31 December 2025 and 2024 based on the following assumptions:

	2025			
	Basis for determining recoverable amount	Explicit cash flow period	Discount rate	Perpetual growth rate
321 Crédito – Instituição Financeira de Crédito, S.A.	Equity Value / DDM	10 years	10.0%	1.5%

	2024			
	Basis for determining recoverable amount	Explicit cash flow period	Discount rate	Perpetual growth rate
321 Crédito – Instituição Financeira de Crédito, S.A.	Equity Value / DDM	10 years	10.0%	1.5%

### 321 Crédito – Instituição Financeira de Crédito, S.A.

Cash flows were estimated based on projections of results and business activity, in line with the business plan associated with the cash-generating unit, as approved by Management. These projections cover a period of 10 years (until 2035), which has been applied consistently since the acquisition of 321 Crédito and which, in Management's judgement, best reflects the nature of the investment, the maturity of the portfolio and economic/interest rate cycles. Over this period, the projections assume a compound annual growth rate of total assets of 5.6% (3.8% in 2024).

The valuation was based on the Dividend Discount Model ("DDM"), which is commonly used in the banking sector. The rationale of this methodology is that the investor considers two types of cash flows when valuing

the asset: the dividend/capital reinforcement trade-off and the value of future dividends in perpetuity. The discount rate of 10.0% (post-tax) is consistent with internal benchmarks used for project and investment appraisal and remains within the range typically applied in the banking sector.

Sensitivity analyses were performed on the results of the impairment tests, namely on the following key variables: (i) a decrease/increase of 0.5% in the target CET1 ratio; or (ii) an increase of 50 basis points in the discount rates applied. Based on the impairment test performed, as well as the sensitivity analyses carried out, no impairment was identified in respect of the goodwill recognised as at 31 December 2025.

## Note 22 – Income Taxes

The Bank is subject to Corporate Income Tax (IRC) and related surcharges.

Income taxes (current or deferred) are recognised in profit or loss for the period, except when they relate to items recognised directly in equity. In such cases, the corresponding tax is also recognised directly in equity and does not affect profit or loss for the period.

The calculation of current tax for the years 2025 and 2024 was based on nominal IRC rates of 20% and 21%, respectively, in accordance with Law no. 107-B/2003, of 31 December, and Law no. 2/2007, of 15 January.

Deferred taxes are calculated based on the tax rates expected to be in force at the time of reversal of the temporary differences, which correspond to rates enacted or substantively enacted at the reporting date.

As referred to in Note 2.7, the Bank is subject to the Special Taxation Regime for Groups of Companies, which includes all companies in which CTT holds, directly or indirectly, at least 75% of the share capital and that are simultaneously resident in Portugal and subject to Corporate Income Tax (IRC).

## Reconciliation of the Effective Tax Rate

The reconciliation of the tax rate, in respect of the amount recognised in profit or loss, is presented as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Net income before income taxes	24,547	26,078
Statutory tax rate	20.0%	21.0%
<b>Expected income tax expense</b>	<b>4,909</b>	<b>5,476</b>
Surcharges	919	1,519
<b>Total expected tax expense</b>	<b>5,828</b>	<b>6,995</b>
Elimination of the equity method	(1,983)	(303)
Additions / (deductions) for tax purposes	503	364
Autonomous taxation	5	13
Other adjustments	(73)	(205)
<b>Current tax expense for the year</b>	<b>4,280</b>	<b>6,864</b>
<b>Adjustments relating to prior years</b>	<b>(429)</b>	<b>(724)</b>
<b>Deferred tax recognised</b>	<b>(12)</b>	<b>(58)</b>
<b>Income taxes</b>	<b>3,839</b>	<b>6,082</b>
Effective tax rate	5.6%	26.1%
Effective tax rate (excluding equity method)	26.2%	27.6%

*Note: negative amounts represent recoverable amounts.*

Adjustments relating to prior years refer to revisions to income tax estimates, including amounts related to applications under the SIFIDE scheme.

## Current Taxes

In accordance with the accounting policy described in Note 2.7, the amount relating to income tax is recognised as a receivable from or payable to the shareholder CTT (see Notes 23 and 28).

## Deferred Taxes

The movement in deferred tax assets during the period is presented as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
<b>Opening balance</b>	<b>1,090</b>	<b>1,032</b>
Recognised in profit or loss	12	58
Other	1	-
<b>Deferred tax assets</b>	<b>1,103</b>	<b>1,090</b>

Deferred tax assets as at 31 December 2025 and 2024 arise mainly from temporary differences resulting from non-deductible variable remuneration.

### Tax Regime for Impairment Losses

In 2019, the Bank elected to adopt, on a definitive basis, the tax regime applicable to impairment losses of credit institutions and other financial institutions subject to the supervision of Banco de Portugal, as set out in Articles 2 and 3 of Law no. 98/2019, of 4 September, in accordance with paragraph 1 of Article 4 of the same law, with effect from the tax period starting on 1 January 2019 (inclusive).

### Special Taxation Regime for Groups of Companies (RETGS)

The Bank and its subsidiaries – directly or indirectly held by more than 75% for more than one year by the parent company, CTT – are subject to the Special Taxation Regime for Groups of Companies (RETGS), which includes all companies in which CTT holds, directly or indirectly, at least 75% of the share capital and that are simultaneously resident in Portugal and subject to Corporate Income Tax (IRC).

Under this regime, and up to and including 2020, Banco CTT and its subsidiaries eligible to be included in the RETGS received from CTT the amount corresponding to the tax loss with which they contributed to the consolidated corporate income tax of the CTT Group and, similarly, paid to CTT the amount corresponding to their positive contribution to the consolidated corporate income tax of the CTT Group.

From 2021 onwards, the Banco CTT Group is considered a “tax sub-group” within the regime, in which CTT – Correios de Portugal, S.A. acts as the parent entity. Accordingly, the Bank’s subsidiaries settle corporate income tax with Banco CTT, which in turn pays or receives the net amount determined for the Banco CTT Group to or from the parent company. Where there are historical amounts receivable from CTT by the Group, any payments of corporate income tax to CTT are settled through the utilisation/reduction of those receivables, with cash payments only occurring once no such historical receivables remain.

The caption Other liabilities includes an amount of €4,063 thousand relating to corporate income tax arising from the application of the Special Taxation Regime for Groups of Companies (RETGS), as described in Note 2.7. This amount qualifies as a financial instrument measured at amortised cost and bears interest at a market rate.

As at 31 December 2023, corporate income tax to be settled with CTT is presented under Other assets in the amount of €3,663 thousand.

### **SIFIDE**

Based on the historical approval rate of submitted applications, the Bank recognises, in the period to which the investments relate, an estimate of 25% of the tax credit submitted for certification by the competent authority (ANI – Agência Nacional de Inovação).

The amount of adjustments relating to prior years corresponds to differences in tax estimates, mainly arising from the recognition of tax credits related to SIFIDE 2024 and 2023, amounting to €81,948, as detailed below:

#### *SIFIDE 2022*

In the 2022 financial year, the Bank incurred R&D expenses for which it benefited – approved in 2024 – from a corporate income tax credit amounting to €478,572 (of which €335,000 was recognised in profit or loss in 2023 and €143,572 was recognised in profit or loss in 2024).

#### *SIFIDE 2023*

In the 2023 financial year, the Bank incurred R&D expenses for which it benefited from a corporate income tax credit amounting to €420,149 (of which €294,104 was recognised in profit or loss in 2024 and €126,045 was recognised in profit or loss in 2025).

#### *SIFIDE 2024*

In the 2024 financial year, the Bank incurred R&D expenses for which it expects to benefit from a corporate income tax credit amounting to €160,904 (of which €205,000 was recognised in profit or loss in 2024 and €(44,096) was recognised in profit or loss in 2025).

#### *SIFIDE 2025*

In the 2025 financial year, the Bank incurred R&D expenses for which it expects to benefit from a corporate income tax credit amounting to €73,250, which was recognised in profit or loss in 2025.

## Note 23 – Other Assets

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Corporate income tax – RETGS	2,794	1,911
Balance with CTT	-	-
Balance with subsidiaries	2,794	1,911
Operations to be cleared	3,417	2,442
Escrow accounts	12,784	15,907
Other receivables	4,818	6,300
Prepaid expenses	6,994	3,352
Public sector	227	227
Amounts receivable from subsidiaries	15	40
Impairment for other assets	(329)	(333)
<b>Other Assets</b>	<b>30,720</b>	<b>29,846</b>

The caption Escrow accounts includes an amount of €12,090 thousand (2024: €15,220 thousand) relating to amounts deposited with other financial institutions as margin calls in connection with derivative financial instruments.

The caption Other assets includes an amount of €2,794 thousand (2024: €1,911 thousand) relating to corporate income tax arising from the application of the Special Taxation Regime for Groups of Companies (RETGS), as described in Note 2.7.

The caption Other receivables mainly comprises commission amounts receivable from partners in connection with credit intermediation and insurance mediation activities.

The caption Items to be settled includes amounts relating to banking operations pending financial settlement.

The movements in impairment for other assets are analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
<b>Opening balance</b>	<b>333</b>	<b>354</b>
Charge for the period	3	-
Reversal for the period	(7)	(21)
Utilisation for the period	-	-
<b>Impairment for other assets</b>	<b>329</b>	<b>333</b>

## Note 24 – Financial Liabilities at Amortised Cost – Deposits from Credit Institutions

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Deposits from credit institutions in Portugal		
Demand deposits	107	65
Term deposits	55,009	46,041
<b>Financial Liabilities at Amortised Cost – Deposits from Credit Institutions</b>	<b>55,116</b>	<b>46,106</b>

## Note 25 – Financial Liabilities at Amortised Cost – Deposits from Customers

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Demand deposits	1,652,925	1,492,536
Term deposits	2,252,986	2,204,178
Saving accounts	444,088	363,730
Fair value adjustments of hedged liabilities	(1,569)	18
<b>Financial Liabilities at Amortised Cost – Deposits from Customers</b>	<b>4,348,430</b>	<b>4,060,462</b>

In 2025, the average interest rate on customer deposits was 1.09% (2024: 1.70%).

The analysis of the caption Deposits from customers, by contractual residual maturity, is as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Demand deposits and saving accounts	2,097,013	1,856,266
Term deposits		
Up to 3 months	1,093,600	1,001,500
From 3 to 12 months	883,779	1,202,696
From 1 to 3 years	274,038	-
	<b>4,348,430</b>	<b>4,060,462</b>

## Note 26 – Financial Liabilities at Amortised Cost – Debt Securities Issued

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Bonds	54,982	9,996
<b>Financial Liabilities at Amortised Cost – Debt Securities Issued</b>	<b>54,982</b>	<b>9,996</b>

As at 31 December 2025, there are two active securitisation transactions placed with institutional investors (Ulisses Finance No.2 and Ulisses Finance No.3) and two senior preferred bond issuances (eligible for MREL – Minimum Requirement for Own Funds and Eligible Liabilities). One of these, issued in December 2024, was fully subscribed by the shareholder CTT – Correios de Portugal, S.A., while the other, issued in November 2025, was subscribed by domestic and international institutional investors.

As at 31 December 2025 and 2024, debt securities issued and not retained are analysed as follows:

Name	Issue Date	Maturity Date	Remuneration	<i>(amounts in thousands of euros)</i>			
				2025		2024	
				Nominal amount	Carrying amount	Nominal amount	Carrying amount
<b>Banco CTT Senior Preferred</b>				<b>55,000</b>	<b>54,982</b>	<b>10,000</b>	<b>9,996</b>
Senior Pref.	Dec 2024	Jul 2027	Fixed rate 4,543%	10,000	10,202	10,000	9,996
Senior Pref.	Nov 2025	Nov 2028	Fixed rate 3,750%	45,000	44,780	-	-
				<b>55,000</b>	<b>54,982</b>	<b>10,000</b>	<b>9,996</b>

The movement in this caption during 2025 is presented as follows:

	<i>(amounts in thousands of euros)</i>				
	2025				
	Opening balance	Issuances	Redemptions	Other movements	Closing balance
Banco CTT Senior Preferred Due 2027	9,996	-	-	206	10,202
Banco CTT Senior Preferred Due 2028	-	45,000	-	(220)	44,780
	<b>9,996</b>	<b>45,000</b>	<b>-</b>	<b>(14)</b>	<b>54,982</b>

The movement in this caption during 2024 is presented as follows:

*(amounts in thousands of euros)*

	2024				Closing balance
	Opening balance	Issuances	Redemptions	Other movements	
Banco CTT Senior Preferred Due 2027	-	10,000	-	(4)	9,996
	-	<b>10,000</b>	-	<b>(4)</b>	<b>9,996</b>

## Note 27 – Provisions

This caption is analysed as follows:

*(amounts in thousands of euros)*

	2025	2024
Provisions for other risks and charges	993	847
Provisions for commitments	110	244
<b>Provisions</b>	<b>1.103</b>	<b>1.091</b>

Provisions for other risks and charges were recognised to cover contingencies related to the Group's activities, for which an outflow of resources is considered probable.

Provisions for commitments relate to provisions for off-balance sheet credit exposures.

At each reporting date, the Bank reassesses the amounts recognised in this caption to ensure that they reflect the best estimate of the amount and probability of occurrence.

The movement in provisions during the period is presented as follows:

*(amounts in thousands of euros)*

	2025	2024
<b>Opening balance</b>	<b>1,091</b>	<b>812</b>
Charge for the period	363	366
Reversal for the period	(312)	(77)
Utilisation for the period	(39)	(10)
Transfers	-	-
<b>Provisions</b>	<b>1,103</b>	<b>1,091</b>

## Note 28 – Other Liabilities

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Corporate income tax – RETGS	4,063	4,421
Balance with CTT	4,063	4,421
Balance with subsidiaries	-	-
Payables		
Suppliers	5,615	5,159
Related parties	724	1,152
Other payables	-	-
Staff costs	7,523	6,688
Operations to be cleared	26,104	30,611
Deferred income	501	1,836
Public sector	1,585	2,300
Escrow Accounts	5,450	-
Lease liabilities	6,044	3,866
<b>Other Liabilities</b>	<b>57,609</b>	<b>56,033</b>

The caption Operations to be cleared mainly reflects the balance of banking transactions pending financial settlement.

The caption Lease liabilities corresponds to lease liabilities recognised under IFRS 16, as described in accounting policy 2.6.

The caption Other liabilities includes an amount of €4,063 thousand (2024: €4,421 thousand) relating to corporate income tax arising from the application of the Special Taxation Regime for Groups of Companies (RETGS), as described in Note 2.7. This amount qualifies as a financial instrument measured at amortised cost.

## Note 29 – Share Capital

The share capital amounts to €321,400,000, represented by 324,682,443 shares with no nominal value, and is fully subscribed and paid up.

On 29 November 2024, a share capital increase was carried out, from €296,400,000 (two hundred and ninety-six million four hundred thousand euros) to €321,400,000 (three hundred and twenty-one million four hundred thousand euros), through a new cash contribution from Generali Seguros, S.A. in the amount of €25,000,000 (twenty-five million euros), resulting in the issuance of 28,282,443 new shares with no nominal value, ordinary, registered and with an issue price of €0.8839 each.

As at 31 December 2025 and 2024, the Bank's shareholders are as follows:

	2025		2024	
	Number of shares	% share capital	Numbers of shares	% share capital
CTT – Correios de Portugal, S.A. (sociedade aberta)	296,400,000	91.29%	296,400,000	91.29%
Generali Seguros, S.A.	28,282,443	8.71%	28,282,443	8.71%
<b>Total</b>	<b>324,682,443</b>	<b>100.00%</b>	<b>324,682,443</b>	<b>100.00%</b>

## Note 30 – Fair Value Reserves, Other Reserves and Retained Earnings

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Fair value reserves		
Other financial assets at fair value through other comprehensive income	27	-
Legal reserves	6,830	4,830
Other reserves	(200)	(335)
<i>of which: equity method</i>	554	419
Retained earnings	(12,692)	(30,868)
<b>Reserves and Retained Earnings</b>	<b>(6,035)</b>	<b>(26,193)</b>

## Note 31 – Guarantees and Other Commitments

This caption is analysed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Guarantees given	65,975	64,913
Guarantees received	1,901,897	1,609,530
Commitments granted to third parties		
Revocable commitments		
Credit lines	48,350	52,995
Irrevocable commitments		
Credit lines	30,875	26,836
Commitments received from third parties		
Revocable commitments		
Credit lines	46,500	27,916

The amount recorded as Guarantees given mainly includes securities pledged as collateral to secure the settlement of interbank transactions.

The amount recorded as Guarantees received mainly includes guarantees and mortgages over properties provided as collateral for mortgage lending operations.

Revocable and irrevocable commitments represent contractual agreements to grant credit to the Group's customers (e.g. unused credit lines and overdrafts), which are generally contracted for fixed terms or subject to other expiry conditions. Substantially all outstanding credit commitments require customers to maintain certain conditions established at inception.

Notwithstanding the specific characteristics of these commitments, their assessment follows the same basic principles as any other commercial transaction, namely the borrower's creditworthiness, and the Group requires such exposures to be adequately collateralised where appropriate. As a portion of these commitments is expected to expire without being drawn, the amounts disclosed do not necessarily represent future cash outflows.

Provisions for commitments granted to third parties are disclosed in Note 25.

## Note 32 – Related Party Transactions

All transactions and operations carried out by the Bank with related parties are conducted on an arm's length basis for similar transactions and form part of the Bank's ordinary course of business.

For this purpose, the concept of related parties is defined in Chapter 4 of the Banco CTT Group's Related Party Transactions Policy (which refers to IAS 24, the RGICSF and Banco de Portugal Notice no. 3/2020), available at:

<https://www.bancoctt.pt/sobre-o-banco-ctt/governo-da-sociedade/estatutos-e-regulamentos>

As at 31 December 2025, the value of transactions between the Bank and related parties and shareholders, as well as the respective expenses and income recognised during the year, were as follows:

*(amounts in thousands of euros)*

	2025			
	Balance Sheet		Income Statement	
	Assets	Liabilities	Expenses	Income
CTT – Correios de Portugal, S.A	467	17,913	5,118	19
CTT Expresso – Serviços Postais e Logística, S.A.	34	8	88	-
NewSpring Services, S.A.	665	189	377	-
Wolfspring, ACE	-	36	144	-
Payshop (Portugal), S.A.	-	10,641	121	-
321 Crédito, S.A.	167,507	55,131	767	4,988
Chaves Funding No.8	649,811	-	-	20,583
Generali Seguros, S.A.	97	-	-	2,733
<b>Total</b>	<b>818,581</b>	<b>83,918</b>	<b>6,615</b>	<b>28,323</b>

The balance of liabilities towards CTT – Correios de Portugal, S.A. includes €3,280 thousand relating to bank deposits.

The balance of assets with 321 Crédito, S.A. does not include the Bank's equity investment in that entity.

The balance of liabilities towards Payshop (Portugal), S.A. relates to bank deposits.

As at 31 December 2024, the value of transactions between the Bank and related parties and shareholders, as well as the respective expenses and income recognised during the year, were as follows:

*(amounts in thousands of euros)*

	2024			
	Balance Sheet		Income Statement	
	Assets	Liabilities	Assets	Liabilities
CTT – Correios de Portugal, S.A.	732	22,508	5,851	27
CTT Expresso – Serviços Postais e Logística, S.A.	1	9	96	-
NewSpring Services, S.A.	562	29	165	-
Wolfspring, ACE	-	31	158	-
Payshop (Portugal), S.A.	7	9,877	22	7
321 Crédito, S.A.	162,098	46,106	1,365	5,889
Chaves Funding No.8	502,068	-	-	16,788
Generali Seguros, S.A.	48	-	-	880
<b>Total</b>	<b>665,516</b>	<b>78,560</b>	<b>7,657</b>	<b>23,591</b>

The balance of liabilities towards CTT – Correios de Portugal, S.A. includes €6,867 thousand relating to bank deposits.

The balance of assets with 321 Crédito, S.A. does not include the Bank's equity investment in that entity.

The balance of liabilities towards Payshop (Portugal), S.A. relates to bank deposits.

As at 31 December 2025, the value of the deposits placed by the members of the Corporate Bodies at the Bank amounted to 231 thousand euros (2024: 120 thousand euros).

## Note 33 – Fair Value

The fair value of financial assets and liabilities as at 31 December 2025 is analysed as follows:

(amounts in thousands of euros)

	2025				
	At fair value through profit or loss	At fair value through reserves	Amortised cost	Carrying amount	Fair value
Cash and deposits with central banks	-	-	67,358	67,358	67,358
Deposits with other credit institutions	-	-	11,054	11,054	11,054
Financial assets at amortised cost					
Placements with credit institutions	-	-	827,622	827,622	827,622
Loans and advances to customers	-	-	966,181	966,181	976,300
Debt securities	-	-	2,691,519	2,691,519	2,670,187
Public sector issuers	-	-	1,607,217	1,607,217	1,586,085
Supranational issuers	-	-	434,749	434,749	434,549
Other issuers	-	-	649,553	649,553	649,553
Financial assets at fair value through profit or loss					
Derivatives	132	-	-	132	132
Financial assets at fair value through other comprehensive income					
Debt securities	-	52,243	-	52,243	52,243
Other issuers	-	52,243	-	52,243	52,243
Hedging derivatives	7,279	-	-	7,279	7,279
Other financial assets	-	-	15,579	15,579	15,579
<b>Financial Assets</b>	<b>7,411</b>	<b>52,243</b>	<b>4,579,313</b>	<b>4,638,967</b>	<b>4,627,754</b>
Financial liabilities at fair value through profit or loss					
Derivatives	5,405	-	-	5,405	5,405
Financial liabilities at amortised cost					
Deposits from credit institutions	-	-	55,116	55,116	55,116
Deposits from customers	-	-	4,348,430	4,348,430	4,348,430
Debt securities issued	-	-	54,982	54,982	55,396
Hedging derivatives	1,277	-	-	1,277	1,277
Other financial liabilities	-	-	4,063	4,063	4,063
<b>Financial Liabilities</b>	<b>6,682</b>	<b>-</b>	<b>4,462,591</b>	<b>4,469,273</b>	<b>4,469,687</b>

The fair value of financial assets and liabilities as at 31 December 2024 is analysed as follows:

(amounts in thousands of euros)

	2024				
	At fair value through profit or loss	At fair value through reserves	Amortised cost	Carrying amount	Fair value
Cash and deposits with central banks	-	-	64,413	64,413	64,413
Deposits with other credit institutions	-	-	8,069	8,069	8,069
Financial assets at amortised cost					
Placements with credit institutions	-	-	861,331	861,331	861,331
Loans and advances to customers	-	-	803,718	803,718	803,718
Debt securities	-	-	2,554,555	2,554,555	2,532,337
Public sector issuers	-	-	1,406,231	1,406,231	1,383,617
Supranational issuers	-	-	637,434	637,434	637,825
Other issuers	-	-	510,890	510,890	510,890
Financial assets at fair value through profit or loss					
Derivatives	-	-	-	-	-
Hedging derivatives	6	-	-	6	6
Other financial assets	-	-	17,818	17,818	17,645
<b>Financial Assets</b>	<b>6</b>	<b>-</b>	<b>4,309,904</b>	<b>4,309,910</b>	<b>4,287,538</b>
Financial liabilities at fair value through profit or loss					
Derivatives	6,409	-	-	6,409	6,409
Financial liabilities at amortised cost					
Deposits from credit institutions	-	-	46,106	46,106	46,106
Deposits from customers	-	-	4,060,462	4,060,462	4,060,462
Debt securities issued	-	-	9,996	9,996	10,019
Hedging derivatives	12	-	-	12	12
Other financial liabilities	-	-	4,421	4,421	4,019
<b>Financial Liabilities</b>	<b>6,421</b>	<b>-</b>	<b>4,120,985</b>	<b>4,127,406</b>	<b>4,127,027</b>

Fair value is based on quoted market prices whenever these are available. Where such prices are not available, fair value is estimated using internal models based on discounted cash flow techniques. The cash flows of the various instruments are determined based on their respective financial characteristics, and the discount rates used incorporate both the market interest rate curve and the current risk levels of the respective issuer.

Accordingly, the fair value obtained is influenced by the parameters used in the valuation model, which inherently incorporate a degree of subjectivity, and reflects exclusively the value attributed to the different financial instruments.

The Bank uses the following fair value hierarchy, comprising three levels in the valuation of financial instruments (assets or liabilities), which reflects the level of judgement, the observability of the inputs used and the significance of the parameters applied in determining the fair value measurement of the instrument, in accordance with IFRS 13:

- Level 1: Fair value is determined based on unadjusted quoted prices in active markets for identical financial instruments. Where more than one active market exists for the same financial instrument, the relevant price is that prevailing in the principal market for the instrument, or the most advantageous market to which the entity has access;

- Level 2: Fair value is determined using valuation techniques based on observable inputs in active markets, whether direct (prices, rates, spreads, etc.) or indirect (derived), and valuation assumptions similar to those that an unrelated party would use in estimating the fair value of the same financial instrument. This category also includes instruments whose valuation is obtained through quotations provided by independent entities, but whose markets are less liquid; and,
- Level 3: Fair value is determined using inputs that are not observable in active markets, based on techniques and assumptions that market participants would use to value the same instruments, including assumptions regarding inherent risks, the valuation technique used and the inputs applied, as well as processes for reviewing the accuracy of the values obtained.

The Bank considers a market to be active for a given financial instrument at the measurement date depending on the trading volume and liquidity of transactions, the relative volatility of quoted prices, and the timeliness and availability of information. For this purpose, the following minimum conditions must be met:

- Frequent daily quoted prices have been observed over the past year;
- The above-mentioned prices change regularly;
- Executable quotes are available from more than one entity.

An input used in a valuation technique is considered observable if the following conditions are met:

- Its value is determined in an active market;
- An OTC market exists and it is reasonable to assume that active market conditions are met, except for trading volume; and,
- The value of the parameter can be derived by reverse engineering the prices of financial instruments and/or derivatives, where the remaining inputs required for the initial valuation are observable in a liquid market or in an OTC market that meets the above conditions.

The following table summarises, by valuation level, the fair value of financial assets and liabilities as at 31 December 2025:

*(amounts in thousands of euros)*

	2025			Total
	Fair value hierarchy level			
	Level 1	Level 2	Level 3	
Cash and deposits with central banks	67.358	-	-	67.358
Deposits with other credit institutions	11.054	-	-	11.054
Financial assets at amortised cost				
Placements with credit institutions	-	-	827.622	827.622
Loans and advances to customers	-	-	976.300	976.300
Debt securities	2.020.634	-	649.553	2.670.187
Public sector issuers	1.586.085	-	-	1.586.085
Supranational issuers	434.549	-	-	434.549
Other issuers	-	-	649.553	649.553
Financial assets at fair value through profit or loss				
Derivatives	-	-	132	132
Financial assets at fair value through other comprehensive income				
Debt securities	52.243	-	-	52.243
Other issuers	52.243	-	-	52.243
Hedging derivatives	-	-	7.279	7.279
Other financial assets	-	-	15.579	15.579
<b>Financial Assets</b>	<b>2.151.289</b>	<b>-</b>	<b>2.476.465</b>	<b>4.627.754</b>
Financial liabilities at fair value through profit or loss				
Derivatives	-	-	5.405	5.405
Financial liabilities at amortised cost				
Deposits from credit institutions	-	-	55.116	55.116
Deposits from customers	-	-	4.348.430	4.348.430
Debt securities issued	-	-	55.396	55.396
Hedging derivatives	-	-	1.277	1.277
Other financial liabilities	-	-	4.063	4.063
<b>Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>4.469.687</b>	<b>4.469.687</b>

### Sensitivity analysis

The caption Loans and advances to customers, which as at 31 December 2025 has a fair value of €975,942 thousand, shows a sensitivity of - € 2,768 thousand and + €2,796 thousand to a change in interest rates of - 10% and +10%, respectively.

The following table summarises, by valuation level, the fair value of financial assets and liabilities as at 31 December 2024:

(amounts in thousands of euros)

	2024			Total
	Fair value hierarchy level			
	Level 1	Level 2	Level 3	
Cash and deposits with central banks	64,413	-	-	64,413
Deposits with other credit institutions	8,069	-	-	8,069
Financial assets at amortised cost				
Placements with credit institutions	-	-	861,331	861,331
Loans and advances to customers	-	-	803,737	803,737
Debt securities	2,030,463	-	501,874	2,532,337
Public sector issuers	1,383,617	-	-	1,383,617
Supranational issuers	637,825	-	-	637,825
Other issuers	9,021	-	501,874	510,895
Financial assets at fair value through profit or loss				
Derivatives	-	-	-	-
Hedging derivatives	-	-	6	6
Other financial assets	-	-	17,645	17,645
<b>Financial Assets</b>	<b>2,102,945</b>	<b>-</b>	<b>2,184,593</b>	<b>4,287,538</b>
Financial liabilities at fair value through profit or loss				
Derivatives	-	-	6,409	6,409
Financial liabilities at amortised cost				
Deposits from credit institutions	-	-	46,106	46,106
Deposits from customers	-	-	4,060,462	4,060,462
Debt securities issued	-	-	10,019	10,019
Hedging derivatives	-	-	12	12
Other financial liabilities	-	-	4,019	4,019
<b>Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>4,127,027</b>	<b>4,127,027</b>

### Sensitivity analysis

The caption Loans and advances to customers, which as at 31 December 2024 has a fair value of €803,737 thousand, shows a sensitivity of - € 2,558 thousand and + €2,624 thousand to a change in interest rates of - 10% and +10%, respectively.

The main methodologies and assumptions used in estimating the fair value of financial assets and liabilities recognised in the balance sheet are analysed as follows:

### Cash and deposits with central banks, deposits with other credit institutions and placements with central banks and other credit institutions

These financial instruments are very short-term in nature and, therefore, their carrying amount is a reasonable estimate of their fair value.

### Other financial assets

Fair value is estimated based on the present value of expected future cash flows of principal and interest for these instruments.

#### Loans and advances to customers

##### *Loans with defined maturity*

Fair value is calculated by discounting expected cash flows over the life of the contracts using the average rates of new production in the most recent reference month, taking into account historical prepayment rates.

##### *Loans with no defined maturity (overdrafts)*

Given the short-term nature of these instruments, the conditions of this portfolio are similar to those prevailing at the reporting date, and therefore their carrying amount is considered a reasonable estimate of their fair value.

#### Financial assets at fair value through profit or loss (excluding derivatives)

These financial assets are measured at fair value. Fair value is based on market quotations.

#### Financial assets at fair value through profit or loss (derivatives)

All derivatives are measured at fair value. As these are OTC (over-the-counter) derivatives, numerical models based on discounted cash flow techniques and option pricing models are applied, taking into account market variables and other inputs.

#### Financial assets at fair value through other comprehensive income

The fair value of these instruments is estimated based on market quotations.

#### Deposits from central banks and other credit institutions

These financial instruments are very short-term in nature and, therefore, their carrying amount is a reasonable estimate of their fair value.

#### Deposits from customers

The fair value of these financial instruments is estimated based on the present value of expected future cash flows of principal and interest. The discount rate used reflects the rates applied to deposits with similar characteristics at the reporting date. Considering that applicable interest rates are renewed for periods of less than one year, there are no materially significant differences in their fair value. For deposits with no defined maturity, the carrying amount of these liabilities is considered a reasonable estimate of their fair value.

### Debt securities issued

Fair value is estimated based on the present value of expected future cash flows of principal and interest for these instruments.

## Note 34 – Risk Management

The Bank is exposed to various risks in the course of its activities.

The Bank's Risk Management and Internal Control Policy aims to ensure the effective implementation of the risk management system through the continuous monitoring of its adequacy and effectiveness, seeking to identify, assess, monitor and control all materially relevant risks to which the institution is exposed, both internally and externally.

In this context, particular importance is given to the monitoring and control of the main types of financial risks – namely credit risk, liquidity risk, interest rate risk, market risk and operational risk – to which the Bank's activities are exposed.

### Credit Risk

Credit risk reflects the degree of uncertainty in expected returns arising from the failure of a borrower or a counterparty to a contract to meet their obligations.

The Bank's credit risk management includes the identification, measurement, assessment and monitoring of different credit exposures, ensuring risk management throughout the various stages of the credit lifecycle.

The monitoring and oversight of credit risk, particularly with regard to the evolution of credit exposures and the monitoring of losses, are carried out on a regular basis by the Risk Department and the Capital, Risk and Sustainability Committee.

As at 31 December 2025, the exposure related to mortgage lending (net of impairment and including off-balance sheet exposures) amounts to €962,932 thousand (€800,600 thousand as at 31 December 2024).

The Bank is also exposed to credit risk in relation to placements and deposits with other credit institutions (counterparty risk), as well as debt securities held in its own portfolio (mainly sovereign debt issued by Euro Area countries or debt issued by supranational entities).

In order to mitigate credit risk, mortgage lending operations are secured by collateral, namely mortgages. The fair value of such collateral is determined at the time the loan is granted and is periodically reviewed. Auto loan operations are granted with retention of title, and the value of the vehicle is assessed at the time the loan is granted.

The following table presents the gross amount of loans and the corresponding fair value of collateral, limited to the amount of the related loan:

*(amounts in thousands of euros)*

	2025		2024	
	Loans and advances to customers	Fair value of collateral	Loans and advances to customers	Fair value of collateral
Mortgage loans	965,481	1,845,943	802,333	1,551,091
Other	4,470	-	4,631	-
<b>Total</b>	<b>969,951</b>	<b>1,845,943</b>	<b>806,964</b>	<b>1,551,091</b>

The following table presents information on the Bank's exposure to credit risk, by risk class (net of impairment and including off-balance sheet exposures), as at 31 December 2025 and 31 December 2024:

*(amounts in thousands of euros)*

	2025	2024
Central governments or central banks	2,259,460	2,091,040
Regional governments or local authorities	-	-
Multilateral development banks	-	-
International organisations	434,749	637,434
Credit institutions	286,373	284,849
Corporates	-	-
Retail customers	11,486	12,289
Loans secured by real estate	974,254	810,446
Collective investment undertakings (CIUs)	-	-
Defaulted exposures	6,432	7,133
Equity exposures	167,607	142,558
Covered bonds	51,965	9,015
Other items	84,877	65,970
<b>Risk classes</b>	<b>4,277,562</b>	<b>4,060,734</b>

The breakdown of information relating to risk classes (including off-balance sheet exposures) as at 31 December 2025 and 31 December 2024 is presented as follows:

(amounts in thousands of euros)

	2025			2024		
	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
Demand deposits and placements	651,359	-	651,359	684,808	-	684,880
Other financial assets at amortised cost	1,608,250	(149)	1,608,101	1,406,329	(97)	1,406,232
<b>Central governments or central banks</b>	<b>2,259,609</b>	<b>(149)</b>	<b>2,259,460</b>	<b>2,091,137</b>	<b>(97)</b>	<b>2,091,040</b>

(amounts in thousands of euros)

	2025			2024		
	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
Other financial assets at amortised cost	434,767	(18)	434,749	637,440	(6)	637,434
<b>International organisations</b>	<b>434,767</b>	<b>(18)</b>	<b>434,749</b>	<b>637,440</b>	<b>(6)</b>	<b>637,434</b>

(amounts in thousands of euros)

	2025			2024		
	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
Demand deposits	4,740	-	4,740	8,069	-	8,069
Placements with credit institutions	259,609	(19)	259,590	259,991	(20)	259,971
Derivatives	20,105	-	20,105	14,871	-	14,871
Other	1,938	-	1,938	1,938	-	1,938
<b>Credit institutions</b>	<b>286,392</b>	<b>(19)</b>	<b>286,373</b>	<b>284,869</b>	<b>(20)</b>	<b>284,849</b>

(amounts in thousands of euros)

	2025			2024		
	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
Loans and advances to customers	11,699	(213)	11,486	12,597	(308)	12,289
<b>Retail customers</b>	<b>11,699</b>	<b>(213)</b>	<b>11,486</b>	<b>12,597</b>	<b>(308)</b>	<b>12,289</b>

*(amounts in thousands of euros)*

	2025			2024		
	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
Loans and advances to customers	975,780	(1,526)	974,254	811,513	(1,067)	810,446
<b>Loans secured by real estate</b>	<b>975,780</b>	<b>(1,526)</b>	<b>974,254</b>	<b>811,513</b>	<b>(1,067)</b>	<b>810,446</b>

*(amounts in thousands of euros)*

	2025			2024		
	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
Loans and advances to customers	8,572	(2,140)	6,432	9,249	(2,116)	7,133
<b>Defaulted exposures</b>	<b>8,572</b>	<b>(2,140)</b>	<b>6,432</b>	<b>9,249</b>	<b>(2,116)</b>	<b>7,133</b>

*(amounts in thousands of euros)*

	2025			2024		
	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
Investments in subsidiaries and associates	167,607	-	167,607	142,558	-	142,558
<b>Equity exposures</b>	<b>167,607</b>	<b>-</b>	<b>167,607</b>	<b>142,558</b>	<b>-</b>	<b>142,558</b>

*(amounts in thousands of euros)*

	2025			2024		
	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
Other financial assets at fair value through other comprehensive income	51,975	(10)	51,965	-	-	-
Other financial assets at amortised cost	-	-	-	9,015	-	9,015
<b>Covered bonds</b>	<b>51,975</b>	<b>(10)</b>	<b>51,965</b>	<b>9,015</b>	<b>-</b>	<b>9,015</b>

The exposure to sovereign debt, net of impairment, of Euro Area countries is detailed as follows:

*(amounts in thousands of euros)*

	2025			2024		
	Other financial assets at fair value through other comprehensive income	Other financial assets at amortised cost	Total	Other financial assets at fair value through other comprehensive income	Other financial assets at amortised cost	Total
Portugal	-	339,909	339,909	-	179,458	179,458
Spain	-	349,399	349,399	-	385,114	385,114
Italy	-	333,064	333,064	-	100,311	100,311
France	-	304,968	304,968	-	375,888	375,888
Germany	-	-	-	-	-	-
Austria	-	-	-	-	9,909	9,909
Belgium	-	268,482	268,482	-	361,553	361,553
	-	<b>1,595,822</b>	<b>1,595,822</b>	-	<b>1,406,233</b>	<b>1,406,233</b>

The analysis of the financial assets portfolio by stages is presented as follows:

*(amounts in thousands of euros)*

	2025				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Cash and deposits with central banks and other credit institutions</b>	55,380	-	-	-	55,380
Impairment losses	-	-	-	-	-
<b>Net amount</b>	<b>55,380</b>	-	-	-	<b>55,380</b>
<b>Placements with credit institutions</b>	827,641	-	-	-	827,641
Impairment losses	(19)	-	-	-	(19)
<b>Net amount</b>	<b>827,622</b>	-	-	-	<b>827,622</b>
<b>Financial assets at amortised cost – Debt securities</b>	2,691,944	-	-	-	2,691,944
Impairment losses	(425)	-	-	-	(425)
<b>Net amount</b>	<b>2,691,519</b>	-	-	-	<b>2,691,519</b>
<b>Financial assets at amortised cost – Loans and advances to customers</b>	936,683	24,630	8,638	-	969,951
Impairment losses	(292)	(1,353)	(2,125)	-	(3,770)
<b>Net amount</b>	<b>936,391</b>	<b>23,277</b>	<b>6,513</b>	-	<b>966,181</b>
<b>Financial assets at fair value through other comprehensive income – Debt securities</b>	52,253	-	-	-	52,253
Impairment losses	(10)	-	-	-	(10)
<b>Net amount</b>	<b>52,243</b>	-	-	-	<b>52,243</b>

*(amounts in thousands of euros)*

	2024				Total
	Stage 1	Stage 2	Stage 3	POCI	
<b>Cash and deposits with central banks and other credit institutions</b>	50,001	-	-	-	50,001
Impairment losses	-	-	-	-	-
<b>Net amount</b>	<b>50,001</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,001</b>
<b>Placements with credit institutions</b>	861,352	-	-	-	861,352
Impairment losses	(21)	-	-	-	(21)
<b>Net amount</b>	<b>861,331</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>861,331</b>
<b>Financial assets at amortised cost – Debt securities</b>	2,554,852	-	-	-	2,554,852
Impairment losses	(297)	-	-	-	(297)
<b>Net amount</b>	<b>2,059,137</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,059,137</b>
<b>Financial assets at amortised cost – Loans and advances to customers</b>	778,629	19,066	9,269	-	806,964
Impairment losses	(362)	(795)	(2,089)	-	(3,246)
<b>Net amount</b>	<b>778,267</b>	<b>18,271</b>	<b>7,180</b>	<b>-</b>	<b>803,718</b>

## Liquidity Risk

Liquidity risk reflects the possibility of incurring significant losses arising from a deterioration in funding conditions (funding risk) and/or from the sale of assets at prices below market value (market liquidity risk).

At an overall level, the liquidity risk management strategy is the responsibility of the Board of Directors, which delegates to the Executive Committee, and is implemented by the Treasury and Financial Markets Department. It is based on the continuous monitoring of exposure indicators and is subject to close oversight by the Capital, Risk and Sustainability Committee.

The Capital, Risk and Sustainability Committee is responsible for controlling exposure to liquidity risk by analysing the liquidity position and assessing its compliance with applicable regulatory requirements and limits, as well as with the objectives and guidelines defined by the Bank.

The assessment of the Bank's liquidity risk is carried out using regulatory indicators defined by supervisory authorities, as well as other internal metrics.

As at 31 December 2025, assets and liabilities by residual and contractual maturity are analysed as follows:

(amounts in thousands of euros)

	2025						Total
	At sight	Up to 3 months	From 3 to 12 months	From 1 to 3 years	More than 3 years	Indeterminate	
<b>Assets</b>							
Cash and deposits with central banks	67,358	-	-	-	-	-	67,358
Deposits with other credit institutions	11,054	-	-	-	-	-	11,054
Financial assets at amortised cost							
Placements with credit institutions	-	654,576	164,698	8,367	-	-	827,641
Loans and advances to customers	2,361	7,260	16,709	46,691	894,780	2,150	969,951
Debt securities	-	637,251	598,130	280,273	1,176,290	-	2,691,944
Financial assets at fair value through profit or loss							
Derivatives	-	-	-	-	-	132	132
Financial assets at fair value through other comprehensive income							
Debt securities	-	459	-	15,165	36,619	-	52,243
<b>Total assets</b>	<b>80,773</b>	<b>1,299,546</b>	<b>779,537</b>	<b>350,496</b>	<b>2,107,689</b>	<b>2,282</b>	<b>4,620,323</b>
<b>Liabilities</b>							
Financial liabilities at fair value through profit or loss							
Derivatives	-	-	-	-	5,405	-	5,405
Financial liabilities at amortised cost							
Deposits from credit institutions	107	55,009	-	-	-	-	55,116
Deposits from customers	2,097,013	1,093,600	883,779	274,038	-	-	4,348,430
Debt securities issued	-	210	204	-	54,568	-	54,982
<b>Total liabilities</b>	<b>2,097,120</b>	<b>1,148,819</b>	<b>883,983</b>	<b>274,038</b>	<b>59,973</b>	<b>-</b>	<b>4,463,933</b>
<b>Gap (Assets – Liabilities)</b>	<b>(2,016,347)</b>	<b>150,727</b>	<b>(104,446)</b>	<b>76,458</b>	<b>2,047,716</b>	<b>2,282</b>	<b>156,390</b>
<b>Cumulative gap</b>	<b>(2,016,347)</b>	<b>(1,865,620)</b>	<b>(1,970,066)</b>	<b>(1,893,608)</b>	<b>154,108</b>	<b>156,390</b>	

As at 31 December 2024, assets and liabilities by residual and contractual maturity are analysed as follows:

(amounts in thousands of euros)

	2024						Total
	At sight	Up to 3 months	From 3 to 12 months	From 1 to 3 years	More than 3 years	Indeterminate	
<b>Assets</b>							
Cash and deposits with central banks	64,413	-	-	-	-	-	64,413
Deposits with other credit institutions	8,069	-	-	-	-	-	8,069
Financial assets at amortised cost							
Placements with credit institutions	-	694,333	6,869	149,289	10,761	-	861,352
Loans and advances to customers	2,701	5,366	11,836	31,618	753,469	1,974	806,964
Debt securities	-	919,727	775,485	66,610	793,030	-	2,554,852
Financial assets at fair value through profit or loss							
Derivatives	-	-	-	-	-	-	-
Hedging derivatives	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>75,183</b>	<b>1,619,526</b>	<b>794,190</b>	<b>247,517</b>	<b>1,557,260</b>	<b>1,974</b>	<b>4,295,650</b>
<b>Liabilities</b>							
Financial liabilities at fair value through profit or loss							
Derivatives	-	-	-	-	6,409	-	6,409
Financial liabilities at amortised cost							
Deposits from credit institutions	65	46,041	-	-	-	-	46,106
Deposits from Customers	1,856,266	1,001,500	1,202,696	-	-	-	4,060,462
Debt securities issued	-	-	19	-	9,977	-	9,996
Hedging derivatives	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>1,856,331</b>	<b>1,047,541</b>	<b>1,202,715</b>	<b>-</b>	<b>16,386</b>	<b>-</b>	<b>4,122,973</b>
<b>Gap (Assets – Liabilities)</b>	<b>(1,781,148)</b>	<b>571,985</b>	<b>(408,525)</b>	<b>247,517</b>	<b>1,540,874</b>	<b>1,974</b>	<b>172,677</b>
<b>Cumulative gap</b>	<b>(1,781,148)</b>	<b>(1,209,163)</b>	<b>(1,617,688)</b>	<b>(1,370,171)</b>	<b>170,703</b>	<b>172,677</b>	

Additionally, as part of the periodic monitoring of its liquidity position, the Bank calculates the liquidity mismatch under the Additional Liquidity Monitoring Metrics (ALMM), in accordance with the amendments introduced in 2018 to Commission Regulation (EU) No. 680/2014.

The ALMM takes into account all contractual outflows and inflows and uses a maturity ladder that allows the Bank to assess the existence of any liquidity mismatch, as well as its capacity to offset a potential liquidity mismatch.

The liquidity mismatch is calculated across various time buckets, ranging from overnight to over five years, taking into account on-balance sheet, off-balance sheet and other positions with expected and estimated cash flows, which are allocated according to their respective residual maturities or expected timing of cash inflows and outflows.

As at 31 December 2025, the ALMM shows a negative liquidity mismatch (difference between contractual outflows and inflows) of €159,470 thousand.

## Interest Rate Risk

Interest rate risk relates to losses arising from the impact of fluctuations in interest rates on balance sheet or off-balance sheet items that are sensitive to such changes.

As at 31 December 2025, one of the main tools used to monitor interest rate risk in the banking book is based on Banco de Portugal Instruction no. 10/2024, which repeals Instruction no. 34/2018 and establishes the adoption of standardised methodologies and assumptions set out in Commission Delegated Regulation (EU) 2024/857 and Commission Delegated Regulation (EU) 2024/856.

This model groups interest rate-sensitive assets and liabilities according to their maturity dates or next repricing dates, where applicable, from which a potential impact on economic value is calculated.

(amounts in thousands of euros)

	2025					Sensitive amounts
	Up to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years	
<b>Assets</b>	<b>1,676,988</b>	<b>514,535</b>	<b>645,100</b>	<b>1,276,160</b>	<b>658,438</b>	<b>4,771,221</b>
Central bank & cash balances	662,448	-	-	-	-	662,448
Loans and advances to customers	357,715	184,124	284,719	321,409	65,105	1,213,072
Debt securities	656,825	330,411	360,381	954,751	593,333	2,895,701
<b>Liabilities</b>	<b>1,690,513</b>	<b>642,552</b>	<b>505,012</b>	<b>1,214,488</b>	<b>512,972</b>	<b>4,565,537</b>
Sebt securities issued	110	479	10,595	45,891	-	57,075
Deposits with no defined maturity	509,041	84,234	168,081	896,950	512,972	2,171,278
Term deposits	1,181,362	557,839	326,336	271,647	-	2,337,184
<b>Off-balance sheet items</b>	<b>(101,760)</b>	<b>225,407</b>	<b>18,611</b>	<b>63,375</b>	<b>(151,101)</b>	<b>54,532</b>
<b>Total</b>	<b>(115,285)</b>	<b>97,390</b>	<b>158,699</b>	<b>125,047</b>	<b>(5,635)</b>	<b>260,216</b>

*(amounts in thousands of euros)*

	2024					
	Up to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years	Sensitive amounts
<b>Assets</b>	<b>1,845,162</b>	<b>690,126</b>	<b>559,386</b>	<b>800,752</b>	<b>437,771</b>	<b>4,333,197</b>
Central bank & cash balances	692,933	-	-	-	-	692,933
Loans and advances to customers	217,553	116,965	298,989	381,894	29,906	1,045,307
Debt securities	934,676	573,161	260,397	418,858	407,865	2,594,957
<b>Liabilities</b>	<b>1,471,946</b>	<b>860,360</b>	<b>653,742</b>	<b>806,606</b>	<b>405,649</b>	<b>4,198,303</b>
Debt securities issued	19	-	108	10,218	-	10,345
Deposits with no defined maturity	413,667	98,723	196,988	796,388	405,649	1,911,415
Term deposits	1,058,260	761,637	456,646	-	-	2,276,543
<b>Off-balance sheet items</b>	<b>(138,362)</b>	<b>53,369</b>	<b>24,574</b>	<b>145,121</b>	<b>2,393</b>	<b>87,095</b>
<b>Total</b>	<b>234,854</b>	<b>(116,865)</b>	<b>(69,782)</b>	<b>139,267</b>	<b>34,515</b>	<b>221,989</b>

The economic value is calculated as the sum of discounted cash flows brought to present value. The discounting is based on a risk-free interest rate curve not subject to any type of shock.

As at 31 December 2025, the impact on economic value of instantaneous and parallel changes in interest rates of +200 basis points amounts to - €10,667 thousand, representing the most adverse scenario among those required by the regulator (in 2024, the impact of this shock, also the most adverse at that time, amounted to - €5,953 thousand).

The results of the Supervisory Outlier Test, reflecting the impact of each of the six regulatory shocks on the Bank's economic value in 2025 and 2024, were as follows:

Change in economic value under a given shock scenario	Impact on own funds	
	2025	2024
Scenario		
Parallel upward shift of the yield curve	(10,667)	(5,953)
Parallel downward shift of the yield curve	6,810	6,923
Steepening of the yield curve	1,041	(2,972)
Flattening of the yield curve	(4,088)	1,717
Increase in short-term interest rates	(7,343)	(87)
Decrease in short-term interest rates	5,930	133

The main assumptions used in 2024 in the Group's analyses were as follows:

- For demand deposits: 18.46% on demand, 81.54% distributed non-linearly over 10 years, resulting in a duration of 2.7 years;
- Savings accounts: 30.00% on demand, 70.00% distributed non-linearly over 10 years, resulting in a duration of 2.2 years;
- Change in the annual prepayment rate for mortgage loans from 10% to 12.5%, distributed proportionally over 12 months.

For 2025, these assumptions were revised as part of the annual review, resulting in the following:

- For demand deposits: 16.95% on demand, 83.05% distributed non-linearly over 10 years, resulting in a duration of 2.93 years;
- Savings accounts: 30.00% on demand, 70.00% distributed non-linearly over 10 years, resulting in a duration of 2.96 years;
- Change in the annual prepayment rate for mortgage loans from 12.5% to 10%, distributed proportionally over 12 months;
- Change in the annual early withdrawal rate for term deposits from 1.27% to 10%, distributed proportionally over 12 months.

Additionally, the Bank monitors the impact of changes in market interest rates on net interest income over a 12-month horizon.

This analysis considers all on-balance sheet, off-balance sheet and other items that are sensitive to interest rate changes. The calculation is based on repricing characteristics and maturities, taking into account behavioural models and interest rate pass-through coefficients (betas).

All else being equal, a positive change in market interest rates of 200 basis points, as at 31 December 2025 on an individual basis, would result in a decrease of €874 thousand in net interest income (2024: increase of €1,739 thousand), while a negative change of 200 basis points would result in a decrease of €7,124 thousand (2024: decrease of €7,695 thousand).

The asymmetry observed between the two impacts in 2025 and 2024 is largely explained by the behavioural assumptions applied in modelling non-maturity deposits, namely the different interest rate pass-through coefficients assumed for rising and falling interest rate scenarios.

<i>(amounts in thousands of euros)</i>		
Change in net interest income under a given shock scenario	Impact on own funds	
Scenario	2025	2024
Net interest income – parallel upward shock (+200 bps)	(874)	1,739
Net interest income – parallel downward shock (-200 bps)	(7,124)	(7,695)

### Market Risk

Market risk generally represents the potential loss resulting from an adverse change in the value of a financial instrument due to fluctuations in interest rates, foreign exchange rates, equity prices, commodity prices, or real estate prices, as well as volatility and credit spreads.

The Bank does not have a trading portfolio, and its entire portfolio of debt securities is measured at amortised cost. Therefore, the main risk arising from its investments is credit risk rather than market risk.

### Operational Risk

Given the nature of its activities, the Bank is exposed to potential losses or reputational risk as a result of human error, system and/or processing failures, unexpected business interruptions, or failures by third parties in terms of supply or service execution.

The approach to operational risk management is supported by an end-to-end process framework, ensuring the effective adequacy of controls involving the functional units participating in each process. The Bank identifies and assesses risks and controls within its processes, ensuring their compliance with the requirements and principles of the Internal Control System.

### Encumbered Assets

In accordance with Banco de Portugal Instruction no. 28/2014, which implements the European Banking Authority (EBA) Guidelines on the disclosure of encumbered and unencumbered assets (EBA/GL/2014/03), and taking into account the recommendation issued by the European Systemic Risk Board, the following information is presented regarding assets and collateral:

*(amounts in thousands of euros)*

	2025			
	Encumbered assets		Unencumbered assets	
	Carrying amount	Fair value	Carrying amount	Fair value
Equity instruments	-	-	-	-
Debt securities	55,294	55,395	2,688,468	2,637,008
Other assets	21,150	n/a	2,095,083	n/a
	<b>76,444</b>		<b>4,783,551</b>	

*(amounts in thousands of euros)*

	2024			
	Encumbered assets		Unencumbered assets	
	Carrying amount	Fair value	Carrying amount	Fair value
Equity instruments	-	-	-	-
Debt securities	55,584	55,839	2,498,971	2,467,181
Other assets	22,772	n/a	1,917,985	n/a
	<b>78,356</b>		<b>4,416,956</b>	

*(amounts in thousands of euros)*

	Fair value of encumbered collateral received or own debt securities issued		Fair value of collateral received or own debt securities issued available for encumbrance	
	2025	2024	2025	2024
	<b>Collateral received</b>	-	-	<b>1,845,943</b>
Debt securities	-	-	-	-
Other collateral received	-	-	1,845,943	1,551,091
<b>Own debt securities issued other than own covered bonds or ABS</b>	-	-	-	-

(amounts in thousands of euros)

	Carrying amount of selected financial liabilities	
	2025	2024
Associated liabilities, contingent liabilities and securities lent	-	-
Assets, collateral received and own debt securities issued other than own covered bonds or ABS encumbered	12,090	15,220

Encumbered assets are mainly related to collateral provided to the central bank (debt securities) and to the amount of securitised contracts under securitisation transactions (other assets). Encumbered collateral received mainly relates to the collateral of securitised contracts under securitisation transactions.

Collateral received available for encumbrance mainly relates to collateral received in non-securitised lending operations, namely mortgage loans.

Of the total unencumbered other assets amounting to €2,095,083 thousand (2024: €1,917,987 thousand), approximately 10% (2024: 9%) relate to non-encumberable items (other tangible assets, intangible assets, current and deferred tax assets).

## Note 35 – Capital Management and Solvency Ratio

The main objective of capital management is to ensure compliance with the Group's strategic objectives regarding capital adequacy, while meeting and enforcing the minimum own funds requirements defined by supervisory authorities.

The Group used, for the calculation of capital requirements, the standardised approach for credit and counterparty risks and the basic indicator approach for operational risk.

Own funds, calculated in accordance with Directive 2013/36/EU and Regulation (EU) No. 575/2013 approved by the European Parliament and of the Council, and Banco de Portugal Notice no. 10/2017, include Tier 1 capital and Tier 2 capital. Tier 1 capital comprises Common Equity Tier 1 (CET1) and Additional Tier 1 capital.

The Group's Common Equity Tier 1 includes: (i) paid-up share capital, reserves and retained earnings; (ii) regulatory deductions related to intangible assets, goodwill, insufficient coverage of non-performing exposures and losses for the current financial year; and (iii) prudential filters. The Group does not have Additional Tier 1 capital or Tier 2 capital.

The legislation in force provides for a transition period between own funds requirements calculated under national legislation and those calculated under European legislation, in order to phase out the inclusion/exclusion of elements previously considered (phased-out) and to phase in the inclusion/deduction of new elements (phased-in).

At the prudential level, institutions are required to report Common Equity Tier 1, Tier 1 and Total Capital ratios of no less than 7%, 8.5% and 10.5%, respectively, already including a capital conservation buffer of 2.5% and a countercyclical buffer of, in the case of the Group, 0%. For 2025, the regulatory requirements defined under the SREP (Supervisory Review and Evaluation Process) were 8.69%, 10.75% and 13.50% for the Common Equity Tier 1, Tier 1 and Total Capital ratios, respectively. These requirements will be adjusted to 9.44%, 11.5% and 14.25%, respectively, from 1 January 2026, with the entry into force of a 0.75% countercyclical buffer (CCyB). Following communication from the Regulator, within the scope of the periodic SREP assessment, from April 2026 onwards, the requirements are adjusted to 9.38%, 11.43% and 14.15% for the Common Equity Tier 1, Tier 1 and Total Capital ratios, respectively.

Banco de Portugal Notice no. 10/2017 established the transitional regime provided for in the CRR with regard to own funds, namely concerning deductions related to deferred tax assets generated prior to 2014 and subordinated debt and non-eligible hybrid instruments, both of which are not applicable to Banco CTT.

With the introduction of IFRS 9, the Bank opted to recognise gradually the impacts of the static component in accordance with Article 473a of the CRR.

As at 31 December 2025 and 31 December 2024, the Bank reported the following capital ratios, calculated in accordance with the transitional provisions set out in the CRR:

(amounts in thousands of euros)

OWN FUNDS	2025		2024		Notes
	CRR Phased-in	CRR Fully Implemented	CRR Phased-in	CRR Fully Implemented	
<b>Share capital</b>	<b>321,400</b>	<b>321,400</b>	<b>321,400</b>	<b>321,400</b>	29
<b>Retained earnings</b>	<b>(12,692)</b>	<b>(12,692)</b>	<b>(30,868)</b>	<b>(30,868)</b>	30
<b>Legal reserves</b>	<b>6,830</b>	<b>6,830</b>	<b>4,830</b>	<b>4,830</b>	
<b>Eligible earnings<sup>(1)</sup></b>	<b>20,708</b>	<b>20,708</b>	<b>19,996</b>	<b>19,996</b>	
<b>Other reserves</b>	<b>495</b>	<b>495</b>	<b>360</b>	<b>360</b>	
<b>Prudential filters</b>	<b>(198)</b>	<b>(198)</b>	<b>(149)</b>	<b>(149)</b>	30
Fair value reerves <sup>(2)</sup>	27	27	-	-	
Additional Valuation Adjustment (AVA) <sup>(3)</sup>	(225)	(225)	(149)	(149)	
<b>Deductions from Common Equity Tier 1 capital</b>	<b>(15,838)</b>	<b>(15,838)</b>	<b>(14,936)</b>	<b>(14,571)</b>	
Losses for the current period	-	-	-	-	
Intangible assets	(15,143)	(15,143)	(13,876)	(13,876)	20
IFRS 9 adoption	(695)	(695)	(520)	(695)	
<b>Items not deducted from own funds</b>	<b>167,607</b>	<b>167,607</b>	<b>174,703</b>	<b>174,703</b>	
Holdings in financial entities	167,607	167,607	174,703	174,703	
<b>Common Equity Tier 1 capital (CET1)</b>	<b>320,705</b>	<b>320,705</b>	<b>301,353</b>	<b>301,178</b>	
<b>Tier 1 capital</b>	<b>320,705</b>	<b>320,705</b>	<b>301,353</b>	<b>301,178</b>	
<b>Total capital</b>	<b>320,705</b>	<b>320,705</b>	<b>301,353</b>	<b>301,178</b>	
<b>RWA</b>	<b>1,192,446</b>	<b>1,192,446</b>	<b>1,124,168</b>	<b>1,124,047</b>	
Credit risk	1,049,758	1,049,758	954,995	954,995	
Operational risk	137,125	137,125	149,266	149,266	
Market risk	-	-	-	-	
CVA	5,563	5,563	19,907	19,907	
IFRS 9 adjustments	-	-	-	(121)	
<b>CAPITAL RATIOS</b>					
Common Equity Tier1	26.9%	26.9%	26.8%	26.8%	
Tier 1 ratio	26.9%	26.9%	26.8%	26.8%	
Total capital ratio	26.9%	26.9%	26.8%	26.8%	

(1) Includes net income for the year in 2024 and 2025.

(2) Fair value reserve relating to gains or losses on financial assets measured at fair value.

(3) Additional valuation adjustments required to adjust assets and liabilities measured at fair value.

Note 36 – Insurance and Reinsurance Intermediation Services

As at 31 December 2025 and 2024, the fees arising from the provision of insurance and reinsurance intermediation services are composed as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Life business	7,621	6,249
Non-life business	689	400
	<b>8,310</b>	<b>6,649</b>

Amounts receivable and payable related to insurance intermediation activities are presented as follows:

	<i>(amounts in thousands of euros)</i>	
	2025	2024
Amounts receivable	111	1,294
Amounts payable	-	-

The Bank does not collect insurance premiums on behalf of insurance companies, nor does it handle funds relating to insurance contracts. Accordingly, there are no other assets, liabilities, income or expenses to be reported in relation to the insurance mediation activity carried out by the Bank, other than those already disclosed.

### Note 37 – Standards, Interpretations, Amendments and Revisions Effective in the Period

The following standards, interpretations, amendments and revisions endorsed by the European Union became effective for the first time for the financial year beginning on 1 January 2025:

#### Amendments to IAS 21– Lack of Exchangeability

Effective for annual periods beginning on or after 1 January 2025, these amendments clarify the criteria for determining when a currency is exchangeable into another currency and provide guidance on determining the spot exchange rate when such exchangeability does not exist, including additional disclosure requirements regarding the impacts on financial position, financial performance and cash flows.

These amendments are applied prospectively, and comparative information has not been restated.

These standards and amendments did not have a material impact on Banco CTT's financial statements.

### Note 38 – Standards, Interpretations, Amendments and Revisions Not Yet Effective

The following standards, interpretations, amendments and revisions, with mandatory application in future financial periods, had, as at the date of approval of these financial statements, been endorsed by the European Union:

#### Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

Effective for annual periods beginning on or after 1 January 2026, these amendments clarify the timing of derecognition of financial liabilities, the assessment of the contractual cash flow characteristics of financial assets that include contingent features, namely those related to ESG factors, as well as the treatment of non-recourse assets, also introducing additional disclosure requirements.

#### Annual Improvements to IFRS – Volume 11

Effective for annual periods beginning on or after 1 January 2026, these introduce narrow-scope amendments and clarifications to several standards, including IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7, with the objective of eliminating inconsistencies and improving wording, without changing the underlying principles.

#### Amendments to IFRS 9 and IFRS 7 – Nature-dependent Electricity Contracts

Effective for annual periods beginning on or after 1 January 2026, these update the requirements of the 'own-use' exception applicable to contracts referencing electricity dependent on natural conditions, allow the

designation of variable volumes as hedged items in cash flow hedge relationships and introduce specific disclosure requirements.

#### **IFRS 18 – Presentation and Disclosure in Financial Statements**

Effective for annual periods beginning on or after 1 January 2027, this standard will replace IAS 1 and introduce a new structure for the income statement, including mandatory categories and new subtotals, as well as requirements for the disclosure of management-defined performance measures and enhanced principles for aggregation and disaggregation.

The Group is currently assessing the impacts and expects qualitative effects, but no material quantitative impacts are anticipated.

#### **IFRS 19 – Subsidiaries Without Public Accountability: Disclosures**

Effective for annual periods beginning on or after 1 January 2027, this standard allows certain subsidiaries without public accountability to apply a reduced disclosure regime, while maintaining the recognition, measurement and presentation requirements set out in other IFRS standards.

#### **Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency**

Effective for annual periods beginning on or after 1 January 2027, these amendments require that, when the functional currency is not hyperinflationary but the presentation currency is, amounts are translated using the closing rate at the date of the most recent balance sheet, and introduce additional disclosure requirements.

#### **Disclosure of Uncertainties in Financial Statements (Illustrative examples)**

Issued in November 2025, these illustrative examples do not establish an effective date and represent additional guidance aimed at improving the consistency and clarity of disclosures related to uncertainties, without changing existing requirements.

The Bank has not early adopted these standards in the financial statements for the twelve-month period ended 31 December 2025. No significant future impacts on the financial statements are expected from their adoption.

## Note 39 – Standards, Interpretations, Amendments and Revisions Not Yet Endorsed by the European Union

The following standards, interpretations, amendments and revisions, with mandatory application in future financial periods, had not, as at the date of approval of these financial statements, been endorsed by the European Union:

### Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture

No effective date has been determined, as application has been deferred by the IASB until the completion of the project on the equity method. These amendments aim to eliminate the inconsistency between IFRS 10 and IAS 28 regarding the recognition of gains or losses resulting from the loss of control of a subsidiary.

### IFRS Practice Statement 1 – Management Commentary (Revised)

Applicable to financial statements prepared after 23 June 2025, this provides guidance on the content of the management commentary, including its objective, material information, consistency and use of metrics, and does not constitute a mandatory IFRS standard.

These standards have not yet been endorsed by the European Union and, as such, have not been applied by the Group in the financial statements for the twelve-month period ended 31 December 2025. No significant impacts on the financial statements are expected from their adoption.

## Note 40 – Subsequent Events

The Bank has been monitoring developments arising from the escalation of the conflict in the Middle East, which began in February 2026 and has intensified geopolitical instability in the region, generating indirect impacts on the global economy and financial markets.

This situation has increased uncertainty regarding the future evolution of economic conditions, and it is not currently possible to reliably estimate the potential effects that may, even indirectly, affect the Bank's operations. Nevertheless, the Bank conducts its business exclusively in Portugal and has no credit exposure to countries outside the euro area, including those directly involved in the aforementioned conflict.

The Bank will continue to monitor the situation, assessing the associated risks and adopting, whenever necessary, the measures deemed appropriate.

Up to the date of approval of these financial statements, and subsequent to the end of the 2025 financial year, no other subsequent events have occurred that could have a material impact on the Bank's financial statements.

## STATEMENT OF COMPLIANCE

The Board of Directors is responsible for preparing the management report and the separate and consolidated financial statements of Banco CTT, S.A. (“Bank”), ensuring that they present a true and fair view of the Bank’s financial position, results of operations, and the adoption of appropriate accounting policies and criteria, as well as the maintenance of an appropriate governance and internal control system, and an organisational culture that enables the prevention and detection of potential errors or irregularities.

We confirm, to the best of our knowledge and belief, that:

1. all financial information contained in the financial reporting documents for the year ended 2025 has been prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and results of the Bank and the entity included in its consolidation perimeter; and
2. the management report faithfully presents the development of the business, performance and position of the Bank and the entity included in its consolidation perimeter, and includes a description of the main risks and uncertainties they face, in accordance with legal requirements.

Lisbon, 17 March 2026

### The Board of Directors,

**Chairman of the Board of Directors**

João Nuno de Sottomayor Pinto de Castello Branco

**Member of the Board of Directors and Chief Executive Officer**

Francisco Manuel Grade Barbeira

**Member of the Board of Directors and of the Executive Committee**

João Maria de Magalhães Barros de Mello Franco

**Member of the Board of Directors and of the Executive Committee**

Pedro Rui Fontela Coimbra

**Member of the Board of Directors and of the Executive Committee**

Nuno Carlos Dias dos Santos Fórneas

**Member of the Board of Directors and of the Executive Committee**

Inês Isabel Maia Santos

**Member of the Board of Directors and Chairman of the Audit Committee**

João Manuel de Matos Loureiro

**Vogal do Conselho de Administração e da Comissão de Auditoria**

Sofia Luísa Corrêa Henriques Cardoso de Menezes Frère

**Member of the Board of Directors and of the Audit Committee**

Carla Maria de Castro Chousal

**Member of the Board of Directors**

Guy Patrick Guimarães de Goyri Pacheco

**Member of the Board of Directors**

António Domingues

**Member of the Board of Directors**

António Domingues

**Member of the Board of Directors**

Pedro Luís Francisco Carvalho

**Member of the Board of Directors**

Sandra Marina Farinha Moás

**ANNUAL REPORT OF THE AUDIT COMMITTEE**

**Report of the Audit Committee of  
Banco CTT, S.A.  
for the financial year of 2025**

## **1. Introduction**

The Audit Committee of Banco CTT, S.A. (“Bank” or “Banco CTT”) hereby presents the report on its supervisory activities in respect of the 2025 financial year, in compliance with paragraph (f) of article 5(3) and article 7(8) of its Internal Regulations, and paragraph (g) of article 423-F of the Portuguese Companies Code.

Without prejudice to the other duties provided for by law and in the Bank’s articles of association, the Audit Committee is, in particular, responsible for:

- Monitoring and supervising the activities of the Board of Directors;
- Overseeing compliance with the legal, regulatory and statutory rules governing the Bank’s activity;
- Promoting an organisational culture based on high ethical standards, ensuring the promotion of sound and prudent management;
- Supervising and ensuring the soundness and effectiveness of the Bank’s and the Group’s risk management system, internal control system, compliance management system and Internal Audit Function, in particular monitoring the Bank’s risk strategy and risk appetite;
- Taking note of reports of irregularities submitted, namely through the Conduct Channel, participating in and/or monitoring the decisions taken by the Conduct Forum in relation thereto, and appointing one of its members to chair the Conduct Forum, with a casting vote;
- Monitoring and supervising the process for the preparation and disclosure of financial information, including the regularity and accuracy of the books, records and financial reporting documents and other accounting documents, as well as issuing recommendations to ensure their integrity; and
- Supervising the activity of the Statutory Auditor in relation to the Bank’s financial reporting documents and overseeing its independence.

As the Supervisory Body, the Audit Committee also performs the functions of Risk Committee at Banco CTT, under and for the purposes of article 115-L of the General Regime of Credit Institutions and Financial Companies approved by Decree-Law no. 298/92 of 31 December, as currently in force (“RGICSF”), insofar as Banco CTT is not considered a significant credit institution in terms of size, internal organisation, nature, scope and complexity of its activities. As Risk Committee, it is, in particular, responsible for:

- Advising the Board of Directors on the Bank’s current and future overall risk appetite and risk strategy;
- Assisting the Board of Directors in supervising the implementation of the Bank’s risk strategy by Senior Management;
- Analysing whether the conditions of the products and services offered to customers take into account the Bank’s business model and risk strategy, under the Banco CTT Group New Products and Partners Approval Policy, and presenting a remediation plan to the Board of Directors whenever such analysis concludes that those conditions do not adequately reflect the risks; and
- Examining whether the incentives established in the Bank’s remuneration policy(ies) take into account risk, capital, liquidity and expectations regarding results, including the dates of revenue recognition.

Following the issuance of the corresponding prior authorisation by Banco de Portugal to perform their duties, dated 25 May 2025, Banco CTT's shareholders elected, on 2 June 2025, by unanimous written resolution, the members of the Board of Directors to perform their duties during the 2025/2027 term of office. On the same occasion, the shareholders elected, from among the members of the Board of Directors, an Audit Committee composed of three independent non-executive members, to perform duties during the said three-year period, namely:

- Chairman: João Manuel de Matos Loureiro
- Member: Sofia Cardoso de Menezes
- Member: Carla Maria de Castro Chousal

## **2. Operating Regulations of the Audit Committee**

On 4 June 2025, the Audit Committee approved its Internal Regulations for the 2025/2027 term of office, a document that was revised on 26 November 2025 with the purpose of (i) complying with the action plans arising from deficiencies identified following Banco de Portugal's inspection of governance and internal control and, also, (ii) incorporating the requirements set out in Banco de Portugal Notice no. 2/2025 (which amended Banco de Portugal Notice no. 3/2020).

## **3. Supervisory activities carried out in 2025**

In 2025, the Audit Committee monitored the management and evolution of the Bank's activity and performed the duties referred to above, having, in particular:

- a. Supervised the process of approval and implementation of policies and internal rules, namely those relating to the internal control environment, the Bank's governance model and its organisational culture;**
- b. Monitored the development of the Bank's activity;**
- c. Monitored the activity of the Bank's subsidiary;**
- d. Supervised the entry by the Bank into related party transactions;**
- e. Supervised the preparation of financial information and verified the accounting policies adopted, in particular in relation to the annual financial reporting documents;**
- f. Supervised the effectiveness of the Bank's risk management system, internal control system and internal audit system;**
- g. Received, namely through the Conduct Forum, reports of irregularities, and participated in or monitored the decisions taken by the Conduct Forum in relation thereto;**
- h. Overseen and assessed the activity of the Statutory Auditor; and**
- i. Monitored the main risks of the Institution, including financial, non-financial and emerging risks.**

The above supervisory activity was carried out, namely, through (i) the participation of its members in Board of Directors meetings; (ii) the contacts maintained with members of the Executive Committee, with Senior Management of the Bank, including the Directors responsible for Control Functions, with the Statutory Auditor in office, Ernst & Young Audit & Associados – SROC, S.A. ("EY"), and with members of the supervisory bodies of the Bank's current sole subsidiary; and (iii) the analysis of the financial, business and risk information made available, as well as of the correspondence exchanged between the Bank and regulatory/supervisory authorities, in particular Banco de Portugal.

On 11 December 2024, the Audit Committee approved its Multiannual Activity Plan for 2025–2027, including a description of the material, technical and human resources required to support the members of the Audit Committee in the performance of their duties. On 4 June 2025, the members elected for the 2025/2027 term ratified the Multiannual Plan approved in December 2024.

In December 2025, the Audit Committee approved its Multiannual Activity Plan for 2026–2028.

Within the scope of its duties, the Committee formally met 25 times during 2025, and minutes were prepared for all meetings.

At several Audit Committee meetings held in 2025, Executive Directors of the Bank attended as guests whenever the Committee, depending on the matters under discussion, considered it appropriate.

Other officers were also invited by the Audit Committee to attend its meetings, in order to provide clarifications and information relevant to the performance of its duties, namely: (a) the Head of Internal Audit, who attended most meetings and agenda items, with the purpose of closely monitoring the activity of the Institution's areas and presenting and discussing, among others, the Internal Audit Function Regulations, the multiannual activity plan, the training plan, the budget, resources and headcount of the Department and the activities carried out by the Internal Audit Function; (b) the Head of Compliance for the presentation and discussion, among others, of the Regulations, the annual activity plan, the training plan, the budget, resources and headcount and the activities carried out by the Compliance Function, including monitoring communications and interactions with supervisors and relevant legislative developments; (c) the Head of Risk for the presentation and discussion, among others, of the Regulations, the annual activity plan, the training plan, the budget, resources and headcount and the activities carried out by the Risk Management Function, including the monitoring of key risk indicators; (d) the Head of Financial Crime Prevention and the AML Officer for matters related to Anti-Money Laundering and Counter-Terrorist Financing ("AML/CFT") and Fraud; (e) the Head of Legal Services and Company Secretary for the provision of various legal clarifications related to the Committee's activities; (f) the Heads of Planning and Control and Accounting for the presentation of financial information and the related preparation process; (g) the Head of Talent for discussions on remuneration matters and people development; (h) the Heads of Information Systems and Cybersecurity for the presentation of developments in risk management in the field of information technologies and current activity and ongoing initiatives in cybersecurity; (i) the Head of Channels and Quality for the presentation of complaints management activity; (j) the Head of Marketing and Communication for the presentation of the Banco CTT Group Product Catalogue, the respective pricing and the sign-off of new products and partnerships requiring the Audit Committee's review; and (k) the Bank's Statutory Auditor, who was invited to several meetings, allowing regular interaction and enabling the Audit Committee to monitor its activity and independence.

**a. Supervision of the process of approval and implementation of internal policies and rules, namely those relating to the internal control environment, the Bank's governance model and its organisational culture**

The Committee monitored the process of approval or revision and/or repeal, within the Bank, of various internal institutional documents, namely those relating to the internal control environment, the Bank's governance model and its organisational culture, in particular: (i) the Organisational Structure Model; (ii) the Code of Conduct; (iii) the Audit Committee Regulations; (iv) the Risk Management Function Regulations; (v) the Compliance Function Regulations; (vi) the Internal Audit Function Regulations; (vii) the Financial Crime Prevention Function Regulations; (viii) the Conduct Forum Regulations; (ix) the Banco CTT Group Own Portfolio Management Policy; (x) the Banco CTT Group Liquidity Management Policy; (xi) the Complaints Handling Policy; (xii) the Banco CTT Group Diversity Policy; (xiii) the Banco CTT Group Market Risk and Interest Rate Risk in the Banking Book Policy; (xiv) the Whistleblowing Policy; (xv) the Banco CTT Group Model Risk Management Policy; (xvi) the Banco CTT Group Outsourcing and ICT Services Provision Policy; (xvii) the Policy for the Selection and Assessment of the Suitability of Key Function Holders; (xviii) the Banco CTT Group Related Party Transactions Policy; (xix) the Banco CTT Group Information Security Policy; (xx) the Banco CTT Group Operational Risk Policy; (xxi) the Banco CTT Group Data Governance

Policy; (xxii) the Policy on the Safeguarding of Clients' Assets in Financial Intermediation; (xxiii) the Policy on the Treatment of Policyholders, Insured Persons, Beneficiaries and Injured Third Parties; (xxiv) the Banco CTT Group Counterparty Exposure Limits Policy; (xxv) the Banco CTT Group Risk Management Policy; (xxvi) the Policy for the Selection, Assessment and Succession of Members of the Management and Supervisory Bodies of the Banco CTT Group; (xxvii) the Financial Intermediation Policy; (xxviii) the Banco CTT Group Anti-Money Laundering and Counter-Terrorist Financing Policy; (xxix) the Banco CTT Group Anti-Corruption Policy; (xxx) the Credit Intermediaries Remuneration Policy; (xxxi) the Remuneration Policy for Retail Network Employees under Multiple Employer Arrangements (for the 2026 evaluation cycle); (xxxii) the Banco CTT Group ICT Systems Acquisition, Development and Maintenance Policy; (xxxiii) the Banco CTT Group Conflict of Interest Prevention, Reporting and Remediation Policy; (xxxiv) the Credit Policy for the Commercial Activity of the Banco CTT Group; (xxxv) the Banco CTT Group ICT Assets Management Policy; (xxxvi) the Banco CTT Group ICT Risk Policy; (xxxvii) the Banco CTT Group New Products and Partners Approval Policy; (xxxviii) the Banco CTT Group Business Continuity Management Policy; (xxxix) the Banco CTT Group Sustainability Policy; (xl) the Banco CTT Group Fraud Risk Management Policy; (xli) the Banco CTT Group Remuneration Policy (also for the 2026 evaluation cycle); (xlii) the Banco CTT Group Physical and Environmental Security Policy; (xliii) the Banco CTT Group Internal Control Policy; (xliv) the Process Manual – Audit Execution; and (xlv) the Process Manual – Development of Branch Audits.

In this context, it is also noted the quarterly monitoring of the regular monitoring process regarding the updating of the Bank's policies carried out by the Compliance Department.

With regard to the performance evaluation cycle for 2026, the Audit Committee also reviewed the proposed revisions to the performance evaluation model for (i) members of the Executive Committee; (ii) Relevant Employees; and (iii) Employees (excluding Relevant Employees and Retail Network Employees under Multiple Employer arrangements). Still in the remuneration context, the Audit Committee reviewed the verification of adjustment mechanisms for members of the Executive Committee, Relevant Employees and other Employees (excluding Relevant Employees and Retail Network Employees under Multiple Employer arrangements) that could lead to the reduction or non-award of variable remuneration relating to the 2024 evaluation cycle and, where applicable, the deferred component of variable remuneration relating to previous evaluation cycles.

With reference to the 2024 evaluation cycle, the Audit Committee (i) favourably reviewed the proposal, submitted by the then Chief Risk Officer, regarding the individual performance assessment of the Head of the Risk Management Function; and (ii) submitted to the Remuneration Committee the proposal for the individual performance assessment of the Head of the Internal Audit Function. There was no performance evaluation of the Head of the Compliance Function as they ceased their duties in early February 2025.

With reference to the 2025 evaluation cycle, the Audit Committee (i) favourably reviewed the proposal submitted by the Chief Risk Officer regarding the definition of KPIs (Key Performance Indicators) applicable to the individual performance evaluation of the Heads of the Compliance and Risk Management Functions; and (ii) approved the KPIs applicable to the individual performance evaluation of the Head of the Internal Audit Function.

Additionally, with reference to the 2024 financial year, the Audit Committee took note of the activity and self-assessment reports of the Remuneration Committee and the Nomination and Remuneration Committee of the Bank.

## **b. Monitoring of the development of the Bank's activity**

The Audit Committee monitored the development of the Bank's activity in terms of its product offering and commercial activity, which was regularly presented at Board of Directors meetings, having analysed, discussed and monitored the Bank's strategic projects.

In particular, the following projects implemented during the 2025 financial year are highlighted:

- (i) the progress in the execution of the Insurance Distribution Agreement entered into between Banco CTT, 321 Crédito and Generali Seguros S.A. ("Generali");

- (ii) the development of “Project Berlangas”, aimed at reducing the Bank’s dependence on CTT across physical, technical and human domains, in order to ensure continuity of banking operations even in the event of disruption at CTT;
- (iii) the development and implementation of “Project Touro”, based on the strategy to expand the Bank’s offering of other financial products, namely investment funds, structured bonds, equities, bonds and ETFs (exchange-traded funds);
- (iv) the implementation of “Project Bronze” (Boavista 2), through the sale of non-performing loans (“NPLs”) originated in the course of lending activities, as a balance sheet management tool;
- (v) the progress in the implementation of “Project Nickel”, consisting of the restructuring of the Group’s credit recovery model;
- (vi) the structuring and implementation of the “iMpulso Programme”, the new Strategic Plan for the Banco CTT Group, focused on accelerating the customer base and all business lines, addressing service and product gaps and investing in commercial, technological and control capabilities; and
- (vii) the development of “Project Mercúrio”, aimed at regulating referral activities carried out by CTT within an operational model that shares adjacent physical spaces, promoting transparency between the parties and ensuring consistency and good commercial practices across the branch network.

During the 2025 financial year, the Audit Committee took note of the evolution of complaints at Banco CTT.

#### **c. Monitoring of the activity of the Bank’s subsidiary**

During the 2025 financial year, the Audit Committee monitored the activity of 321 Crédito, Instituição Financeira de Crédito, S.A. (“321 Crédito”) – currently its sole subsidiary – through the financial information presented on a monthly basis by the Chief Financial Officer (CFO), the Head of Planning and Control and the Head of Accounting.

The Audit Committee regularly monitored risk indicators, analysed the conclusions resulting from internal audits and followed up on the remediation of internal control system deficiencies (including AML/CFT matters) at its subsidiary. The Audit Committee also had access, in general terms, to management information also presented to the Board of Directors (which includes Directors of the subsidiary).

Additionally, it held regular (quarterly) meetings with members of the subsidiary’s supervisory body.

#### **d. Supervision of the execution by the Bank of transactions with related parties**

Under the Related Party Transactions Policy, the Audit Committee reviewed and issued favourable opinions regarding the execution by the Bank of transactions with related parties during the 2025 financial year, namely the following:

- (i) Execution of an Addendum to the Protocol relating to the Multiple Employer Arrangement in the context of employment contracts with employees of the CTT branch network (“Multiple Employer Protocol”) entered into between the Bank and CTT;
- (ii) Execution of tripartite step-in agreements in relation to lease agreements for the premises where the commercial network operates, within the framework of the overall plan to reduce dependencies on the shareholder CTT: (i) one between the Bank, CTT and CTT IMO YIELD – SIC Imobiliária Fechada, S.A.; and (ii) one between the Bank, CTT and other landlords, aimed at contractually ensuring the uninterrupted availability of branches in the event of termination of lease agreements or cessation/disruption of CTT’s activity, under which the Bank will have the option to assume CTT’s contractual position in the respective lease agreements;

- (iii) Granting by Banco CTT to 321 Crédito of a loan in the amount of €25 million, with characteristics required to qualify as MREL-eligible debt (Minimum Requirement for Own Funds and Eligible Liabilities);
- (iv) Issuance of senior preferred bonds, eligible for MREL purposes, subscribed by CTT.

Considering that the Banco CTT Group Related Party Transactions Policy currently provides for a simplified procedure under which transactions with an annual aggregate value equal to or below €75,000.00 with the same related party no longer require prior review and approval by the Audit Committee and the Board of Directors, respectively—except in cases covered by Articles 85 or 109 of the RGICSF (credit granted to members of corporate bodies or holders of qualifying holdings), and provided that the simplified procedure set out in the Policy is complied with—during 2025, the Audit Committee:

- (i) Reviewed, on a quarterly basis, the proposals for “Aggregate and prior authorisation by the Management Body”, which define the specific conditions under which the simplified procedure for approval of related party transactions may be applied, thereby allowing transactions covered by such authorisation to be approved by the Executive Committee, without prior review and approval by the Supervisory and Management Bodies, provided they are preceded by favourable opinions from the Compliance and Risk Management Functions; and
- (ii) Took note, on a quarterly basis, of related party transactions approved by the Executive Committee, following favourable opinions from the Compliance and Risk Management Functions, under the simplified procedure.

During 2025, the Audit Committee took note of the quarterly updates to the list of related parties with the Bank approved by the Board of Directors, in compliance with paragraphs 1 and 2 of Article 33 of Banco de Portugal Notice no. 3/2020.

**e. Supervision of the activities related to the preparation of financial information and review of the accounting policies adopted, in particular with regard to the annual financial reporting documents**

The Audit Committee reviewed monthly financial information and the evolution of the Bank’s business and monitored the main prudential and business indicators, at both individual and consolidated levels, presented by the CFO and the Heads of Planning and Control and Accounting.

In 2025, with reference to the 2024 financial year, the Audit Committee monitored the preparation of the annual financial reporting documents and reviewed their contents, analysed the proposed appropriation of results included in the Annual Report and Accounts and issued the corresponding opinion. In 2026, the Committee monitored the preparation of the annual financial reporting documents for the 2025 financial year and reviewed their contents, analysed the corresponding proposed appropriation of results included in the Annual Report and Accounts and issued its opinion.

**f. Oversight of the effectiveness of the Bank’s risk management system, internal control system and internal audit system**

During 2025, the Audit Committee continued to monitor the full implementation of the regulatory requirements set out in Banco de Portugal Notice no. 3/2020—particularly those resulting from the amendments introduced by Notice no. 2/2025—namely in matters relating to governance and internal control, conduct and organisational culture, with a view to fully implementing the required measures while ensuring consistency of internal control and corporate governance systems within the Group, with the involvement of several areas of the Bank, particularly the Control Functions.

Additionally, the Audit Committee reviewed (i) the Self-Assessment Report on the adequacy and effectiveness of the organisational culture and governance and internal control systems of Banco CTT, S.A. and (ii) the Self-Assessment Report on the adequacy and effectiveness of the organisational culture and governance and internal control systems of the Banco CTT Group, both referring to the period from 1 December 2024 to 30 September 2025. In this context, the Audit Committee issued, with respect to the reference period, its opinions on (i) the adequacy and effectiveness of the organisational culture in force and the governance and internal control systems of Banco CTT, on an individual basis, pursuant to paragraph (a) of Article 55 of Banco de Portugal Notice no. 3/2020 and (ii) the adequacy and effectiveness of the Banco CTT Group's internal control system and the consistency between the subsidiary's internal control systems and that of the parent company, pursuant to paragraphs (b) and (c) of paragraph 1 of Article 58 of Banco de Portugal Notice no. 3/2020.

In this context, the Audit Committee expressed concern regarding the number, age and extensions of deadlines for remediation of deficiencies, with current and potential impacts, recognising this as a weakness and therefore supporting and encouraging the initiatives and dynamics currently underway to address the issue, namely those approved by the Executive Committee. Accordingly, it was also stated in its opinion that the Audit Committee will continue to monitor the remediation of outstanding deficiencies and the respective deadlines, with a view to strengthening the robustness of the internal control system.

Also during 2025, and in compliance with Banco de Portugal Notice no. 2/2018, the Audit Committee issued an opinion on the quality of the internal control system in the AML/CFT area, following the monitoring of the preparation and review of the Report on the Prevention of Money Laundering and Terrorist Financing ("RPB") for the period from 1 January to 31 December 2024.

The Audit Committee regularly monitored the evolution of internal control deficiencies (including AML/CFT-related), namely the implementation of recommendations and action plans aimed at their closure, and compliance with the defined deadlines.

In this context, with a view to a more effective and efficient management of the internal control system, the Audit Committee monitored the process of adopting a single tool through which all deficiencies monitored by the various Control Functions, as well as all operational risk events, will be tracked.

The Audit Committee also monitored initiatives promoted by the Executive Committee aimed at reducing delays in closing deficiencies, namely the adoption of the Path to Green Steering Committee.

In 2025, the Audit Committee took note of the Annual Assessment Report on the implementation of the corruption and related offences prevention plan of the Banco CTT Group, which aims to monitor the annual execution of the Corruption and Related Offences Prevention Plan.

In January 2025, the Audit Committee expressed its opinion on the suitability of the candidate proposed for the position of AML Officer, following the termination of the previous holder's duties in December 2024.

In April 2025, the Audit Committee expressed its opinion on the suitability of the candidate proposed for the position of Head of Compliance, following the termination of the previous holder's duties in February 2025.

The Audit Committee monitored the activity of the Compliance Department, namely through:

(i) taking note of the level of execution of the Compliance Department's Annual Activity Plan for 2025 (including the Compliance Plan and the AML/CFT Plan proposed by that Department, both prior to and following its integration into the Financial Crime Prevention Department) and reviewing its revision in July 2025; (ii) reviewing the Function's Activity Report for 2025; and (iii) reviewing the Annual Activity Plan, Training Plan, budget, resources and headcount of the Compliance Department for 2026.

In September 2025, the Audit Committee favourably reviewed the rationale for splitting the Risk Management Function into more than one organisational unit, namely the Risk Department and the Technology and Cyber

Risk Department, without prejudice to maintaining the overall view of the Risk Department over all risks to which the institution is or may become exposed.

The Audit Committee monitored the activity of the Risk Department, namely through (i) monthly presentations made by its Head on the monitoring of key risk indicators; (ii) taking note of the level of execution of the Risk Department's Annual Activity Plan for 2025; (iii) reviewing the Function's Activity Report for the 2025 financial year; and (iv) reviewing the Annual Activity Plan, Training Plan, budget, resources and headcount of the Risk Department for 2026.

The Audit Committee monitored the activity of the Internal Audit Department, namely through (i) monthly presentations made by its Head; (ii) taking note of the level of execution of the 2025 Audit Plan and its corresponding revision in July 2025; (iii) reviewing the Function's Activity Report for the 2025 financial year; and (iv) reviewing the Multiannual Audit Plan and Strategic Plan for 2026–2028, as well as the Training Plan, budget, resources and headcount of the Internal Audit Department for 2026.

**g. Receipt, namely through the Conduct Forum, of reports of irregularities, and participation in or monitoring of the decisions taken by the Conduct Forum on such matters**

The Bank has a Whistleblowing Policy, which establishes the existence of a dedicated channel for reporting irregularities.

Under this Policy, the Audit Committee has delegated to the Compliance Department the support functions related to the management of the Conduct Channel and to the Conduct Forum the handling of reports of irregularities within its remit.

This delegation of responsibilities does not exclude the possibility of the Audit Committee acting within the scope of the delegated matters, namely by taking note of the reported irregularities, monitoring the investigation phase and participating in the decisions to be taken by the Conduct Forum regarding such matters.

The Conduct Forum is composed of the Heads of Compliance, Internal Audit and Risk of the Bank, as well as a member of the Audit Committee designated by it, who chairs the Forum and has a casting vote. In June 2025, the Audit Committee appointed its member Carla Maria de Castro Chousal as the Audit Committee member designated to participate in and chair the Conduct Forum.

In November 2025, the Audit Committee approved the Annual Report on the Reporting of Irregularities, to be submitted to Banco de Portugal pursuant to paragraph 7 of Article 116-AA of the RGICSF and Article 35 of Banco de Portugal Notice no. 3/2020, with reference to the period between 1 December 2024 and 30 September 2025. This Report describes the process for receiving and handling irregularities adopted by Banco CTT, as well as the irregularities reported during the reference period.

**h. Oversight and assessment of the activity of the Statutory Auditor**

At the Annual General Meeting held on 22 March 2024, the then sole shareholder of the Bank resolved, following a proposal submitted by the Audit Committee—within the scope of its powers under Article 423-F(1)(m) of the Portuguese Companies Code, Article 21(4)(e) of the Bank's Articles of Association, Article 5(4)(a) of the Audit Committee Regulations and the Policy for the Selection, Appointment and Evaluation of Statutory Auditors (ROC) and Audit Firms (SROC) and for the Engagement of Services with the ROC/SROC ("ROC Selection Policy")—to reappoint Ernst & Young Audit & Associados – SROC, S.A., Statutory Auditor firm no. 178, represented by Sílvia Maria Teixeira da Silva, Statutory Auditor no. 1636, and, as Alternate Statutory Auditor,

Ana Rosa Ribeiro Salcedas Montes Pinto, Statutory Auditor no. 1230, for the 2024–2026 term, with effect from 1 January 2024.

Under the Statutory Auditor Selection Policy and paragraph (c) of paragraph 5 of Article 5 of the Audit Committee Regulations, the Audit Committee proposed to the Nomination and Remuneration Committee the approval of the fees to be paid by the Bank to EY for the provision of the following services, in accordance with the proposal presented: (a) issuance of the Statutory Audit Report, Audit Opinion as at 31 December and quarterly follow-up, with presentation to the Audit Committee, on the Separate Financial Statements for the financial years 2024, 2025 and 2026; (b) assessment of the process for quantifying impairment of the loan portfolio, resulting in the issuance of the semi-annual reports provided for in Banco de Portugal Instruction no. 5/2013, as amended by Instruction no. 18/2018, for the years 2024, 2025 and 2026.

Throughout 2025, the Audit Committee reviewed proposals for the provision of additional services to be contracted from EY by the companies of the Banco CTT Group and the CTT Group, whether audit services or non-audit services, in accordance with the Audit Committee Regulations and the Statutory Auditor Selection Policy, and approved/authorised them accordingly.

With regard to non-audit services that are not required by law to be performed by the Statutory Auditor, these were subject to prior approval/authorisation by the Audit Committee following analysis and confirmation, in particular, of the following aspects, where applicable: (i) that the services in question do not fall within the list of prohibited services under Article 5(4) of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 and do not pose a threat to the independence and objectivity of the Statutory Auditor in the context of the statutory audit, as their provision does not give rise to any self-review, self-interest or management participation threats in any of the companies of the CTT Group subject to statutory audit; (ii) that the proposed fees do not exceed the limits applicable to non-audit services (not prohibited) set out in Article 4 of the Regulation; (iii) that the selection of the Statutory Auditor for the provision of such services is justified by the best combination of price and expected quality of work, as well as by its knowledge of the relevant information for such services and experience in similar engagements, ensuring the conditions required for independence and objectivity.

Throughout 2025, the Audit Committee met with the Statutory Auditor on several occasions and for different purposes. In particular, meetings were held for the presentation by the Statutory Auditor of the conclusions of the audit work, namely in relation to the annual financial statements, as well as interim financial information as at 31 March, 30 June and 30 September 2025. The external auditor's reports on the process of quantifying impairment of the loan portfolio as at 31 December 2024 and 30 June 2025 were also presented and discussed at Audit Committee meetings.

In 2025, the Audit Committee analysed the conclusions of the audit work on the individual and consolidated financial statements of the Bank for the 2024 financial year, prepared by EY, and also received the Additional Report prepared by the Statutory Auditor for submission to the Supervisory Body. On that occasion, the Audit Committee formalised the annual evaluation of the Statutory Auditor, including the assessment of its independence, and also received from it a confirmation of its independence.

In this context, the Internal Control Recommendations Letter for the 2024 financial year, issued by the Statutory Auditor regarding the analysis of the accounting and internal control systems carried out by EY as part of the audit of the individual and consolidated financial statements of Banco CTT and its subsidiary for the year ended 31 December 2024, was also presented to the Audit Committee. This letter includes a summary of internal control procedures and other matters identified by EY as areas for improvement, as well as the recommendations issued based on the conclusions drawn from the situations analysed.

In 2026, the Audit Committee analysed the conclusions of the audit work on the individual and consolidated financial statements of the Bank for the 2025 financial year, prepared by EY, and also received the Additional Report prepared by the Statutory Auditor for submission to the Supervisory Body. On that occasion, the Audit

Committee formalised the evaluation of the Statutory Auditor for the 2025 financial year, including the assessment of its independence, and also received from EY a confirmation of its independence.

**i. Monitoring of the main risks of the Institution, including financial, non-financial and emerging risks**

The Audit Committee monitored the definition of the Bank's risk strategy and risk appetite and also monitored the risks to which the Bank is exposed – (i) financial risks, namely strategic risk, credit and concentration risk, market and interest rate risk, credit spread risk in the banking book, liquidity risk, excessive leverage risk and the evolution of the Bank's own funds and capital requirements; and (ii) non-financial risks, such as operational risk, compliance risk, AML/CFT risk, risks related to information and communication technologies, cybersecurity risk, reputational risk and emerging risks, with emphasis on ESG risks (environmental, social and governance) – thereby supporting the Board of Directors in overseeing the implementation of the Bank's risk strategy.

In this context, the Audit Committee took note of, monitored and discussed, namely:

- (i) the monitoring of key risk indicators of the Banco CTT Group, including financial risks (on a monthly basis), operational risk, ICT and cybersecurity risks, as well as climate/ESG risks;
- (ii) the activity carried out by the Fraud area;
- (iii) Resolution Planning;
- (iv) the status of the Business Continuity Plan;
- (v) the main technological risks associated with information and communication systems;
- (vi) the update of impairment models for credit portfolios; and
- (vii) the implementation project of DORA (Digital Operational Resilience Act);
- (viii) the events identified related to delays in the processing of AFT (Account Funding Transactions) / DST5; and
- (xix) the event in which significant weaknesses were identified in the process of reconciling movements in customer accounts and internal accounts, resulting from failures in the execution and reversal of transfers to other credit institutions.

Within the scope of its responsibilities, the Audit Committee issued opinions requested by Banco de Portugal on several specific matters and approved and/or favourably reviewed:

- (i) opinion on the implementation of the actions required to comply with a specific determination issued by Banco de Portugal regarding the Bank's plan to reduce dependencies on shareholder CTT;
- (ii) opinion on strengthening the analyses and opinions prepared by the Control Functions, as requested by Banco de Portugal;
- (iii) amendment to the Market Discipline Report for 2023, in February;
- (iv) Market Discipline Report for the year 2024 and the respective amendment, in September;
- (iv) Market Discipline Report for 2024 and its amendment, in September;
- (v) report on the "Internal Capital Adequacy Assessment Process (ICAAP)" as at 31 December 2024;
- (vi) review of the Recovery Plan;
- (vii) Risk Appetite Statement for 2026–2028;
- (viii) proposal to update the behavioural model of non-maturity deposits; and
- (ix) designation of Sofia Cardoso de Menezes, member of the Audit Committee, as the main liaison of this body with Banco de Portugal regarding the management of climate and environmental risks.

Within the scope of its responsibilities as Risk Committee and with the objective of ensuring (i) that the conditions of the products offered by the Bank are aligned with the Institution's and the Group's risk strategy; and (ii) closer oversight by the Supervisory Body of pricing methodologies, the Audit Committee (a) took note of the Banco CTT Group Product Catalogue and respective pricing; (b) favourably reviewed the Pricing Framework – General Pricing Guidance Methods, in compliance with the Banco CTT Group New Products and Partners Approval Policy; and (c) participated in the complex sign-off of the launch of new products, namely a Generali unit-linked insurance product and a structured term deposit, in accordance with the responsibilities assigned to the Audit Committee under the aforementioned Policy.

#### **4. Concluding remarks**

The Chairman of the Audit Committee (together with the Chairman of the Board of Directors and the Chief Executive Officer) met with Banco de Portugal to be informed of the decision resulting from the annual supervisory review and evaluation process (SREP 2025), including the prudential requirements and other supervisory measures arising from the assessment carried out, and provided feedback to the other members of the Audit Committee on the conclusions communicated in that meeting.

It should also be noted that Sofia Cardoso de Menezes and Carla Chousal attended the institutional onboarding programme and the mandatory and recommended training required by the supervisor in the context of the authorisation process for the exercise of functions as members of the Bank's management and supervisory bodies for the 2025–2027 term.

For the performance of its duties, the Committee requested and obtained all the information and clarifications it deemed relevant, and did not encounter any material constraints on its activity or on the effective performance of its functions.

The Committee received from the Executive Committee, from all corporate bodies, committees, organisational units and functional areas of the Bank, as well as from the Statutory Auditor, all the information requested.

The Audit Committee expresses its appreciation to the other corporate bodies and to all those involved in the activities carried out for their cooperation.

Lisbon, 13 March 2026

#### **The Chairman of the Audit Committee,**

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João Manuel de Matos Loureiro

#### **The Members of the Audit Committee,**

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Sofia Luísa Corrêa Henriques Cardoso de Menezes Frère

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Carla Maria de Castro Chousal

**OPINION OF THE AUDIT COMMITTEE**

**Opinion on the Annual Report of  
Banco CTT, S.A.  
for the financial year of 2025**

The Audit Committee has examined the Management Report and the Individual and Consolidated Financial Statements of Banco CTT, S.A. ("Bank") for the year ended 2025, which were prepared by the Bank's Executive Committee. It also reviewed the Statutory Audit Reports issued by Ernst & Young Audit & Associados – SROC, S.A. ("EY") on the financial statements, on both an individual and consolidated basis, which do not contain any qualifications or emphasis of matter. The Audit Committee also reviewed the Additional Report to the Supervisory Body issued by EY.

The Audit Committee monitored the preparation of the Annual Report and Financial Statements and was present at the Executive Committee meeting that approved the final version for submission to the Board of Directors. In the context of preparing this opinion, the Audit Committee requested all the information and clarifications it deemed relevant, having consulted various officers, including the Executive Director responsible for finance, the Executive Director responsible for risk and compliance, the Head of Accounting, the Head of Risk, the Head of Planning and Control, the Company Secretary and the Bank's Statutory Auditor.

As the Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted in the European Union, the undersigned declare that, to the best of their knowledge, they are in compliance with those standards and that the individual and consolidated Financial Statements fairly present the financial position and the results of the Bank and the Group. The Management Report adequately describes the development of the business, performance and the main risks and uncertainties associated with the activities of the Bank and the other companies within the Banco CTT Group.

The Statutory Audit Reports include the "Key Audit Matters" identified by EY, namely (i) on an individual basis: (a) determination of impairment losses on loans and advances and (b) recoverability of the investment in 321 Crédito; and (ii) on a consolidated basis: (a) determination of impairment losses on loans and advances and (b) recoverability of goodwill relating to 321 Crédito.

All these matters were duly monitored by the Audit Committee throughout the year and were subject to joint analysis with the Executive Committee, the relevant departments of the Bank and EY.

Based on the work performed and in compliance with paragraph 6 of Article 420 of the Portuguese Companies Code, applicable by reference pursuant to paragraph 2 of Article 423-F of the same Code, the Audit Committee agrees with the Management Report and the Financial Statements of the Bank and the Group for the year ended 31 December 2025, as well as with the Proposal for the Allocation of Results included in the Management Report, which are in accordance with the applicable accounting, legal and statutory provisions.

Accordingly, the Audit Committee recommends that the General Meeting of Banco CTT approve, in respect of the year ended 31 December 2025, the Annual Report and Financial Statements of the Bank and the Group, as well as the Board of Directors' proposal for the allocation of net profit of €20,708,049.25, as determined in the individual financial statements, as follows: (i) allocation to legal reserve, €2,070,804.93; and (ii) retained earnings, €18,637,244.32.

Lisbon, 17 March 2026

**The Chairman of the Audit Committee,**

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João Manuel de Matos Loureiro

**The Members of the Audit Committee,**

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Sofia Luísa Corrêa Henriques Cardoso de Menezes Frère

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Carla Maria de Castro Chousal

## **SUMMARY OF THE SELF-ASSESSMENT REPORT**

SUMMARY OF THE SELF-ASSESSMENT REPORT (GROUP)

### **Summary of the Self-Assessment Report (Group)**

The Self-Assessment Report (“Report”), prepared in accordance with Article 54 of Banco de Portugal Notice no. 3/2020, as amended by Notice no. 2/2025 (“Notice”), and Instruction no. 18/2020 of Banco de Portugal, as amended by Instruction no. 4/2025 (“Instruction”), presents the results of the assessment carried out by Banco CTT Group, S.A. regarding the adequacy and effectiveness of the internal control system of the financial group to ensure compliance with the requirements set out in Article 51 of the Notice, as well as the consistency between the internal control system of the subsidiary (321 Crédito) and that of the parent company, Banco CTT, S.A., as at 30 September 2025.

In line with best practices in this area, a self-assessment exercise was conducted regarding compliance with Notice no. 3/2020, taking into account the amendments introduced by Banco de Portugal Notice no. 2/2025, as well as developments compared to previous years. The results were reported to the Bank’s management and supervisory bodies, as the parent company, and demonstrated a positive evolution in terms of compliance of the Group’s internal control system and governance model with the majority of requirements. The residual set of requirements for which partial compliance was identified is duly reflected as internal control deficiencies in the individual self-assessment reports of the Bank, as parent company, and its subsidiaries.

The Report also includes a description of the Group’s organisational structure and governance model, which are considered to be aligned with market best practices in corporate governance. It also notes the changes in the composition of Banco CTT’s corporate bodies, as well as the appointment of the new Head of the Compliance Function.

Within the framework of the Banco CTT Group’s Internal Control System, the organisational structure and governance model are complemented by the methodology underlying the continuous monitoring process of the System, essentially comprising the following stages: (i) identification and reporting of deficiencies, (ii) assessment and classification of deficiencies, (iii) prioritisation and decision, (iv) definition of action plans, and (v) monitoring and reporting. In this respect, and in compliance with the aforementioned regulatory framework, the Bank, as parent company, has defined and periodically reviewed and updated its risk taxonomy and deficiency classification model, implemented in accordance with Annexes I and II of Banco de Portugal Instruction no. 18/2020.

The Group Report incorporates all opinions and reports issued by the various Internal Control Functions and the Bank’s corporate bodies, in compliance with applicable regulatory requirements. It should be noted that the independence of each internal control function is confirmed by the respective heads (with no issues identified).

The Report includes an overall analysis of internal control deficiencies, including the description and characterisation of deficiencies outstanding as at the reference date.

Within the scope of the assessment performed by the Supervisory Body of the Group’s parent company, the Bank’s Audit Committee concluded that, overall, the organisational culture in place within the Group and its governance and internal control systems are adequate and effective, identifying as the main weakness the number of outstanding deficiencies, their ageing and the extension of remediation deadlines. It also concluded that, overall, there is consistency between the internal control system of the subsidiary 321 Crédito and that of the parent company – the Bank.

In turn, the Bank's Board of Directors considers that, overall, the Group's governance and internal control systems maintain the effectiveness, consistency and organisational culture required to be deemed adequate. Nevertheless, and taking into account the outstanding deficiencies, it reinforced the need to accelerate the implementation of structural measures to ensure the continuous improvement of the internal control environment.

Lisbon, 17 March 2026,

**The Chairman of the Audit Committee,**

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João Manuel de Matos Loureiro

**The Members of the Audit Committee,**

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Sofia Luísa Corrêa Henriques Cardoso de Menezes Frère

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Carla Maria de Castro Chousal

SUMMARY OF THE SELF-ASSESSMENT REPORT (BANK – INDIVIDUAL)

## Summary of the Self-Assessment Report (Bank – Individual)

The Self-Assessment Report (“Report”), prepared in accordance with Article 54 of Banco de Portugal Notice no. 3/2020, as amended by Notice no. 2/2025 (“Notice”), and Instruction no. 18/2020 of Banco de Portugal, as amended by Instruction no. 4/2025 (“Instruction”), presents the results of the assessment carried out by Banco CTT, S.A. regarding the adequacy and effectiveness of the organisational culture in place, its governance and internal control systems, including remuneration practices and policies and other matters addressed in the Notice, as at 30 September 2025.

The Report includes a description of Banco CTT’s organisational structure and governance model, highlighting the changes in the composition of the Bank’s corporate bodies, as well as the appointment of the new Head of the Compliance Function.

Within the framework of the Banco CTT Group’s Internal Control System, the organisational structure and governance model are complemented by the methodology underlying the continuous monitoring process of the System, essentially comprising the following stages: (i) identification and reporting of deficiencies, (ii) assessment and classification of deficiencies, (iii) prioritisation and decision, (iv) definition and monitoring of action plans, and (v) monitoring and reporting.

The Report incorporates all opinions and reports issued by the various Internal Control Functions and the Bank’s corporate bodies, in compliance with applicable regulatory requirements. It should be noted that the independence of each internal control function is confirmed by the respective heads (with no issues identified). As a new feature in the structure of the Report compared to previous years, particular note should be made of the inclusion of the “Report on the Analysis of the Risk Management Framework for Information and Communication Technologies”, as legally required.

The Report also includes an overall analysis of internal control deficiencies, including the description and characterisation of deficiencies outstanding as at the reference date.

Within the scope of the assessment carried out by the Bank’s Supervisory Body, the Audit Committee concluded that, overall, the organisational culture in place at Banco CTT and its governance and internal control systems are adequate and effective, identifying as the main weakness the number of outstanding deficiencies, their ageing and the extension of remediation deadlines.

In turn, the Board of Directors also concluded that, overall, Banco CTT’s governance and internal control systems remain effective, consistent and supported by an organisational culture that allows them to be considered adequate. Nevertheless, and taking into account the outstanding deficiencies, it reinforced the need to accelerate the implementation of structural measures to ensure the continuous improvement of the internal control environment.

Lisboa, 17 March 2026

### **The Chairman of the Audit Committee,**

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João Manuel de Matos Loureiro

### **The Members of the Audit Committee,**

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Sofia Luísa Corrêa Henriques Cardoso de Menezes Frère

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Carla Maria de Castro Chousal

**EXTERNAL AUDITORS' REPORT**

STATUTORY AUDITOR'S REPORT (CONSOLIDATED)

(Translation from the original document in the Portuguese language.  
In case of doubt, the Portuguese version prevails)

## Statutory and Auditor's Report

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying consolidated financial statements Banco CTT, S.A. (the Group), which comprise the Consolidated Statement of Financial Position as at 31 December 2025 (showing a total of 5.006.224 thousands of euros and a total equity of 336.002 thousands of euros, including a net profit for the year of 20.765 thousands of euros), and the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Banco CTT, S.A. as of 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors' code of ethics.

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

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

##### 1. Impairment losses on loans to customers

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As of 31 December 2025, Loans and Advances to Clients amounts to 1.994.804 thousand euros, net of impairment charges amounting to 63.003 thousand of euros. The detail of impairment on Loans and Advances to clients and the accounting policies, methodologies, concepts and assumptions used are disclosed in the notes to the consolidated financial statements (Notes 2.2.1.4, 3.1.2, 14 and 32).</p> <p>The impairment on Loan and Advances to clients represents Management best estimate of the expected credit loss of Loan and Advances client's portfolio. To calculate this estimate,</p>	<p>Our audit approach to impairment on Loans and Advances to clients included (i) an overall response to the way the audit was conducted and (ii) a specific response that resulted in the design, and subsequent implementation, of audit procedures that included, namely:</p> <ul style="list-style-type: none"><li>obtaining the understanding, assessment of internal control procedures existing in the process of quantifying impairment losses for Loans and Advances to clients;</li><li>conducting analytical review tests on the evolution of the amount of impairment on Loans and Advances to clients, comparing it with the same period and with the expectations, which highlight the understanding of the variations occurred</li></ul>

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>Management made critical judgments such as the evaluation of the business model, the assessment of the significant increase in credit risk, the classification of exposures in default, the definition of an asset group with similar credit risk characteristics and the use of models and parameters. These parameters are calculated based on historical indicators, when available or benchmarks, in the remaining cases. For relevant individual exposures, the impairment is calculated based on judgments of experts in the credit risk assessment.</p> <p>In addition to the complexity of the models for quantifying impairment losses of loans and advances portfolio ("models"), its use requires the processing of significant data, the availability and quality of which may not be adequate.</p> <p>Given the degree of subjectivity and complexity involved, the use of alternative approaches, models or assumptions may have a material impact on the estimated impairment amount, which, together with its materiality, determines that we consider this topic as a key audit matter.</p>	<p>in the loans and advances portfolio and changes in the impairment assumptions and methodologies;</p> <ul style="list-style-type: none"> <li>▶ reading the minutes of the Equity and Risk Committee and Global Risk Committee and correspondence with Banco de Portugal;</li> <li>▶ obtaining the understanding and evaluation of the design of the model of the expected loss calculation, test to the calculation, comparison of the information used in the model with source data, through the reconciliations prepared by the Bank, analysis of the assumptions used to fill gaps in the data, comparison of the parameters used with the results of the estimation models and comparison of the results of the models with the values recorded in the financial statements;</li> <li>▶ with the support of specialists, we performed tests on the reasonableness of the parameters used in the calculation of the impairment, namely:             <ul style="list-style-type: none"> <li>i) understanding of the methodology formalized and approved by Management and comparison with the one actually used;</li> <li>ii) understanding of the changes to the models used by the Bank to determine the parameters used in the calculation of expected loss and results in the parameters;</li> <li>iii) on a sampling basis, comparison of the data used in the clearance of risk parameters with source information;</li> <li>iv) inquiries to the Bank's experts responsible for the models and inspection of internal audit reports and regulators; and</li> <li>v) inspection of the reports with the results of the operational evaluation of the model (back-testing);</li> </ul> </li> <li>▶ test the reasonableness of adjustments made to the model and outside the model, in particular those to respond to additional areas of judgment resulting from the increasing in interest rate and inflation and understanding the management process associated with those adjustments; and</li> <li>▶ analysis of the disclosures included in the notes to the consolidated financial statements, based on the requirements of international financial reporting standards and accounting records.</li> </ul>

## 2. Crédito S.A. Goodwill recoverability

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As of 31 December 2025, Goodwill and intangible assets as described in note 20 of consolidated financial statements include Goodwill in the amount of 60.679 thousands of euros, related with the acquisition of the subsidiary 321 Crédito - Instituição Financeira de Crédito, S.A. in May 2019.</p> <p>As referred to in Note 2.1.4, the recoverable amount of Goodwill is analysed on an annual basis in the preparation of financial statements with reference to the end of the financial year or in presence of any indication of potential impairment. The recoverable amount is determined using evaluation methodologies supported by discounted cash flow techniques, considering market conditions, time value, and business risks.</p> <p>The potential impairment of Goodwill was considered a key audit matter given its significant amount and the complexity of impairment evaluation process, including the use of estimates and assumptions, including future market and economic conditions, market share, revenue and margin trends, and uncertainty remains associated with macroeconomic events felt in the market, such as increases in volatility, inflation, and interest rates.</p>	<p>We identified and evaluated the audit risk, which led to the definition of the audit approach to respond to the risk of material misstatement. This approach included (i) a global response that affected how the audit was conducted and (ii) a specific response that involved the design, and subsequent execution, of additional procedures that included tests of controls and substantive procedures, namely:</p> <ul style="list-style-type: none"> <li>▶ We obtained an understanding of the existing internal control procedures in the impairment testing process;</li> <li>▶ With the support of internal specialists, we evaluated the reasonableness of the assumptions used in the impairment testing, namely: (i) discount rate; (ii) perpetual growth rate; (iii) dividend distribution;</li> <li>▶ We compared the financial projections with the approved budgets and plans and financial indicators of 2025;</li> <li>▶ We analysed the financial statements of 321 Crédito - Instituição Financeira de Crédito, SA as of December 31, 2025;</li> <li>▶ We performed sensitivity analyses of the assumptions; and</li> <li>▶ We analysed the disclosures included in the notes to the consolidated financial statements, based on the requirements of international financial reporting standards and accounting records.</li> </ul>

### Responsibilities of management and the supervisory board for the consolidated financial statements

Management is responsible for:

- ▶ the preparation of consolidated financial statements that presents a true and fair view of the Group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union;
- ▶ the preparation of the Management Report, in accordance with the laws and regulations;
- ▶ designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ▶ the adoption of accounting policies and principles appropriate in the circumstances; and
- ▶ assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group's ability to continue as a going concern.

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

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may lead the Group to discontinue its activities;
- ▶ evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ plan and execute our audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis to express an opinion on the
- ▶ communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- ▶ from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- ▶ we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility includes the verification of the consistency of the Management Report with the consolidated financial statements.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### On the Consolidated Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Consolidated Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatement.

### On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

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

- ▶ We were appointed as auditors of Banco CTT S.A. (Group's Parent Entity) for the first time in the shareholders' general meeting held on 30 July 2020 for a mandate from 2021 to 2023. We were appointed in the shareholders' general meeting held on 22 March 2024 for a second mandate from 2024 to 2026.
- ▶ Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional scepticism and we designed audit procedures to respond to the possibility of material misstatement in the consolidated financial statements due to fraud. As a result of our work we have not identified any material misstatement to the consolidated financial statements due to fraud;
- ▶ We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Group on this date; and
- ▶ We declare that we have not provided any prohibited services as described in article 5 of the Regulation (EU) n.º 537/2014 of the European Parliament and the Council, of 16 of April 2014, and we have remained independent of the Group in conducting the audit;

Lisbon, 18 March 2026

Ernst & Young Audit & Associados - SROC, S.A. Sociedade de Revisores Oficiais de Contas  
Represented by:

(Signed)

Silvia Maria Teixeira da Silva - ROC n.º 1636  
Registered with the Portuguese Securities Market Commission under license nr. 20161246

STATUTORY AUDITOR'S REPORT (INDIVIDUAL)

(Translation from the original document in the Portuguese language.  
In case of doubt, the Portuguese version prevails)

## Statutory and Auditor's Report

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying financial statements Banco CTT, S.A. (the Bank), which comprise the Statement of Financial Position as at 31 December 2025 (showing a total of 4.859.995 thousands of euros and a total equity of 336.073 thousands of euros, including a net profit for the year of 20.708 thousands of euros), and the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Banco CTT, S.A. as of 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section below. We are independent of the Bank in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors' code of ethics.

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

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

##### 1. Impairment losses on loans to customers

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As of 31 December 2025, Loans and Advances to Clients amounts to 966.181 thousand euros, net of impairment charges amounting to 3.770 thousand of euros. The detail of impairment on Loans and Advances to clients and the accounting policies, methodologies, concepts and assumptions used are disclosed in the notes to the financial statements (Notes 2.2.1.4, 3.1.2, 14 and 34).</p> <p>The impairment on Loan and Advances to clients represents Management best estimate of the expected credit loss of Loan and Advances client's portfolio. To calculate this estimate, Management made critical judgments such as the evaluation of the business model, the assessment</p>	<p>Our audit approach to impairment on Loans and Advances to clients included (i) an overall response to the way the audit was conducted and (ii) a specific response that resulted in the design, and subsequent implementation, of audit procedures that included, namely:</p> <ul style="list-style-type: none"><li>▶ obtaining the understanding, assessment of internal control procedures existing in the process of quantifying impairment losses for Loans and Advances to clients;</li><li>▶ conducting analytical review tests on the evolution of the amount of impairment on Loans and Advances to clients, comparing it with the same period and with the expectations, which highlight the understanding of the variations occurred in the loans and advances portfolio and changes in the impairment assumptions and methodologies;</li></ul>

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>of the significant increase in credit risk, the classification of exposures in default, the definition of an asset group with similar credit risk characteristics and the use of models and parameters. These parameters are calculated based on historical indicators, when available or benchmarks, in the remaining cases. For relevant individual exposures, the impairment is calculated based on judgments of experts in the credit risk assessment.</p> <p>In addition to the complexity of the models for quantifying impairment losses of loans and advances portfolio ("models"), its use requires the processing of significant data, the availability and quality of which may not be adequate.</p> <p>Given the degree of subjectivity and complexity involved, the use of alternative approaches, models or assumptions may have a material impact on the estimated impairment amount, which, together with its materiality, determines that we consider this topic as a key audit matter.</p>	<ul style="list-style-type: none"> <li>▶ reading the minutes of the Equity and Risk Committee and Global Risk Committee and correspondence with Banco de Portugal;</li> <li>▶ obtaining the understanding and evaluation of the design of the model of the expected loss calculation, test to the calculation, comparison of the information used in the model with source data, through the reconciliations prepared by the Bank, analysis of the assumptions used to fill gaps in the data, comparison of the parameters used with the results of the estimation models and comparison of the results of the models with the values recorded in the financial statements;</li> <li>▶ with the support of specialists, we performed tests on the reasonableness of the parameters used in the calculation of the impairment, namely:             <ul style="list-style-type: none"> <li>i) understanding of the methodology formalized and approved by Management and comparison with the one actually used;</li> <li>ii) understanding of the changes to the models used by the Bank to determine the parameters used in the calculation of expected loss and results in the parameters;</li> <li>iii) on a sampling basis, comparison of the data used in the clearance of risk parameters with source information;</li> <li>iv) inquiries to the Bank's experts responsible for the models and inspection of internal audit reports and regulators; and</li> <li>v) inspection of the reports with the results of the operational evaluation of the model (back-testing);</li> </ul> </li> <li>▶ test the reasonableness of adjustments made to the model and outside the model, in particular those to respond to additional areas of judgment resulting from the increasing in interest rate and inflation and understanding the management process associated with those adjustments; and</li> <li>▶ analysis of the disclosures included in the notes to the financial statements, based on the requirements of international financial reporting standards and accounting records.</li> </ul>

## 2. Crédito S.A. Goodwill recoverability

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>As of 31 December 2025, Goodwill and intangible assets as described in note 21 of financial statements include Goodwill in the amount of 60.679 thousands of euros,</p>	<p>We identified and evaluated the audit risk, which led to the definition of the audit approach to respond to the risk of material misstatement. This approach included (i) a global response that affected how the audit was conducted and (ii) a specific response that involved the design, and</p>

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
<p>related with the acquisition of the subsidiary 321 Crédito - Instituição Financeira de Crédito, S.A. in May 2019.</p> <p>As referred to in Note 21, the recoverable amount of Goodwill is analysed on an annual basis in the preparation of financial statements with reference to the end of the financial year or in presence of any indication of potential impairment.</p> <p>The recoverable amount is determined using evaluation methodologies supported by discounted cash flow techniques, considering market conditions, time value, and business risks.</p> <p>The potential impairment of Goodwill was considered a key audit matter given its significant amount and the complexity of impairment evaluation process, including the use of estimates and assumptions, including future market and economic conditions, market share, revenue and margin trends, and uncertainty remains associated with macroeconomic events felt in the market, such as increases in volatility, inflation, and interest rates.</p>	<p>subsequent execution, of additional procedures that included tests of controls and substantive procedures, namely:</p> <ul style="list-style-type: none"> <li>▶ We obtained an understanding of the existing internal control procedures in the impairment testing process;</li> <li>▶ With the support of internal specialists, we evaluated the reasonableness of the assumptions used in the impairment testing, namely: (i) discount rate; (ii) perpetual growth rate; (iii) dividend distribution;</li> <li>▶ We compared the financial projections with the approved budgets and plans and financial indicators of 2025;</li> <li>▶ We analysed the financial statements of 321 Crédito - Instituição Financeira de Crédito, SA as of December 31, 2025;</li> <li>▶ We performed sensitivity analyses of the assumptions; and</li> <li>▶ We analysed the disclosures included in the notes to the financial statements, based on the requirements of international financial reporting standards and accounting records.</li> </ul>

### **Responsibilities of management and the supervisory board for the financial statements**

Management is responsible for:

- ▶ the preparation of financial statements that presents a true and fair view of the Bank's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union;
- ▶ the preparation of the Management Report, in accordance with the laws and regulations;
- ▶ designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ▶ the adoption of accounting policies and principles appropriate in the circumstances; and
- ▶ assessing the Bank's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Bank's ability to continue as a going concern.

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

## **Auditor's responsibilities for the audit of the financial statements**

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may lead the Bank to discontinue its activities;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ plan and execute our audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Bank as a basis to express an opinion on the
- ▶ communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- ▶ from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- ▶ we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility includes the verification of the consistency of the Management Report with the financial statements.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### On the Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Bank, we have not identified any material misstatement.

### On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

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

- ▶ We were appointed as auditors of Banco CTT S.A. (Group's Parent Entity) for the first time in the shareholders' general meeting held on 30 July 2020 for a mandate from 2021 to 2023. We were appointed in the shareholders' general meeting held on 22 March 2024 for a second mandate from 2024 to 2026.
- ▶ Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional scepticism and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work we have not identified any material misstatement to the financial statements due to fraud;
- ▶ We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Bank on this date; and
- ▶ We declare that we have not provided any prohibited services as described in article 5 of the Regulation (EU) n.º 537/2014 of the European Parliament and the Council, of 16 of April 2014, and we have remained independent of the Bank in conducting the audit;

Lisbon, 18 March 2026

Ernst & Young Audit & Associados - SROC, S.A. Sociedade de Revisores Oficiais de Contas  
Represented by:

(Signed)

Silvia Maria Teixeira da Silva - ROC n.º 1636  
Registered with the Portuguese Securities Market Commission under license nr. 20161246



**“ALL IS  
WORTHWHILE  
IF THE SOUL  
IS NOT SMALL.”**

Fernando Pessoa, in “Mensagem -Mar Português”

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## A. SHAREHOLDING STRUCTURE

### I. Capital structure

The share capital of Banco CTT, S.A. ("Bank" or "Banco CTT") amounts to €321,400,000.00, fully subscribed and paid up, and is represented by 324,682,443 ordinary shares (with no different classes), registered, book-entry shares with no nominal value.

The Bank's shares are predominantly held by CTT – Correios de Portugal, S.A. ("CTT") (296,400,000 shares), with Generali Seguros, S.A. ("Generali") holding a minority interest (28,282,443 shares), and are not subject to any statutory or legal restrictions regarding their transferability or ownership, nor to any limitations on the number of voting rights that may be exercised.

Without prejudice to the free transferability of the Bank's and CTT's shares, their acquisition has, since the date of Banco CTT's commercial registration, been subject to compliance with the legal requirements applicable to direct or indirect qualifying holdings, as set out in the Legal Framework of Credit Institutions and Financial Companies, as amended from time to time ("RGICSF").

In particular, pursuant to Article 102 of the RGICSF, natural or legal persons intending to hold a qualifying holding in CTT and, indirectly, in the Bank (i.e. a direct or indirect holding equal to or greater than 10% of the share capital or voting rights, or which, for any reason, enables the exercise of significant influence over management) must notify Banco de Portugal in advance of their intention, for the purposes of a non-opposition decision. Furthermore, any acts or events resulting in the acquisition of a holding reaching at least 5% of the share capital or voting rights of CTT and, indirectly, of the Bank, must be notified to Banco de Portugal within 15 days of their occurrence, pursuant to Article 104 of the RGICSF.

It should be recalled that, in November 2022, a strategic partnership between Banco CTT Group and Generali was announced, which includes (i) a long-term agreement for the distribution of life and non-life insurance products of Tranquilidade/Generali, with an exclusivity period renewable every five years, and (ii) the subscription by Generali of a reserved capital increase of €25 million in Banco CTT, corresponding to a shareholding of approximately 8.71%. The completion of the transaction obtained a non-opposition decision to the acquisition of a qualifying holding from Banco de Portugal / the European Central Bank and was completed in November 2024.

As at 31 December 2025 and up to the date of issuance of this report, the Bank did not hold any treasury shares, nor were any transactions in treasury shares carried out by the Bank during 2025.

### II. Shareholdings and bonds held

As at 31 December 2025, the members of the Bank's management and supervisory bodies did not hold any shares issued by the Bank, nor did they carry out any transactions during 2025 involving such securities that would be relevant for the purposes of Article 447 of the Portuguese Companies Code ("CSC"), as amended from time to time.

Furthermore, pursuant to paragraph 5 of Article 447 of the CSC, during the 2025 financial year and in accordance with the notifications made to the Company, the number of shares representing the share capital of companies in a control or group relationship with the Bank, held by members of the Bank's management and supervisory bodies and by entities closely associated with them within the meaning of that provision, as well as all acquisitions, encumbrances or disposals of such shares, are set out in the following tables:

Board of Directors (a)	No. of Shares as at 31/12/2024 (b)	Date	Acquisition	Encumbrance	Disposal	Price	No. of Shares as at 31/12/2025 (b)
João Nuno de Sottomayor Pinto de Castello Branco	-	-	-	-	-	-	-
Francisco Manuel Grade Barbeira (d)	-	-	-	-	-	-	-
João Maria de Magalhães Barros de Mello Franco	-	-	-	-	-	-	-
Pedro Rui Fontela Coimbra	-	-	-	-	-	-	-
Nuno Carlos Dias dos Santos Fórneas	-	-	-	-	-	-	-
Inês Isabel Maia Santos (d)	-	-	-	-	-	-	-
João Manuel de Matos Loureiro	-	-	-	-	-	-	-
Sofia Luísa Corrêa Henriques Cardoso de Menezes Frère (d)	-	-	-	-	-	-	-
Carla Maria de Castro Chousal (d)	-	-	-	-	-	-	-
Guy Patrick Guimarães de Goyri Pacheco	31.322	(c)	(b) (c)	-	-	(c)	42.984
António Domingues	-	-	-	-	-	-	-
Pedro Luís Francisco Carvalho	-	-	-	-	-	-	-
Sandra Marina Farinha Moás (d)	100.000	-	-	-	-	-	100.000

Statutory Auditor	No. of Shares as at 31/12/2024 (b)	Date	Acquisition	Encumbrance	Disposal	Price	No. of Shares as at 31/12/2025 (b)
Ernst & Young Audit & Associados – SROC, S.A.	-	-	-	-	-	-	-
Sílvia Maria Teixeira da Silva	-	-	-	-	-	-	-
Ana Rosa Ribeiro Salcedas Montes Pinto	-	-	-	-	-	-	-

(a) Includes members of the Executive Committee and the Audit Committee.

(b) Acquisition as part of long-term variable remuneration.

(c) Details regarding acquisitions and/or disposals carried out in 2025, as notified to the Company, are set out in Annex I.

(d) Elected on 2 June 2025 to serve for the 2025–2027 term.

In 2025, Banco CTT issued bonds through a private placement in the total amount of €45,000,000, and 321 Crédito, Instituição Financeira de Crédito, S.A. (“321 Crédito”), a company wholly owned by Banco CTT, did not issue any bonds.

## **B. CORPORATE BODIES AND COMMITTEES**

### **I. General Meeting**

Pursuant to paragraph 1 of Article 12 of the Bank’s Articles of Association, the General Meeting Board is composed of a Chair and a Secretary, both elected by the General Meeting, who are assisted by the Company Secretary. As at 31 December 2025, the Chair and the Secretary of the General Meeting Board were, respectively, Alexandre Cardoso Martha de Lucena e Vale and Nuno Miguel Cadima Henriques de Oliveira, appointed for the 2025–2027 term by unanimous written resolution of the shareholders on 2 June 2025.

On that same date, the Bank’s shareholders resolved to establish the Nomination and Remuneration Committee, and Raúl Catarino Galamba de Oliveira, João Afonso Ramalho Sopas Pereira Bento and Ana da Paz Ferreira da Câmara Perestrelo de Oliveira were elected to serve as Chair and members of that Committee, respectively, for the 2025–2027 term.

Accordingly, as at 31 December 2025 and at the present date, the Bank’s Nomination and Remuneration Committee is composed of the following members:

<b>Members</b>	<b>Position</b>
Raúl Catarino Galamba de Oliveira	Chairman
João Afonso Ramalho Sopas Pereira Bento	Member
Ana da Paz Ferreira da Câmara Perestrelo de Oliveira	Member

In accordance with its Internal Regulation, in force as at 31 December 2025 and at the present date, the Nomination and Remuneration Committee is responsible, among other duties, for:

- a) Carrying out the individual assessment and reassessment of the suitability of members or candidates for membership of the management and supervisory bodies, based on criteria of good repute, qualifications and professional experience, independence and availability, in accordance with the terms set out in the Policy for the Selection, Evaluation and Succession of Members of the Management and Supervisory Bodies of Banco CTT Group (“Selection Policy”);
- b) Carrying out the collective assessment of the management and supervisory bodies, determining whether their composition is collectively suitable for the performance of their legal and statutory duties in all relevant areas of activity, based on criteria of qualifications and diversity, as described in the Selection Policy and in the Diversity Policy of Banco CTT Group (“Diversity Policy”);
- c) Preparing the Assessment Reports and making them available to the electing General Meeting as part of the preparatory information;
- d) Promoting diversity in the composition of the management and supervisory bodies, namely through (i) promoting equal opportunities with regard to diversity; (ii) valuing diversity in terms of age, gender, geographical origin, education, skills, qualifications and experience, including the consideration of broader lists of candidates that prioritise diversity as an inclusion criterion; and (iii) promoting the integration of the underrepresented gender in the management and supervisory bodies;
- e) Preparing and annually reviewing a Succession Plan and a list of potential internal and external candidates for membership of the management and supervisory bodies;
- f) Initiating Ordinary and Extraordinary Succession Processes, as defined in the Selection Policy, for members of the management and supervisory bodies;

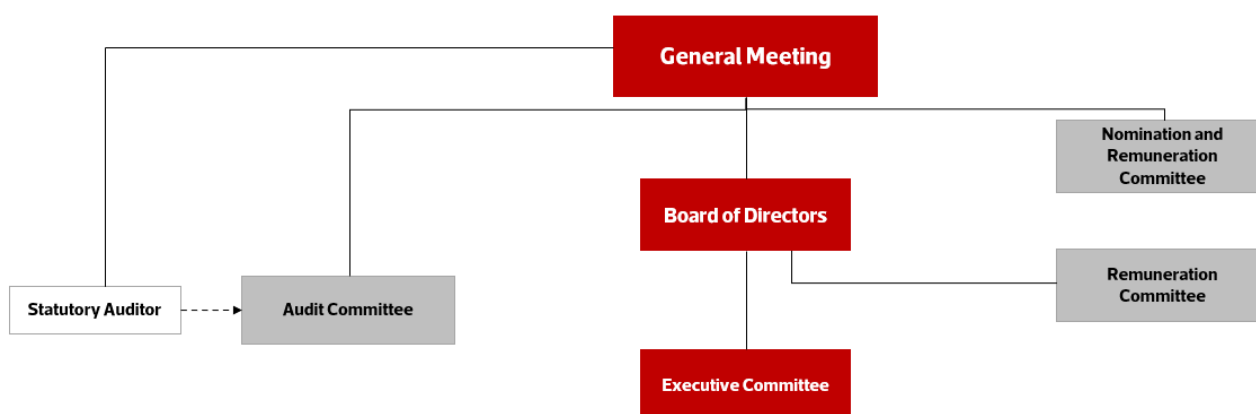
- g) Submitting to the General Meeting proposals for the periodic review of the Selection Policy and approving revisions to the Diversity Policy, the latter in its application to members of the corporate bodies;
- h) Determining the remuneration of the members of the General Meeting Board, the Board of Directors, the Audit Committee and the Statutory Auditor;
- i) With regard to the determination of the remuneration of the members of the Executive Committee: (i) resolving on the definition of the fixed remuneration component; (ii) resolving on the definition, allocation and payment of the variable remuneration component (short-term and long-term), including the approval, upon proposal of the Remuneration Committee, of the performance evaluation model, respective criteria/objectives, assumptions/conditions and limits, as well as the rules/conditions and mechanisms for allocation, adjustment, deferral and payment; and (iii) in general, resolving on the determination of the remuneration and benefits of the members of the Executive Committee, across the different components that may be applicable;
- j) Approving and reviewing, at least annually, the Remuneration Policy, in the component applicable to the corporate bodies.

During 2025, the Nomination and Remuneration Committee met 14 times.

## II. Management and supervision

### 1) Governance model adopted

Banco CTT adopts an Anglo-Saxon governance model, under which the Board of Directors is responsible for the management of the Company, and the Audit Committee (a body currently composed of non-executive and independent Directors) and the Statutory Auditor are responsible for its supervision.



This model has enabled the incorporation of a set of good governance practices and an adequate and effective organisational culture, in line with the Bank’s specific characteristics (namely its size and activity), as described in this Report, promoting sound and prudent management, the effective performance of duties and coordination between the corporate bodies, the proper functioning of a system of checks and balances, and the accountability of its management to its stakeholders.

In this context, the General Meeting is responsible for: (i) electing the members of the corporate bodies (including the members of the General Meeting Board, the Board of Directors and the Audit Committee, as well as the Statutory Auditor, the latter upon proposal submitted by the Audit Committee); (ii) reviewing the Board of Directors' annual report and financial statements, as well as the opinion of the Audit Committee; (iii) deciding on the allocation of results; (iv) resolving on amendments to the Articles of Association; and (v) determining the remuneration of the members of the corporate bodies or, alternatively and for that purpose, establishing a Nomination and Remuneration Committee and electing its members. In this regard, the Bank's shareholders resolved, on 2 June 2025, to establish a Nomination and Remuneration Committee, composed of three members, which is also responsible for the identification, selection and assessment of the suitability of individuals to be appointed as members of the Bank's management and supervisory bodies (as described in section B.I. above).

The Board of Directors has, in turn, delegated, within the scope of its management functions, the day-to-day management powers to the Executive Committee (as described in section B.II.2. below).

The Audit Committee (currently composed exclusively of independent members), together with the Statutory Auditor, performs the supervisory functions arising from the applicable legal and regulatory provisions. In particular, the Audit Committee is responsible for promoting the independence of the Statutory Auditor and of the Company's Internal Audit Function, with a view to contributing to the quality of financial information and the effectiveness of internal control, risk management and internal audit systems (as described in section B.III. below).

The Remuneration Committee (currently composed of a majority of independent members of the Board of Directors) is entrusted with forming informed and independent judgments on the Bank's remuneration policy and practices, ensuring that they are consistent with sound and prudent risk management and with the incentives created for the purposes of risk, capital and liquidity management (as described in section D.II. below).

## 2) Board of Directors and internal committees

Pursuant to the Bank's Articles of Association, the Board of Directors is composed of seven to 14 members and the Executive Committee is composed of three to six Directors, all of whom are appointed for three-year terms.

On 2 June 2025, the Bank's shareholders elected the following members of the Board of Directors to serve for the 2025–2027 term, who were in office as at 31 December 2025 and at the present date:

Titulares	Board of Directors	Executive Committee	Audit Committee	Independent (1)
João Nuno de Sottomayor Pinto de Castello Branco	Chairman			Yes
Francisco Manuel Grade Barbeira	Member	Chairman (CEO)		
João Maria de Magalhães Barros de Mello Franco	Member	Member (CCMO)		
Pedro Rui Fontela Coimbra	Member	Member (CFO)		
Nuno Carlos Dias dos Santos Fórneas	Member	Member (CTO)		
Inês Isabel Maia Santos	Member	Member (CRO)		
João Manuel de Matos Loureiro	Member		Chairman	Yes
Sofia Luísa Corrêa Henriques Cardoso de Menezes Frère	Member		Member	Yes
Carla Maria de Castro Chousal	Member		Member	Yes
Guy Patrick Guimarães de Goyri Pacheco	Member			
António Domingues	Member			Yes
Pedro Luís Francisco Carvalho	Member			
Sandra Marina Farinha Moás	Member			

(1) In accordance with the criteria set out in paragraph 5 of Article 414 of the Portuguese Companies Code (applicable pursuant to paragraph 3 of Article 31-A of the RGICSF).

The Board of Directors is the corporate body responsible for the management and representation of the Company, in accordance with the law and the Articles of Association, and is entrusted with carrying out all acts and operations relating to the corporate purpose that do not fall within the competence attributed to other bodies of the Bank.

Pursuant to the Articles of Association and its Internal Regulation, approved for the 2025–2027 term on 4 June and revised on 28 November 2025, the Board of Directors is responsible, among other duties, for:

- a) Approving the annual, half-yearly and quarterly reports and financial statements, on both an individual and consolidated basis, as well as the proposals to be submitted to the General Meeting that fall within the responsibility of the management body, namely the proposal for the allocation of results;
- b) Defining the strategic direction (including the approval of strategic, activity and business plans), through a formal planning process, as well as the organisational model and corporate structure of the Bank, and monitoring their implementation;
- c) Approving the annual and multi-annual budgets and investment and financial plans, and monitoring their implementation;
- d) Approving the Bank's policies, ensuring that they are properly implemented and subject to periodic review;
- e) Resolving on merger, demerger and transformation projects, significant extensions or reductions of the Bank's activity, and the establishment, termination and amendment of any significant and long-term partnership, cooperation, sharing or joint venture agreements;
- f) Adopting an organisational culture that promotes continuous integrated control of the risks to which the Bank and Banco CTT Group are exposed, a responsible and prudent professional conduct of its employees and members of the management and supervisory bodies, guided by high ethical standards, and which contributes to the sound and prudent management of the institution and to

strengthening the levels of trust and reputation of the Bank and the Group, monitoring and assessing the adequacy and effectiveness of the organisational culture and the governance and internal control systems of the Bank and its subsidiaries, including regularly addressing matters related to conduct and organisational culture in its meetings;

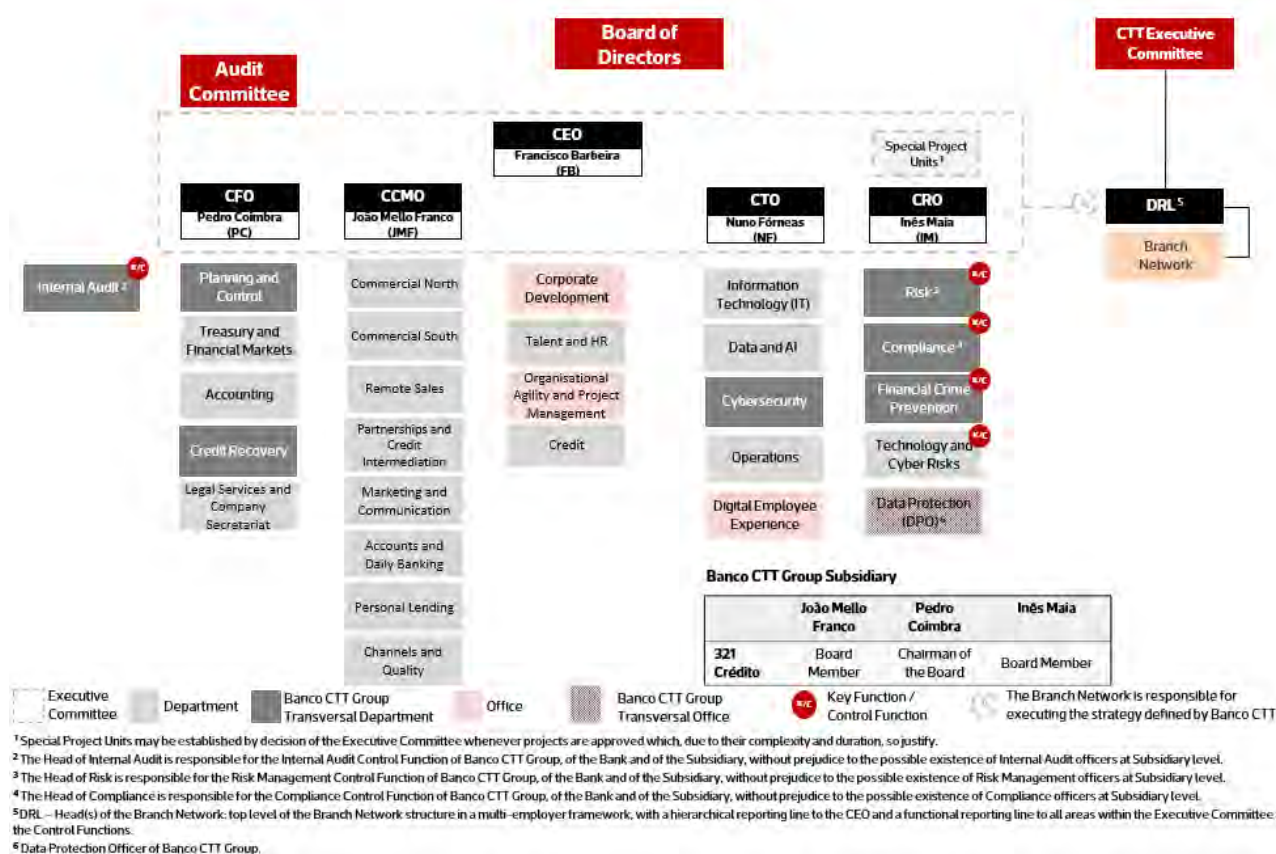
- g) Promoting a control environment that values internal control as an essential element for the resilience and long-term performance of the Bank and Banco CTT Group, ensuring that the Bank and the Group have an effective internal control system that guarantees their sustainability in the medium and long term and the prudent conduct of their activities, covering the entire institution and its subsidiaries, including the responsibilities and functions of the management and supervisory bodies, all business segments, organisational units, namely the Control Functions, outsourced activities and product distribution channels, ensuring that the internal control system is applied consistently across all subsidiaries and monitoring its operation;
- h) Ensuring the soundness and effectiveness of (i) information processing, including accounting and financial reporting systems and the processes for disclosure and compliance with reporting obligations to Banco de Portugal, and (ii) the processes for identification, management, control and communication of risks, in accordance with the applicable laws and regulations;
- i) Implementing and monitoring the functioning of the risk management system, which enables the identification, assessment, monitoring and control of all risks to which the Bank and its subsidiaries may be exposed, in order to ensure that they remain at the level defined by the Board of Directors and do not significantly affect the financial position of the Bank and the Group, and informing the different areas, through regular communications, of the Bank's and the Group's risk tolerance level, ensuring that all employees are aware of their responsibilities in terms of risk-taking and risk control;
- j) Defining the sustainability strategy of Banco CTT Group, namely through the approval of the Policy that implements it and the Sustainability Report, monitoring the implementation of the Sustainability Initiatives Plan and the management of and response to climate and environmental risks;
- k) Monitoring the management of risks associated with information and communication technologies, namely through the approval of policies and strategies in this area, monitoring their implementation, approving the Internal Audit Function plan specific to this area and clearly defining the roles and responsibilities of the functions associated with information and communication technologies, including appropriate governance mechanisms that ensure adequate communication, cooperation and coordination between such functions;
- l) Carrying out control actions focusing on organisational culture, internal governance structure, key business and support areas and the evolution of the overall objectives of the Bank and Banco CTT Group, as well as internal and external changes that may compromise the execution of the strategy and the defined objectives;
- m) Defining, approving and implementing the organisational structure of the Bank at the level of the corporate bodies and their respective committees, with a view to the effective and prudent management of the Bank, based on a consistent, clear and objective definition of reporting lines and authority, the duties and responsibilities of each body, organisational unit and function, ensuring an appropriate segregation of potentially conflicting functions, promoting their dissemination to all employees, to the members of the Audit Committee and to the Statutory Auditor, monitoring its functioning and, at least every two years, assessing its timeliness, adequacy and effectiveness, as well as proposing or adopting appropriate measures to correct any identified deficiencies;
- n) Establishing and maintaining the Compliance Function, the Compliance with the AML/CFT Legal Framework Function ("AML/CFT Compliance"), the Risk Management Function and the Internal Audit Function ("Control Functions") at the level of the Bank and Banco CTT Group, with the responsibilities set out in the applicable laws and regulations;
- o) Assessing the suitability for office of candidates for "Key Function Holders" (the heads of the Control Functions and the holders of other functions that may be considered as such by the Board of Directors

- or defined by applicable regulations) and, in particular, appointing, replacing or removing Key Function Holders, following prior assessment by the Audit Committee;
- p) Designating, pursuant to paragraph 4 of Article 13 of Law no. 83/2017 of 18 August and Article 4 of Banco de Portugal Notice no. 1/2022, a member of the management body responsible for ensuring compliance with the provisions of said law and notice (or any instruments that may replace them), as well as other relevant regulations regarding the prevention of money laundering and terrorist financing;
  - q) Designating, pursuant to paragraph 1 of Article 16 of Law no. 83/2017 of 18 August and Article 5 of Banco de Portugal Notice no. 1/2022, the officer responsible for compliance with the legal framework on the prevention of money laundering and terrorist financing (“AML Officer”);
  - r) Designating the officer responsible for compliance within the scope of the General Regime for the Prevention of Corruption, for the purposes of paragraph 2 of Article 5 of Decree-Law no. 109-E/2021 of 9 December;
  - s) Designating the contact person for matters related to business continuity management;
  - t) Designating the Director who will act as the primary contact with Banco de Portugal on matters relating to climate and environmental risks;
  - u) Designating the Director responsible for internal efforts related to resolution planning and implementation of the resolvability programme.

The Board of Directors has delegated the day-to-day management of the Company to the Executive Committee (which has authorised the assignment to one or more of its members of responsibility for certain matters and the sub-delegation to one or more of its members of the exercise of certain powers).

In accordance with the law and best practices in corporate governance, the matters indicated in the paragraphs above, as well as acts and operations resulting in liabilities/obligations for the Bank above certain limits, in addition to matters legally reserved and others detailed in the Internal Regulation of the Board of Directors, were excluded from such delegation.

As at 31 December 2025 and at the present date, the responsibilities of the Bank’s Executive Committee and its organisational structure were allocated as follows:



At the meeting held on 4 June 2025, the Board of Directors approved its Internal Regulation for the 2025–2027 term, as well as the delegation of powers to the Executive Committee, which expressly provides for the possibility of sub-delegating certain of the powers delegated to the Executive Committee to specialised committees established by it.

On 5 June 2025, the Executive Committee established, in support of its management activities, the following nine Committees: the Capital, Risk and Sustainability Committee, the Commercial and Product Committee, the Credit Committee, the Technology and Operational Efficiency Committee, the Costs and Investment Committee, the Internal Control Committee, the Security and Data Protection Committee, the Compliance Committee and the Human Resources and Social Responsibility Committee.

On 16 September 2025, the Executive Committee resolved to amend the committee structure supporting its activities, with the following changes being highlighted: (i) the number of Committees increased to 10, considering that the Credit Committee was replaced by the Credit Decision Committee and the Credit Monitoring Committee; (ii) the scope of the Compliance Committee was expanded, and it was renamed the Compliance and Financial Crime Committee; and (iii) changes were made to the permanent members of each Committee, their respective Secretaries and invitees, and new operating rules were implemented.

With regard to the management of the relationship with CTT, under the agreements entered into between CTT and the Bank, which underpin the CTT/Bank contracting model, there are three discussion forums external to the Bank and established within the framework of those agreements, relating to matters of plurality of employers, availability of resources within the Retail Network and the CTT Channel partnership, as well as the

provision of services, namely the Business Coordination Committee, the Shared Services Committee and the Partnership Governance Committee.

As at 31 December 2025 and at the present date, the existing committee structure, both at the level of the Bank’s Executive Committee and at the level of the governance of the partnership with CTT, is as follows:

<b>Committees supporting the Executive Committee</b>	Capital, Risk and Sustainability Committee
	Commercial and Product Committee
	Credit Decision Committee
	Credit Monitoring Committee
	Technology and Operational Efficiency Committee
	Costs and Investment Committee
	Internal Control Committee
	Human Resources and Social Responsibility Committee
	Security and Data Protection Committee
	Compliance and Financial Crime Committee
<b>Committees for the governance of the partnership with CTT</b>	Partnership Governance Committee
	Business Coordination Committee
	Shared Services Committee

The Bank also has a Remuneration Committee, established and appointed by the Board of Directors, whose composition and responsibilities are set out in section D.II. below.

During 2025, the Board of Directors met 15 times.

### III. Supervision

In accordance with the Bank’s Articles of Association, the Audit Committee is composed of three non-executive Directors, one of whom acts as Chairman, all elected by the General Meeting (for the 2025–2027 term), together with the other Directors. The lists proposed for the composition of the Board of Directors must identify the members intended to form part of the Audit Committee and indicate its Chairman. The General Meeting may appoint an alternate member who shall replace any permanent member who is permanently prevented from performing their duties or whose term of office has ceased.

By unanimous written resolution adopted on 2 June 2025, the Bank’s shareholders elected, from among the members of the Board of Directors, an Audit Committee composed of three non-executive and independent members to serve for the 2025–2027 term, who were in office as at 31 December 2025 and at the present date, as follows:

Members	Position
João Manuel de Matos Loureiro	Chairman
Sofia Luísa Corrêa Henriques Cardoso de Menezes Frère	Member
Carla Maria de Castro Chousal	Member

All of the above members are independent within the meaning of paragraph 5 of Article 414 of the Portuguese Companies Code, applicable pursuant to paragraph 3 of Article 31-A of the RGICSF, hold an academic degree appropriate to the performance of their duties and the other qualifications required and, collectively, have the experience required by law, as well as by the Bank’s Articles of Association and Selection Policy, with at least one of its members having knowledge of accounting.

The Audit Committee has been entrusted with the following main duties, as established by law, the Articles of Association and its Internal Regulation, approved for the 2025–2027 term on 4 June and revised on 26 November 2025:

- a) Monitoring and supervising the activities of the Board of Directors;
- b) Overseeing compliance with legal, regulatory and statutory rules;
- c) Supervising the implementation of the Bank’s strategic objectives;
- d) Issuing a prior opinion on the Organisational Structure Model, the CTT Group Code of Ethics, the Banco CTT Group Code of Conduct, as well as on the policies and internal regulations that develop and implement them, and on all of the Bank’s policies, supervising their proper implementation within the institution and their periodic review;
- e) Promoting an organisational culture based on high ethical standards, ensuring the promotion of sound and prudent management;
- f) Supervising and ensuring the soundness and effectiveness of the organisational culture and of the governance, internal control and risk management systems of the Bank and its subsidiaries, within the scope of its legal and regulatory powers;
- g) Assessing annually and issuing an opinion on the adequacy and effectiveness of the organisational culture and of the governance and internal control systems of the Bank and Banco CTT Group, the quality of performance and proper independence of the Control Functions, as well as the consistency between the internal control systems of the Bank and its subsidiaries;
- h) Monitoring and analysing the sustainability strategy of Banco CTT Group, namely through reviewing the Policy that implements it and the Sustainability Report, monitoring the progress of the Sustainability Initiatives Plan and supervising the management of climate and environmental risks;

- i) Monitoring and supervising the process of preparation and disclosure of financial information, including the regularity and accuracy of the books, records and financial reporting documents and other accounting documents, as well as the accounting, financial and operational control systems, issuing recommendations to ensure their integrity, and supervising the process of disclosure and compliance with reporting obligations to the competent supervisory authorities;
- j) Assessing whether the accounting policies and procedures and the valuation criteria adopted by the Bank and Banco CTT Group are consistent with generally accepted accounting principles and are appropriate for a correct presentation and valuation of their assets, liabilities and results;
- k) Supervising compliance with and the proper application of the applicable accounting principles and standards, the evolution of relevant financial indicators and significant exposure to risks (particularly of a financial, compliance, operational, climate and environmental nature and those associated with information and communication technologies) or contingent liabilities;
- l) Issuing a binding prior opinion on the assessment of the suitability for office of candidates for Key Function Holders;
- m) Reviewing the appointment, replacement, removal and remuneration of the heads of the Control Functions of the Bank and the Group and participating in the respective performance evaluation process;
- n) Taking note of reports of irregularities submitted, namely through the Conduct Channel, participating in or monitoring the decisions taken by the Conduct Forum regarding such reports and designating one of its members to chair the Conduct Forum, with a casting vote;
- o) Selecting the Statutory Auditor/Statutory Audit Firm and proposing to the General Meeting their appointment and removal;
- p) Verifying the adequacy and pre-approving the provision of non-audit services by the Statutory Auditor/Statutory Audit Firm to the Bank, as well as to entities under its control and their parent company identified as Public Interest Entities, and reviewing the annual communication made by the Statutory Auditor/Statutory Audit Firm on this matter;
- q) Monitoring and supervising the statutory audit of the annual individual and consolidated accounts, namely its performance, and reviewing the content of the statutory audit reports and audit opinions;
- r) Supervising the activity of the Statutory Auditor in relation to the Bank's financial reporting documents and monitoring its independence; and
- s) Preparing its annual activity report and issuing an opinion on the annual management report, the financial statements, both on an individual and consolidated basis, and the proposals submitted by the Board of Directors to the Annual General Meeting.

The Audit Committee, as the supervisory body, also performs the functions of Risk Committee at Banco CTT, in accordance with and for the purposes set out in Article 115-L of the RGICSF, and is, in particular, responsible for:

- a) Advising the Board of Directors on the Bank's overall, current and future risk appetite and risk strategy;
- b) Assisting the Board of Directors in supervising the implementation of the Bank's risk strategy by Senior Management;
- c) Analysing whether the conditions of the products and services offered to clients take into account the Bank's business model and risk strategy, in accordance with the Banco CTT Group New Products and Partners Approval Policy, and submitting a corrective action plan to the Board of Directors where such analysis shows that those conditions do not adequately reflect the risks; and
- d) Examining whether the incentives established in the Bank's remuneration policy(ies) take into account risk, capital, liquidity and earnings expectations, including the timing of revenues.

During 2025, the Audit Committee met 25 times.

#### IV. Statutory Auditor

By written resolution of the then sole shareholder of the Company, on 22 March 2024, Ernst & Young Audit & Associados – SROC, S.A. (“EY”), Statutory Audit Firm no. 178, represented by Sílvia Maria Teixeira da Silva, Statutory Auditor no. 1636, was re-elected as the Bank’s effective Statutory Auditor, and Ana Rosa Ribeiro Salcedas Montes Pinto, Statutory Auditor no. 1230, was re-elected as alternate Statutory Auditor, for the new term corresponding to 2024–2026, with effect from 1 January 2024, and both were in office as at 31 December 2025 and at the present date.

The rules governing the engagement of audit services and non-audit/additional services from the Statutory Auditor are set out in the Policy for the Selection, Appointment and Evaluation of Statutory Auditors and Statutory Audit Firms and for the Contracting of Services from the Statutory Auditor/Statutory Audit Firm (“Statutory Auditor Selection Policy”), as approved by shareholder resolution on 20 February 2025, in line with the provisions of Banco de Portugal Notice no. 3/2020, Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014, which establishes the requirements applicable to statutory audits of public-interest entities, the Statute of the Portuguese Institute of Statutory Auditors and the Legal Framework for Audit Supervision.

In 2025, the following non-audit/additional services were contracted/provided to Banco CTT Group by EY:

- Limited review of Banco CTT’s interim consolidated financial statements for the six-month period ended 30 June 2025;
- Independent limited assurance review on the Sustainability Reporting of Banco CTT for the period ended 31 December 2025;
- Assessment of the adequacy of the credit portfolio impairment quantification process by the External Auditor, as well as the reporting procedures of Banco CTT and 321 Crédito, in accordance with the provisions of Banco de Portugal Instruction no. 5/2013, republished by Instruction no. 18/2018, both of Banco de Portugal, as at June and December 2025;
- Issuance of a Comfort Letter on information included in the Private Placement Memorandum, within the context of Banco CTT’s debt issuance process;
- Agreed-upon procedures in the context of the impairment report and Banco de Portugal’s request for information on the external auditor’s detailed assessment of the adequacy of the Scoring model and the integration of its results in the calculation of credit impairment;
- Agreed-upon procedures in the context of the impairment report and Banco de Portugal’s request for information on supervisory expectations regarding policies for identifying debtors in financial difficulty and restructured exposures due to financial difficulties.

Under the Statutory Auditor Selection Policy, it is the responsibility of the Bank’s Audit Committee to assess requests for the engagement of non-audit/additional services from the Statutory Auditor, with such engagements being subject to prior approval by that body and, where applicable, also subject to prior approval by the supervisory bodies of its parent company(ies) and of the entity(ies) under its control that qualify as Public Interest Entities, procedures which were followed in the engagement of the above-mentioned non-audit services in 2025.

The following table presents the amounts corresponding to EY’s fees relating to statutory audit, assurance services, tax advisory and other services contracted, recognised and paid/invoiced in 2025, relating both to Banco CTT and to 321 Crédito, as an entity within the Group:

*(amounts in thousands of euros)*

	Contracted Services <sup>1</sup>		Recognised Services <sup>2</sup>		Paid Services <sup>3</sup>	
	Amount (€)	%	Amount	%	Amount (€)	%
<b>By the company</b>	<b>311,805</b>	<b>100.0%</b>	<b>549,415</b>	<b>86.3%</b>	<b>488,556</b>	<b>83.6%</b>
Statutory audit services	-	0.0%	231,592	36.4%	222,261	38.0%
Assurance services	311,805	100.0%	317,823	49.9%	266,295	45.6%
Tax advisory services	-	0.0%	-	0.0%	-	0.0%
Other non-audit services	-	0.0%	-	0.0%	-	0.0%
<b>By entities within the Group</b>	<b>-</b>	<b>0.0%</b>	<b>87,092</b>	<b>13.7%</b>	<b>95,759</b>	<b>16.4%</b>
Statutory audit services	-	0.0%	71,132	11.2%	86,165	14.7%
Assurance services	-	0.0%	15,960	2.5%	9,594	1.6%
Tax advisory services	-	0.0%	-	0.0%	-	0.0%
Other non-audit services	-	0.0%	-	0.0%	-	0.0%
<b>TOTAL</b>	<b>311,805</b>	<b>100.00%</b>	<b>636,507</b>	<b>100.0%</b>	<b>584,315</b>	<b>100.00%</b>
Statutory audit services	-	0.0%	302,724	47.6%	308,426	52.8%
Other non-audit services	311,805	100.0%	333,783	52.4%	275,889	47.2%

<sup>1</sup> Includes VAT at the applicable legal rate.

<sup>2</sup> Includes invoiced amounts and accrued amounts for the year.

<sup>3</sup> Paid services relate to services contracted in 2025 as well as in previous years for which the payment conditions were met in 2025.

## C. INTERNAL ORGANISATION

### I. Articles of Association

The definition of the Bank's Articles of Association (available on the Bank's website, [www.bancocctt.pt](http://www.bancocctt.pt)) and any amendments thereto fall within the competence of the General Meeting.

### II. Reporting of Irregularities

The RGICSF and the European Banking Authority (EBA) Guidelines on Internal Governance (EBA/GL/2021/05) require credit institutions to have specific, independent and autonomous means for the receipt, handling and retention of reports of serious irregularities related to their administration, accounting organisation and internal control, as well as serious indications of breaches of the obligations applicable to them, namely in matters relating to conduct, professional secrecy, own funds, risks or disclosure obligations.

Accordingly, the Banco CTT Group Code of Conduct provides, in section 5, for the existence of mechanisms for reporting irregularities within the scope of the Bank's activity and that of its subsidiaries, including breaches of the values or ethical standards defined in the Code of Conduct, as well as any breaches of the provisions set out in the Banco CTT Group's policies and manuals, involving shareholders, employees, clients, suppliers or others, in accordance with the rules defined in the Whistleblowing Policy.

As at 31 December 2025, the Bank had in place a Whistleblowing Policy, the purpose of which is to define the procedures for the receipt, handling and retention of reports of irregularities addressed to entities within the Banco CTT Group. For the purposes of this Policy, irregularities are defined as acts or omissions, whether intentional or negligent, attributable to the conduct of employees or members of the management and supervisory bodies of the entities within the Banco CTT Group, as well as third parties where they affect a person or entity within the Banco CTT Group, relating to (i) their administration, accounting organisation and internal control, which, in a serious manner, are likely, namely, to (a) breach obligations set out in the RGICSF or in Regulation (EU) No 575/2013 of the European Parliament and of the Council; (b) falsify records in the area of accounting, internal accounting controls or the audit of such records and controls; (c) involve the Group, corporate bodies or employees in corruption, fraud or banking and financial crime, including insider dealing; and (ii) any unethical or unlawful conduct, including breaches of the values or ethical standards defined in the Code of Conduct and in the Code of Good Conduct for the Prevention and Combating of Workplace Harassment, as well as any breaches of the provisions set out in the Banco CTT Group's policies and manuals.

In accordance with this Policy, any irregularities may be reported by any member of the corporate bodies and other employees of the Banco CTT Group, and any interested third parties, namely shareholders, partners, suppliers, service providers or clients, may also report irregularities under the Policy, even if the professional relationship has in the meantime ceased, through the Conduct Channel. The Irregularities Reporting Model, implemented through the Conduct Channel, ensures the confidentiality of the reports received and the protection of personal data of both the whistleblower and the person suspected of the infringement, in accordance with applicable legislation. Furthermore, the Group may not dismiss, threaten, suspend, repress, harass, withhold or suspend the payment of salaries and/or benefits, or take any retaliatory measures against anyone who lawfully reports an irregularity or provides any information or assistance in the investigation of reported irregularities. Reports submitted under the Policy may not, in themselves, constitute grounds for the initiation of any disciplinary, civil or criminal proceedings against the reporting person, except where they are deliberately and manifestly unfounded.

Under the aforementioned Policy, the Audit Committee has delegated to the Compliance Department supporting functions related to the management of the Conduct Channel and to the Conduct Forum the

handling of reports of irregularities within its remit, with the supervisory body retaining, in any event, responsibility for the receipt and registration of such reports, as well as for the final decision on their closure or the adoption of other measures.

The Conduct Forum is composed of the heads of the Compliance, Internal Audit and Risk Departments and one member of the Audit Committee, designated by it, who chairs the Forum and has a casting vote.

The Whistleblowing Policy further establishes, without prejudice to other reporting obligations provided for by law, that: (i) members of the management and supervisory bodies, as well as holders of qualifying holdings, of Banco CTT and its subsidiaries must immediately report to Banco de Portugal any serious irregularity of which they become aware related to the administration, accounting organisation and internal control of the Bank that is likely to place it in a situation of financial imbalance; and (ii) employees of the areas responsible for the Control Functions (Internal Audit, Risk Management and Compliance and AML/CFT Compliance) must report to the Audit Committee any serious irregularity of which they become aware related to the administration, accounting organisation and internal control of the Bank or any indication of a breach of obligations set out in the RGICSF or in Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June that is likely to place the Bank in a situation of financial imbalance.

On 10 November 2025, the Audit Committee approved the Annual Report on the Reporting of Irregularities, to be submitted to Banco de Portugal, in accordance with paragraph 7 of Article 116-AA of the RGICSF and Article 35 of Banco de Portugal Notice no. 3/2020, with reference to the period between 1 December 2024 and 30 September 2025. This Report describes the process for the receipt and handling of irregularities adopted by Banco CTT, as well as the irregularities reported during the period in question.

During the aforementioned period, 15 reports were received through the Conduct Channel, of which three were considered reports of irregularities falling within the scope of the Policy, two corresponded to tests of the Conduct Channel and the remaining ten were classified as complaints and were therefore forwarded for handling by the Bank's Complaints Management Area.

During the reference period, the analysis processes of the reports received in the previous reference period were also concluded, both of which were irregularities falling within the scope of the Policy and had been reported as "pending" in the Report on the Reporting of Irregularities for 2024.

### III. Internal Control and Risk Management

Since its establishment, the management and supervisory bodies of Banco CTT have attached structural importance to its internal control, risk management and internal audit systems. In this regard, reference is made to the sections of this Report and Accounts entitled "Internal Control System" and "Risk Management".

The Board of Directors ensures the effectiveness of the internal control, risk management and internal audit systems, promoting an organisational and control culture throughout the organisation. The Audit Committee, as the supervisory body of Banco CTT, is responsible for overseeing the effectiveness of those systems, in accordance with the provisions set out in its Internal Regulation.

In the context of the entry into force of the amendments introduced by Banco de Portugal Notice no. 2/2025 to Notice no. 3/2020 and by Banco de Portugal Instruction no. 4/2025 to Instruction no. 18/2020, several measures were implemented at Group level to ensure the consistency of the Group's internal control and corporate governance systems, with a view to complying with the new requirements established in those regulations. These measures involved various areas of the Bank, in particular the Internal Control Functions, and were closely monitored by the Bank's management and supervisory bodies.

#### IV. Investor Support

Banco CTT does not have an investor relations office, as it is not an issuer of securities admitted to trading.

However, the Bank's majority shareholder, CTT, as a company whose shares are admitted to trading on a regulated market, has an Investor Relations Office, whose mission is to ensure a strong and long-lasting two-way relationship between, on the one hand, shareholders, investors and research analysts, the Portuguese Securities Market Commission ("CMVM"), Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A. and the capital markets in general, and, on the other hand, the company and its corporate bodies. To this end, the CTT Investor Relations Office (i) provides timely, clear and transparent information enabling an understanding of the current economic, financial and corporate governance situation of CTT, (ii) acts as the entry point for the views of analysts and investors, and (iii) benchmarks the Company's performance against other players in the sector. In addition, the Investor Relations Office ensures the proactive alignment of the company's strategy with investors and research analysts and that the company is aware of the market's perception of it.

#### V. Website

The address of Banco CTT's website is as follows: [www.bancocctt.pt](http://www.bancocctt.pt).

## D. REMUNERATION

### I. Responsibility for Determination

In accordance with the Bank's Articles of Association, the determination of the remuneration of the members of the corporate bodies falls within the competence of the General Meeting or of the Remuneration Committee elected by the General Meeting. On 2 June 2025, the shareholders resolved to establish a Selection and Remuneration Committee of the Bank.

The General Meeting and the Selection and Remuneration Committee are supported in the performance of their duties by the Remuneration Committee referred to in section D.II. below.

### II. Remuneration Committee

The Remuneration Committee, established within the Board of Directors and whose term of office coincides with that of this body (2025–2027), was appointed on 4 June 2025 and had, as at 31 December 2025, the following composition, which remains unchanged to date:

Members	Position
João Nuno de Sottomayor Pinto de Castello Branco	Chairman
António Domingues	Member
Guy Patrick Guimarães de Goyri Pacheco	Member

In accordance with its Internal Regulation, in force as at 31 December 2025 and at the present date, the Remuneration Committee is responsible, among other duties, for:

- a) Preparing all decisions relating to remuneration matters, including decisions with implications for the Bank's risk and risk management, submitting (i) to the General Meeting (without prejudice to the statutory possibility of delegation to the Selection and Remuneration Committee) the preparatory documents for decision-making regarding the remuneration of the members of the corporate bodies; and (ii) to the Board of Directors (without prejudice to its delegation to the Executive Committee) the preparatory documents for decision-making regarding the determination of the remuneration of Relevant Employees;
- b) On at least an annual basis, analysing and assessing the remuneration policies applicable to the members of the corporate bodies and to Relevant Employees, as well as their implementation, in particular their impact on the institution's risk, capital and liquidity management, with the objective, in particular, of ensuring that (i) remuneration policies and procedures are effectively implemented by the competent corporate body and comply with applicable laws and regulations; and (ii) the award and payment of remuneration are appropriate, prevent conflicts of interest and adequately reflect the institution's risk profile and long-term objectives;
- c) On at least an annual basis, analysing and assessing the remuneration policies and remuneration practices applicable to employees involved in the marketing or provision of banking products and services to consumers, with the objective, in particular, of verifying how the neutrality of the remuneration policy from a gender perspective is ensured and ensuring that remuneration policies do

not prevent employees of the institution from acting honestly, fairly, transparently and professionally, taking into account the rights and interests of consumers;

- d) On at least an annual basis, carrying out a centralised and independent internal review of the implementation of the Banco CTT Group Remuneration Policy, in coordination with the Risk Management, Compliance and Internal Audit Functions and, where applicable, with the corporate bodies and other organisational units of each of the subsidiaries of Banco CTT Group, including their respective Control Functions, which shall provide all information requested by the Remuneration Committee whenever it deems it necessary or appropriate for the proper performance of its duties, with the objective of verifying compliance with the remuneration policies and procedures adopted by Banco CTT Group;
- e) Preparing or reviewing, as applicable, proposals and recommendations to the competent corporate bodies regarding the definition, calculation and payment of fixed and variable remuneration and other benefits of the members of the corporate bodies and of Relevant Employees, in accordance with the remuneration policies and the applicable laws and regulations; and
- f) Preparing and submitting to the competent corporate bodies or reviewing, as applicable, the performance evaluation model(s) relating to the variable component of remuneration and proposals regarding the assessment of the achievement of objectives in light of such model(s).

During 2025, the Remuneration Committee met six times.

### III. Disclosure of Remuneration

The following tables present the gross remuneration amounts due, in respect of the period from 1 January to 31 December 2025, to the members of the Board of Directors and of the Audit Committee, on both an aggregate and individual basis:

#### Remuneration of the Non-Executive Members of the Board of Directors and the Audit Committee

(amounts in euros)

Members	Position	Fixed Remuneration(1)
João Manuel de Matos Loureiro	Non-Executive Director and Chairman of the Audit Committee	106,404.76
Ana Maria Machado Fernandes (2)	Non-Executive Director and Member of the Audit Committee	31,458.32
Maria Rita Mégre de Sousa Coutinho (2)	Non-Executive Director and Member of the Audit Committee	31,458.32
Sofia Luísa Corrêa Henriques Cardoso de Menezes Frère (3)	Non-Executive Director and Member of the Audit Committee	46,818.85
Carla Maria de Castro Chousal (3)	Non-Executive Director and Member of the Audit Committee	46,818.85
<b>Total Audit Committee</b>		<b>262,959.10</b>
João Nuno de Sottomayor Pinto de Castello Branco	Chairman of the Board of Directors and of the Remuneration Committee	220,000.06
António Pedro Ferreira Vaz da Silva (2)	Non-Executive Director and Member of the Remuneration Committee	-
Guy Patrick Guimarães de Goyri Pacheco (4)	Non-Executive Director and Member of the Remuneration Committee	-
António Domingues	Non-Executive Director and Member of the Remuneration Committee	71,404.75
Pedro Luís Francisco Carvalho	Non-Executive Director	-
Sandra Marina Farinha Moás (3)	Non-Executive Director	-
<b>Total Non-Executive Directors not members of the Audit Committee</b>		<b>291,404.81</b>
<b>Total Non-Executive Directors</b>		<b>554,363.91</b>

(1) Fixed remuneration amount of Non-Executive Directors and members of the Audit Committee, who do not receive any variable remuneration in accordance with the Remuneration Policy in force as at 31 December 2025.

(2) Ceased functions on 2 June 2025.

(3) Took office on 2 June 2025.

(4) Took office as Member of the Remuneration Committee on 4 June 2025.

**Remuneration of the Members of the Executive Committee in 2025**
*(amounts in euros)*

Members	Fixed Remuneration (1)	Short-term Variable Remuneration paid in 2025 (2)	Total Variable Remuneration awarded in 2025 (2)	Total Fixed Remuneration 2025 and Variable Remuneration 2024 paid in 2025	Total Remuneration awarded in 2025
Luís Maria França de Castro Pereira Coutinho (CEO) (3)	161,556.76	46,790.63	93,581.26	208,347.39	255,138.02
Francisco Manuel Grade Barbeira (CEO) (4)	234,651.94	-	-	234,651.94	234,651.94
João Maria de Magalhães Barros de Mello Franco (CCMO)	292,236.39	33,281.25	66,562.50	325,517.64	358,798.89
Pedro Rui Fontela Coimbra (CFO)	290,154.36	33,187.50	66,375.00	323,341.86	356,529.36
Nuno Carlos Dias dos Santos Fórneas (CTO)	253,875.74	28,875.00	57,750.00	282,750.74	311,625.74
Luís Jorge de Sousa Uva Patrício Paúl (CRO) (5)	111,894.10	16,087.50	32,175.00	127,981.60	144,069.10
Inês Isabel Maia Santos (CRO) (4)	154,676.27	-	-	154,676.27	154,676.27
	<b>1,499,045.56</b>	<b>158,221.88</b>	<b>316,443.76</b>	<b>1,657,267.44</b>	<b>1,815,489.32</b>

(1) Includes base fixed remuneration, annual meal allowance and, where applicable, a fixed monthly amount allocated to a retirement savings plan (PPR) and a benefit in kind related to the use of a company car.

(2) Variable remuneration relating to 2024. The variable remuneration is monetary and is not paid in shares, share-linked instruments or other instruments.

(3) Ceased functions on 30 April 2025.

(4) Took office on 2 June 2025.

(5) Ceased functions on 2 June 2025.

**Deferred Remuneration**
*(amounts in euros)*

	Total amount of deferred remuneration awarded for previous performance periods	Of which vested in the financial year	Of which vesting in subsequent financial years	Amount of performance-based adjustment applied in the financial year to deferred remuneration vested in the financial year	Amount of performance-based adjustment applied in the financial year to deferred remuneration vesting in future performance years	Total amount of adjustment during the financial year due to implicit ex post adjustments (i.e. changes in the value of deferred remuneration due to changes in instrument prices)	Total amount of deferred remuneration awarded prior to the financial year effectively paid in the financial year	Total amount of deferred remuneration awarded for the previous performance period that has vested but is subject to retention periods
Luís Maria França de Castro Pereira Coutinho (CEO)	319,502.46	146,641.83	172,860.63	-	-	-	146,641.83	126,070.00
Francisco Manuel Grade Barbeira (CEO)	-	-	-	-	-	-	-	-
João Maria de Magalhães Barros de Mello Franco (CCMO)	162,264.59	64,241.67	98,022.92	-	-	-	64,241.67	64,741.67
Pedro Rui Fontela Coimbra (CFO)	162,095.84	64,216.67	97,879.17	-	-	-	64,216.67	64,691.67
Nuno Carlos Dias dos Santos Fórneas (CTO)	141,673.01	56,053.67	85,619.34	-	-	-	56,053.67	56,744.34
Luís Jorge de Sousa Uva Patrício Paúl (CRO)	59,589.83	22,255.33	37,334.50	-	-	-	22,255.33	21,247.00
Inês Isabel Maia Santos (CRO)	-	-	-	-	-	-	-	-
	<b>845,125.74</b>	<b>353,409.17</b>	<b>491,716.57</b>	-	-	-	<b>353,409.17</b>	<b>333,494.69</b>

Variable remuneration is monetary and is not paid in shares, share-linked instruments or other instruments.

In 2025, there is no deferred remuneration subject to reduction as a result of performance-based adjustments relating to the individual performance of members of the Executive Committee.

Additionally, in the performance assessment for 2023 and 2024, the variable remuneration of the members of the Executive Committee includes a long-term component for the three-year period 2023–2025, with allocation taking place in 2026 and payments starting from that year, subject to compliance with the provisions of the Remuneration Policy and the respective Performance Evaluation Model in force as at 31 December 2025.

No severance payments were paid or are due to members of the Bank's Executive Committee in respect of termination of functions during 2025.

## Remuneration of Relevant Employees in 2025

The gross remuneration amounts due, in respect of the period from 1 January to 31 December 2025, to Relevant Employees, as defined in the Remuneration Policy and the respective Performance Evaluation Model in force as at 31 December 2025 (whose population comprised 24 Relevant Employees of the Bank), amounted, on an aggregate basis, to EUR 2,225,633.37. The breakdown of this remuneration was as follows:

*(amounts in euros)*

Relevant Employees (1)	Fixed Remuneration (2)	Variable Remuneration paid in 2025 (3)	Total Fixed Remuneration 2025 and Variable Remuneration 2024 awarded and paid in 2025
A – Risk Takers and Heads of Control Functions (5 employees) (a)	318,561.81	31,758.19	350,320.00
B – Senior Management Employees with commercial functions (6 employees) (b)	537,605.20	101,563.45	639,168.65
C – Senior Management Employees with support functions (11 employees) (c)	965,384.05	188,424.20	1,153,808.25
D – Employees with Management Responsibilities in Control Functions (2 employees) (d)	106,298.05	6,038.47	112,336.52
<b>Total Relevant Employees</b>	<b>1,927,849.11</b>	<b>327,784.31</b>	<b>2,255,633.42</b>

(a) Includes one Relevant Employee who ceased functions in February, one who took office in May and one who took office in June 2025.

(b) Includes one Relevant Employee who took office in June 2025.

(c) Includes one Employee who ceased functions in November and one who took office in December 2025.

(d) Includes one Employee who took office in February 2025.

(1) For the purposes of defining Relevant Employees, the employees identified under the “process for identifying Relevant Employees” set out in the Remuneration Policy were considered.

(2) Includes base fixed remuneration, annual meal allowance, where applicable, and benefits in kind arising from the use of a company car.

(3) Variable remuneration relating to 2024. Variable remuneration is monetary and is not paid in shares, share-linked instruments or other instruments.

**Deferred Remuneration**

(amounts in euros)

Titulares	Total amount of deferred remuneration awarded for previous performance periods	Of which vested in the financial year	Of which vesting in subsequent financial years	Amount of performance-based adjustment applied in the financial year to deferred remuneration vested in the financial year	Amount of performance-based adjustment applied in the financial year to deferred remuneration vesting in future performance years	Total amount of adjustment during the financial year due to implicit ex post adjustments (i.e. changes in the value of deferred remuneration resulting from changes in instrument prices)	Total amount of deferred remuneration awarded prior to the financial year effectively paid in the financial year	Total amount of deferred remuneration awarded for the previous performance period that has vested but is subject to retention periods
A – Risk Takers and Heads of Control Functions (3 employees) (a)	5,842.09	5,842.09	-	-	-	-	5,842.09	-
B – Senior Management Employees with commercial functions (6 employees)	15,251.83	15,251.83	-	-	-	-	15,251.83	-
C – Senior Management Employees with support functions (9 employees) (b)	26,775.26	26,775.26	-	-	-	-	26,775.26	-
D – Employees with Management Responsibilities in Control Functions (0 employees)	-	-	-	-	-	-	-	-
	<b>47,869.19</b>	<b>47,869.19</b>	-	-	-	-	<b>47,869.19</b>	-

(a) Includes one Relevant Employee who ceased functions in February 2025.

(b) Includes one Relevant Employee who ceased functions in November 2025.

**Remuneration awarded for the financial year**
*(amounts in euros)*

	Supervisory function of the management body	Management function of the management body	Other members of senior management	Other identified staff
Guaranteed variable remuneration awarded				
1	Guaranteed variable remuneration awarded – Number of identified staff	-	-	-
2	Guaranteed variable remuneration awarded – Total amount	-	-	-
3	Of which: guaranteed variable remuneration awarded paid during the financial year that is not taken into account for the bonus cap	-	-	-
Severance payments awarded in previous periods that were paid during the financial year				
4	Severance payments awarded in previous periods that were paid during the financial year – Number of identified staff	-	-	-
5	Severance payments awarded in previous periods that were paid during the financial year – Total amount	-	-	-
Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year – Number of identified staff	-	1	-
7	Severance payments awarded during the financial year – Total amount	-	50,000	-
8	Of which: paid during the financial year	-	50,000	-
9	Of which: deferred	-	-	-
10	Of which: severance payments paid during the financial year that are not taken into account for the bonus cap	-	50,000	-
11	Of which: the highest payment awarded to a single individual	-	50,000	-

Variable remuneration is monetary and is not paid in shares, share-linked instruments or other instruments.

With regard to the 2025 performance cycle, the competent bodies approved the non-deferral of the variable remuneration of Relevant Employees.

In 2025, there is no deferred remuneration subject to reduction as a result of performance-based adjustments relating to the individual performance of Relevant Employees.

In 2025, a payment was made in respect of early termination of an employment contract relating to Relevant Employees.

During 2025, a study entitled “Organisational Framework and Remuneration Diagnostic” covering all employees was presented, prepared by Korn Ferry.

## IV. Agreements with Remuneration Implications

In accordance with the Remuneration Policy, the award of variable remuneration to the executive members of the Board of Directors and to Relevant Employees is conditional upon a prior written undertaking by the beneficiary that they will not enter into hedging arrangements or risk transfer arrangements in respect of any deferred portion that may undermine the risk alignment effects inherent to the regime applicable to that remuneration component, nor through the payment of the variable component of remuneration by special purpose vehicles or other methods with equivalent effect.

## V. Share-Based Plans or Stock Option Plans (“stock options”)

Also in accordance with the Remuneration Policy, defined, namely, taking into account the nature, scope and complexity of the Bank’s activity, the variable remuneration of the executive members of the Board of Directors and of Relevant Employees may be paid in cash and/or in the form of non-monetary benefits, namely through flexible benefits, with the competent bodies being responsible for determining the modality (or combination of modalities, as applicable) for each relevant period, without prejudice to the possibility that, until the payment of all or part of the variable remuneration, an alternative model in this area, as defined by the competent bodies, may be implemented at the sole initiative of the Bank, whereby the variable remuneration may be paid in financial instruments and be subject to a retention policy.

## E. RELATED PARTY TRANSACTIONS

### I. Control mechanisms and procedures

According to the Banco CTT Group Related Party Transactions Policy, the area responsible for the process shall submit in advance to the Compliance Function and to the Risk Management Function all the information required for the preparation of the respective opinions on the transaction, to be issued by the Compliance Function and the Risk Management Function of the relevant Group entity, including an assessment of the actual or potential risks associated with the product/service to be transacted.

Subsequently, the Audit Committee reviews the proposed Related Party Transaction, taking into account the principles defined in the Policy, issues its opinion and communicates to the management body its conclusions regarding the execution of the transaction under review.

After obtaining the prior opinions of the Risk Management and Compliance Functions and of the supervisory body, the management body resolves on the execution of the Related Party Transaction, which must be approved by at least two-thirds of its members.

Without prejudice to the foregoing, less significant transactions do not require prior review and approval by the Audit Committee and the Board of Directors, respectively. These are considered to be transactions with an annual aggregate value equal to or less than EUR 75,000 with the same Related Party, except where such transactions fall within the scope of Articles 85 or 109 of the RGICSF (credit granted to members of corporate bodies or holders of qualifying holdings), provided that they comply with the simplified procedure described in the Policy, i.e., provided that (i) they fall within the scope of a prior aggregated authorisation, reviewed by the Audit Committee and approved by the Board of Directors, and reviewed at least quarterly, specifying the specific conditions under which such transactions may be carried out, namely the restricted limits within

which, having regard to the market conditions applicable to other clients, the execution of the covered transactions is admissible, in particular as regards pricing, amount, level of risk, maturity and required guarantees; (ii) they are approved by the Executive Committee, following favourable prior opinions from the Risk Management and Compliance Functions, which shall verify and validate compliance with the criteria underpinning the simplified procedure set out in the approved Model containing the aggregated authorisation referred to above; and (iii) the Risk Management and Compliance Functions submit, on a quarterly basis, to the Audit Committee and to the Board of Directors, a complete list of Related Party Transactions that were subject to the simplified procedure without prior review, indicating whether or not they were approved, for information purposes.

The procedures set out in the Banco CTT Group Related Party Transactions Policy apply:

- a) To transactions with Related Parties, which, for these purposes, include, under the terms of the Banco CTT Group Related Party Transactions Policy (which refers to IAS 24, the RGICSF and Banco de Portugal Notice no. 3/2020): (i) holders of qualifying holdings in the Institution and other persons or entities covered by the regime set out in Article 109 of the RGICSF; (ii) members of the management and supervisory bodies; (iii) the spouse, partner, relative or in-law in the first degree of members of the management and supervisory bodies; (iv) any entity in which a member of the management or supervisory body, or their spouse, partner, relative or in-law in the first degree, holds a qualifying holding of 10% or more of the share capital or voting rights, or over which such persons exercise significant influence or hold senior management positions or management or supervisory functions; (v) entities with which there is an economic interdependence relationship, namely due to their inclusion in a cross-shareholding structure with several other entities or which, due to their close links to the institution, would cause the institution to face financial difficulties if one of them encountered financial problems; (vi) persons or entities, including, namely, depositors, creditors, debtors, entities in which the institution holds participations, employees of the institution or employees of other entities belonging to the same group, whose relationship with the institution may potentially allow them to influence its management in order to obtain a business relationship outside normal market conditions. The concept of Related Party also includes other entities (other than companies) in which a member of the management or supervisory body, or their spouse, partner, relative or in-law in the first degree, holds a qualifying holding of 10% or more of the share capital or voting rights, or over which such persons exercise significant influence or hold senior management positions or management or supervisory functions. For the purposes of the concept of Related Party, the provisions of IAS 24 – paragraph 9(a)(iii) shall also be taken into account: a “related party” is a person or entity that is related to the entity that is preparing its financial statements: (a) a person or a close member of that person’s family is related to an entity if that person: (i) has control or joint control over the entity; (ii) has significant influence over the entity; or (iii) is a member of the key management personnel of the entity or of a parent of the entity; (b) an entity is related to another entity if any of the following conditions applies: (i) the entities are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity; (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity (if the reporting entity is itself such a plan, the sponsoring employers are also related to the entity); (vi) the entity is controlled or jointly controlled by a person identified in (a); (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity;

- b) To transactions entered into with members of the management and supervisory bodies of the entities within the Group or with their Related Parties (or other persons or entities that may be considered intermediaries), irrespective of their value, for the purposes of Articles 397 and 423-H of the Companies Code.

For the purposes of applying the Related Party Transactions Policy, a transaction resulting from the normal course of business, formalised through a standard adhesion contract, which is not subject to negotiation or material amendment and is entered into under normal market conditions, such as the opening of an account, the constitution of term deposits, the use of credit cards or overdraft facilities associated with a deposit account, the execution of payment transactions (such as transfers), or the making of financial investments or subscription of capitalisation insurance (Standard Transaction), shall not be considered a Related Party Transaction, nor shall housing loan agreements entered into with employees of the Banco CTT Group under the applicable social policy. Transactions are also excluded from the application of the Policy where, although entered into between Related Parties, they consist of amendments or addenda to previously approved transactions and the only modification results from the adjustment of the contracted price solely by application of the consumer price index or the national minimum wage adjustment index, as well as transactions involving more than one Group entity vis-à-vis one or more common counterparties, provided that the allocation of costs or income arising from such contract is determined on the basis of a unit price, with the final value of the transaction being calculated based on the consumption or production of each entity.

Related Party Transactions are subject to monitoring, and Senior Management of the relevant organisational units shall report quarterly to the Compliance and Risk Management Functions: (i) the detailed conditions under which each transaction was carried out; and (ii) the extent to which compliance with applicable legal and regulatory requirements has been ensured, both in terms of alignment with market conditions and confirmation of the level of exposure to the related party.

Whenever the Compliance and Risk Management Functions become aware of any non-compliance with the Group's internal rules, this Policy or the applicable legal and regulatory framework for Related Party Transactions, they shall immediately report such information to the management and supervisory bodies, together with a proposal for corrective measures.

## II. Information on business or Related Party Transactions

Relevant transactions with related parties are described in Note 30 (Related Party Transactions), annexed to the consolidated financial statements, and in Note 32 (Related Party Transactions), annexed to the individual financial statements included in the Report and Accounts.

## F. ANNEXES

### Annex 1 – Transactions relating to CTT shares in 2025

Detail of the transactions carried out by Directors and entities closely related to them during 2025, in accordance with the notifications submitted to the Company.

Guy Patrick Guimarães de Goyri Pacheco

Type of transaction	Venue	Unit price (€)	Quantity	Transaction date
Acquisition	Outside a trading venue	.00 – Acquisition as part of long-term variable remuneration, with the closing price on Euronext Lisbon on the payment date being €6.80	11,662	12.05.2025



## 04 Sustainability Statement

“I HAVE  
IN ME ALL  
THE **DREAMS**  
OF THE WORLD.”

Álvaro de Campos, in “Tabacaria”

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## A. GENERAL INFORMATION

### General disclosures [ESRS 2]

#### General basis for preparation of the sustainability statement [ESRS 2.BP-1]

In accordance with the requirements established by Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023, supplementing Directive 2013/34/EU of the European Parliament and of the Council, Banco CTT Group presents this Sustainability Statement. This document reflects the Group's commitment to transparency and disclosure of its environmental, social and governance (ESG) practices and impacts, as required by the standards of the European Sustainability Reporting Standard (ESRS).

The Banco CTT Group's sustainability statements are prepared on a consolidated basis - for the financial reporting period from January 1 to December 31, 2025 - and correspond to the same scope of consolidation as the financial statements.

This report covers the Group's activities in Portugal, encompassing its operations and the value chain (upstream and downstream), as required by Delegated Regulation (EU) 2023/2772. The information disclosed follows the principles of double materiality analysis, ensuring that both the Group's impacts on the environment and society and the financial risks and opportunities arising from sustainability are duly considered.

Pursuant to Article 19-A(9) of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, 321 Crédito is a subsidiary company exempt from individual sustainability reporting.

The Banco CTT Group will not omit specific elements of information corresponding to intellectual property, know-how or innovation results.

The exemption from disclosure of imminent facts or matters in the course of negotiation - within the scope of Article 19-A(3) and Article 29-A(3) of Directive 2013/34/EU - is not applicable to the Banco CTT Group.

#### Disclosures in relation to specific circumstances [ESRS 2.BP-2]

The Banco CTT Group adopts the definitions of short, medium and long term for reporting purposes, as prescribed in ESRS 1, section 6.4. In detail, the short-term time horizon is the period adopted by the Group as the reporting period in the financial statements (up to one year), while the long-term time horizon is above five years.

The metrics presented in this report do not include downstream and/or upstream value chain data that have been estimated using indirect sources, such as average sector data or other approximations.

In the following chapters, some quantitative metrics or monetary amounts are estimated and are subject to a significant level of measurement uncertainty. However, in the case of estimation, the methodology applied is described in connection with the relevant disclosure requirement.

In the present report, changes were introduced in the preparation and presentation of sustainability-related information compared to the previous reporting period(s), namely:

- the information presentation tables relating to the 'EU Taxonomy Regulation' topic within Chapter B – Environmental Information;
- the alignment criteria applied to the residential mortgage loan and automotive loan portfolios;

- the correction of the calculation formulas applied to the data reported under the training and skills development metrics [ESRS S1-13]; and
- the revision of the number of records reported for 2024 in respect of incidents, complaints, and severe human rights-related impacts and incidents [ESRS S1-17], thereby ensuring the comparability of the figures disclosed across the two reporting years presented.

This document reports information by reference to sources external to the sustainability statement of, which are included in the Integrated Report, namely the datapoints: ESRS 2 GOV-120 (c); and ESRS S1-6 50 (f).

Grupo Banco CTT applies the phase-in option provided for in the ‘quick-fix’ delegated act of July 11, 2025, which allows institutions to defer the implementation of ESRS requirements that already included a transitional period by one year. Under the ‘quick-fix’ delegated act, the phase-in period was extended by a further two years, with the requirement for a first full set of disclosures deferred to the financial year ending in December 2027. The applicable phase-in options are set out in Appendix C (“List of phased-in disclosure requirements”) of Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards sets out the provisions that should be phased in with regard to disclosure requirements or data points of disclosure requirements in ESRS that may be omitted or are not applicable in the first year(s) of preparing sustainability statements under ESRS. In accordance with the provisions of Appendix C, and taking into account that the Banco CTT Group does not exceed the average number of 750 employees, in the years 2024 and 2025, the Group will omit some information, as explained in ESRS 2.IRO-2, where the following stand out:

- Financial effects under paragraph 48(e) of the ESRS2 SBM-3 standard;
- Scope 3 gross GHG emissions from disclosure requirement E1-6;
- Anticipated financial effects of physical and transition material risks, as well as potential climate-related opportunities concerning the disclosure requirement E1-9;
- Disclosure requirements of ESRS S1 (S1-7: Characteristics of non-employee workers in the undertaking’s own workforce; S1-11: Social protection and S1-15: Work-life balance);
- all the material disclosure requirements of the ESRS S4 standard.

Without prejudice to the existence of initiatives detailed throughout this document, the Banco CTT Group does not have specific policies and objectives, measures to mitigate negative or potential impacts, or relevant metric data on the issues identified as material in standards S1-7, S1-11, S1-15 and S4.

The implementation of the CSRD continues to be subject to uncertainty, as reporting practices evolve and regulatory requirements continue to develop. The full impact of the Omnibus Package is still being determined, with further amendments to the ESRS expected in 2026. The Omnibus Package and the amended Delegated Act may introduce greater flexibility and clarification regarding the expected disclosures, although on a temporary basis. However, they also give rise to additional uncertainty concerning the scope and timing of future reporting requirements. As a result, in these reporting matters, Grupo Banco CTT’s approach will continue to evolve, taking into account market best practices and regulatory expectations.

## Role of the administrative, management and supervisory bodies [ESRS 2.GOV-1]

Banco CTT's management and supervisory bodies, in December 2025, are made up as follows:

Members	Board of Directors	Executive Committee	Audit Committee
João Nuno de Sottomayor Pinto de Castello Branco	Chairman <sup>(a)</sup>		
Francisco Manuel Grade Barbeira	Member	Chairman (CEO)	
João Maria de Magalhães Barros de Mello Franco	Member	Member (CCO)	
Pedro Rui Fontela Coimbra	Member	Member (CFO)	
Nuno Carlos Dias dos Santos Fórneas	Member	Member (CIO)	
Inês Isabel Maia Santos	Member	Member (CRO)	
João Manuel de Matos Loureiro	Member <sup>(a)</sup>		Chairman
Sofia Luísa Corrêa Henriques Cardoso de Menezes Frère	Member <sup>(a)</sup>		Member
Carla Maria de Castro Chousal	Member <sup>(a)</sup>		Member
Sandra Marina Farinha Moás	Member		
Guy Patrick Guimarães de Goyri Pacheco	Member		
António Domingues	Member <sup>(a)</sup>		
Pedro Luís Francisco Carvalho	Member		

(a) Independent directors on the Board of Directors, representing 38% of the total number of members, in accordance with the criteria set out in Article 414(5) of the Portuguese Companies Code (CSC).

The Board of Directors is made up of five executive members and eight non-executive members, with the male and female percentages on the Board of Directors being 69% and 31% and on the Audit Committee 33% and 67%.

In terms of sustainability, the Board of Directors is responsible for: (i) Approving the Sustainability Policy, ensuring that it is aligned with the Group's strategic objectives, culture and values, as well as with the regulations and recommendations of the regulatory bodies in terms of sustainability; (ii) Approving the Sustainability Report; (iii) Monitoring the reporting of progress against sustainability targets.

The Audit Committee, which is responsible for monitoring and critically assessing the Group's sustainability strategy, has the following fundamental functions: (i) to assess the Sustainability Policy, as well as any changes to it; and (ii) take note of the reporting on progress against sustainability targets.

The Executive Committee is responsible for: (i) ensuring the implementation of the Sustainability Policy; and (ii) monitoring the reporting of progress against sustainability targets and approving measures, where necessary, to ensure that the targets are met within the established timeline.

The governance model includes the Capital, Risk and Sustainability Committee (CCRS), which is responsible for: (i) assisting the Executive Committee in integrating sustainability principles (environmental, social and governance) into the institution's decision-making and management processes; (ii) analysing and approving the initiatives needed to implement the actions defined to materialize the strategic sustainability pillars in force, as well as other changes or adaptations needed to meet the defined objectives; and (iii) monitoring and

reviewing progress against sustainability targets and proposing measures, where necessary, to ensure that the targets are met within the established timeline.

With regard to the process of identifying and assessing Impacts, Risks and Opportunities (IROs), the Board of Directors and the Audit Committee took note of the methodology and results of the double materiality analysis. As described in detail in the topic Description of the processes to identify and assess material impacts, risks and opportunities [ESRS 2.IRO-1] some members of the Board of Directors participated as experts in the identification and assessment of IROs. At present, there are no targets related to material impacts, risks or opportunities. However, when they exist, they will be approved by the Board of Directors and progress towards achieving them will be discussed and monitored by the CCRS.

### Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies [ESRS 2.GOV-2]

The Board of Directors is responsible for defining the Banco CTT Group's sustainability strategy, namely by approving the Policy, which establishes the principles and objectives of action, and the Sustainability Report, as well as through monitoring progress against targets and managing and responding to climate and environmental risks.

The Audit Committee is responsible for monitoring and analysing the Banco CTT Group's sustainability strategy, namely through the assessment of the Policy that implements it and the Sustainability Report, monitoring the evolution of sustainability targets, and overseeing the management of climate and environmental risks.

One of the responsibilities of the CCRS is to establish and oversee initiatives that ensure the effective implementation of a sustainability framework.

The GAR (Green Asset Ratio) metric included in the RAS (Risk Appetite Statement) is calculated and presented quarterly to the CCRS, Board of Directors and Audit Committee as part of regular risk monitoring. Metrics related to sustainability commitments are collected and presented in CCRS on a quarterly basis.

The methodology and findings of the double materiality analysis were reviewed and evaluated by the CCRS and subsequently presented to the Board of Directors and the Audit Committee before the issuance of the sustainability report. Thus, all the material impacts, risks and opportunities detailed in ESRS 2.SBM-3 were discussed by the members of these bodies.

The Banco CTT Group carried out its first double materiality assessment in late 2024, so the process of identifying, assessing and managing IROs is gradually being incorporated into the Group's management processes.

### Integration of sustainability-related performance in incentive schemes [ESRS 2.GOV-3]

The remuneration of the members of the Audit Committee and non-executive members of the Board of Directors includes only a fixed component, which does not depend on or relate in any way to the Group's performance or results. The remuneration of members of the Executive Committee or Directors with day-to-day management duties includes a variable component set according to measurable and predetermined criteria, assumptions and limits established in the performance assessment model.

Currently, there are performance indicators related to sustainability issues that influence the evaluation and incentive scheme for members of the Executive Board. Long-term variable remuneration includes the performance of the Sustainability Indicator, which deals with the development of the roadmap for this issue.

In addition, it is verified that the performance evaluation of these members of the Executive Committee highlights the fulfilment of corporate objectives, provided for in the Remuneration Policy. The performance of the “corporate RAS” indicator is included in the calculation of the fulfilment of these objectives. The “Corporate RAS” indicator is calculated based on the RAS and the Group’s Recovery Plan, measuring the level of compliance with the predefined risk metric limits over a specified period, typically a calendar year. Part of sustainability matters are incorporated into the GAR metric, which forms part of the RAS for the Banco CTT Group.

The variable remuneration models currently in force do not allow the percentage of variable remuneration directly dependent on objectives and/or impacts related to sustainability to be calculated.

The Group’s Remuneration Policy is approved by the Board of Directors on matters relating to Employees and is approved by the Selection and Remuneration Committee for members of the corporate bodies. The performance assessment models, and corresponding incentives are approved by the Board of Directors.

**Statement on due diligence [ESRS 2.GOV-4]**

Information on the due diligence process for the sustainability statement is provided in the following table:

Essential elements of the Due Diligence	Points of the sustainability statement
Integrating due diligence into governance, strategy and the business model	GOV-2 SBM-1 SBM-3
Dialogue with affected stakeholders at all key stages of due diligence	SBM-2 IRO-1
Identify and assess negative impacts	SBM-3 IRO-1
Take measures to respond to negative impacts	E1-1, E1-3 S1-1, S1-4 G1-1, G1-3
Monitor the effectiveness of the response to negative impacts and communicate to stakeholders	E1-4, S1-5

**Risk management and internal controls for sustainability reporting [ESRS 2.GOV-5]**

As with the preparation of other reports, sustainability reporting is subject to operational risks of incompleteness or inaccuracy, error or failure, including possible errors in internal processes and systems, data quality or human error.

The risks listed are mitigated through the following measures: a) review process by various interlocutors, from different areas of the organisation, in order to identify possible inconsistencies or gaps in information; b) training and qualification of the elements that participate in the preparation of the document; and c) external and independent review that verifies the compliance of the content with the applicable regulations.

The risk management and internal controls of the sustainability report are ensured by the Risk Department, through an independent review by the head of the Department, after the different stages of the report’s preparation have been completed: a) listing the applicable disclosure requirements; b) communicating requests for information to different interlocutors; c) processing and compiling data; d) drafting the document. Where applicable, remediation plans and changes to activities are established to ensure continuous improvement of the annual reporting process. The Sustainability Report is approved by the Board of Directors.

2024 was the first reporting year for which the corresponding independent limited assurance report on reliability was issued, which did not address any materially relevant matters.

The assessment of double materiality was reviewed by the external auditor, as was the content of this report, as part of the issuance of the independent limited assurance report.

**Strategy, business model and value chain [ESRS 2.SBM-1]**

The Banco CTT Group aims to be recognised as a benchmark banking group in terms of quality, efficiency and value creation for customers, employees and society, through the provision of simple, competitive and relevant financial products, based on quality service and innovation, maintaining a sustainable relationship with all stakeholders. The Banco CTT Group has 689 employees and operates exclusively in Portugal.

The Group’s operating strategy is governed by the following values:

- **Simplicity** – We offer simple products and services that enable our customers to manage their day-to-day financial needs conveniently, at a fair and accessible price.
- **Relevance** – We develop solutions designed around our customers’ real needs, with a comprehensive and tailored offering that supports them across different life stages.
- **Proximity** – We foster close relationships based on personalised service, through our physical branch network with extended opening hours, complemented by the availability of digital channels for full convenience.
- **Trust** – We are a 100% Portuguese bank, rooted in a historic brand, which reinforces our commitment to placing customers first and building long-lasting relationships.

The Banco CTT Group offers simple and accessible financial products and services, aimed at the main needs of Individual Customers, with a special focus on Demand Deposit Accounts, cards and access to Digital Channels, offering Home Loans, Car Loans and Personal Loans for different purposes.

The Group’s value chain is summarised below:



Faced with the major challenges and trends of the Sustainability agenda, the Banco CTT Group is working to collaborate and contribute to the achievement of the Sustainable Development Goals and, within the scope of its activity, is involved in the achievement of these goals, based on three strategic pillars, which include a set of initiatives that the Banco CTT Group intends to implement and achieve.

Pillars of the Environment, Social and Governance (ESG) strategy for the next few years:

- Energy transition: minimise the negative impact on the environment due to the Group's activities and operations and help our Customers in the transition to a less carbon-intensive economic model.
- Social and financial wellbeing: maximise the Group's companies positive impact on Society, prioritising the focus on our Employees and Partners.
- Responsible banking: acting within a robust Internal Governance model, with transparency and ethics, promoting a corporate culture of equity and equality in the Banco CTT Group's teams.

### Interests and views of stakeholders [ESRS 2.SBM-2]

In its strategy and business model, the Banco CTT Group continually considers the interests and points of view of its stakeholders in relation to material sustainability issues. These efforts are carried out through regular engagement and interaction with stakeholders, which helps the Group to understand and incorporate their perspectives.

The Group also strives to ensure that stakeholders are continuously and adequately informed about relevant sustainability issues through regular meetings in appropriate committees and bodies. In order to ensure the balanced inclusion of stakeholders' perspectives, their involvement takes place through various channels and methods adapted to their specific needs and interests.

Some stakeholders contributed to the evaluation of IROs. The stakeholder consultation was conducted with several internal and external interlocutors – namely employees, service providers and the main shareholder CTT – and the process occurred through an electronic questionnaire, in which the participants assigned a score from 0 to 5 depending on the relevance, at the level of the ESRS sub-theme. Relevance was established from the perspective of impact inside-out.

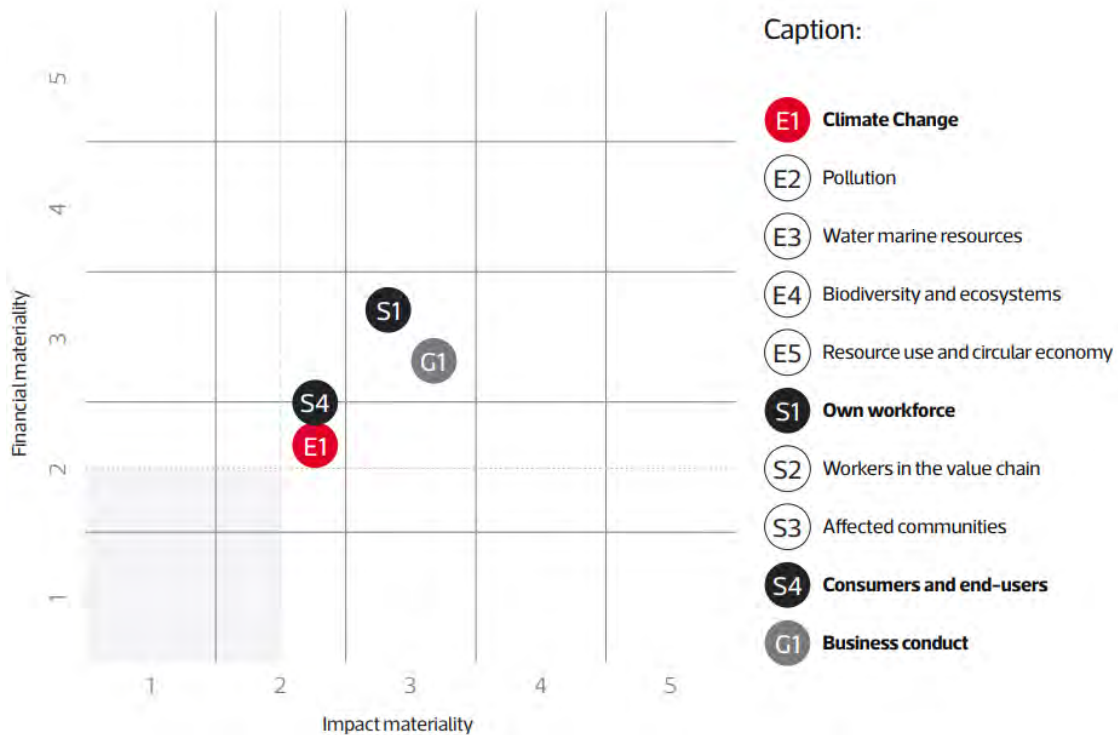
The following table summarizes the ongoing engagement with stakeholders and how their interests and perspectives are taken into account in the Group's strategy and business model in relation to sustainability issues.

Stakeholder	Objective	Format and examples of interaction
Board of Directors	Aligning sustainability commitments with the strategy and business model	Approval of the Sustainability Policy Approval of the Business Plan Acknowledgement of the results of the double materiality analysis
Executive Committee / Capital, Risk and Sustainability Committee	Implement sustainability in the Group's activities	Monitoring of relevant data at least quarterly Assessment of the Sustainability Policy Monitoring of metrics and targets Discussion of the methodology and results of the materiality analysis Participation of some experts in the workshops and double materiality assessment exercise
Employees	Incorporating human resources perspectives	Participation in the double materiality assessment exercise (121 respondents) Meetings with Family Responsible Company Ambassadors
Customers	Identify the biggest challenges and opportunities related to sustainability	Support for the energy transition, through specific credit products for Energy Certificates with good energy performance and vehicles with low CO <sub>2</sub> emissions.
Suppliers and partners	Promoting responsible management	Ensuring supplier compliance with the ten basic principles of the UN Global Compact and the Banco CTT Group's code of conduct

		Participation in stakeholder consultation for double materiality analysis
Shareholders	Incorporating shareholder perspectives	Interaction between teams working on sustainability issues Participation in stakeholder consultation for double materiality analysis
Local community	Adding value to society	Development of a Social Responsibility Program

**Material impacts, risks and opportunities and their interaction with strategy and business model [ESRS 2.SBM-3]**

Through its comprehensive double materiality assessment process, Grupo Banco CTT has identified the Group’s positive and negative impacts on the environment and society, the Group’s opportunities, and potential and actual sustainability-related risks to which exposure may exist. The material issues resulting from the double materiality analysis are shown in the matrix below:



Banco CTT Group has identified 13 Impacts, Risks and Opportunities (IROs), which are described below.

The shaded part of the matrix identifies the threshold of 2.5 for determining material themes

**E1 Climate change**

Sub-theme	Location in the value chain	Description of the IRO, including how it affects people or the environment	Type	Time horizon	Business model
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Energy	Own operations	Investment and adoption of energy efficiency measures and green technologies allow the Banco CTT Group to reduce energy-related costs, as well as make consumption more efficient. In addition, it also allows it to stand out as an environmentally conscious brand with a related product offer, leading to reputation gains and improved image with customers.	Opportunity	Long Term	People, Retail Banking and Specialized Credit
Climate change adaptation	Own operations	The risks of transitioning to a low-carbon economy may involve political, legal, technological and market changes and lead to an increase in the costs of adapting to these changes, as well as adjustments to the business model.	Risk	Medium Term	Retail banking and specialized credit
Climate change mitigation	Own operations	The transition to a low-carbon economy could significantly impact borrowers in energy-intensive or CO <sub>2</sub> -intensive sectors, leading to increased compliance costs, decreased solvency, restricted access to capital, reduced competitiveness or reputational damage (corporate banking segment). These consequences could ultimately increase credit risk and lead to a decrease in business for the financial institution.	Risk	Medium Term	Retail banking and specialized credit
Climate change adaptation	Own operations	The Banco CTT Group's commitment to presenting various sustainable financial products in its portfolio could attract new customers.	Opportunity	Long Term	Retail banking and specialized credit

**S1 Own Workforce**

Sub-theme	Location in the value chain	Description of the IRO, including how it affects people or the environment	Type	Time horizon	Business model
Working conditions	Own operations	The adoption of agreements and plans for career and development contributes to the continuous commitment to internal and adapted qualification of employees with a view to retaining talent and job security, with a positive impact on employees.	Real positive impact	-	People
Working conditions	Own operations	Promoting a balance between employees' personal, family and professional lives strengthens well-being and satisfaction in the workplace, positively impacting society, particularly employees.	Real positive impact	-	People
Working conditions	Own operations	The promotion and prevention of employees' health improve their health, translating into greater employee satisfaction.	Potential positive impact	Medium Term	People

Sub-theme	Location in the value chain	Description of the IRO, including how it affects people or the environment	Type	Time horizon	Business model
Equal treatment and opportunities for all	Own operations	Empowering employees through training and skills development in the workforce promotes increased productivity, talent retention and, consequently, cost reduction. In addition, it promotes an improvement in the quality of work and a competitive advantage.	Opportunity	Medium Term	People
Other work related rights	Own operations	Facilitating access to adequate housing, namely through the provision of special housing loan conditions, is crucial to promoting employees' quality of life, affecting their health, safety and well-being.	Real positive impact	-	People

**S4 Consumers and end-users**

Sub-theme	Location in the value chain	Description of the IRO, including how it affects people or the environment	Type	Time horizon	Business model
Social inclusion of consumers and/ or end users	Own operations	Attracting a wider target audience and customers satisfaction by diversifying and improving the Banco CTT Group's offer.	Opportunity	Medium Term	Retail banking and specialized credit

**G1 Business conduct**

Sub-theme	Location in the value chain	Description of the IRO, including how it affects people or the environment	Type	Time horizon	Business model
Corruption and bribery	Own operations	The provision of training on corruption and bribery can promote the development of skills within own workforce in this area and, as a consequence, avoid instances of corruption and bribery, as well as ensure an adequate response to potential cases.	Real positive impact	-	People and internal governance
Corporate culture	Own operations	Companies that fail to ensure regulatory compliance through robust internal controls may be more susceptible to incurring losses due to legal proceedings, resulting in decreased revenue and reduced shareholder value.	Risk	Short term	Internal governance
Corruption and bribery	Own operations	The establishment of weak or ineffective internal controls gives the Banco CTT Group a greater risk in preventing incidents of corruption, bribery or other related offenses, resulting in financial losses.	Risk	Short term	Internal governance

The Banco CTT Group carried out its first double materiality assessment exercise in late 2024, so the adaptation of the strategy and business model do not yet directly incorporate any effects or reflections from this exercise. Over the next two years, action plans will be prepared and developed to help mitigate material impacts and risks, as well as to leverage the opportunities identified as relevant.

In addition, no current or expected financial effects of the risks and opportunities assessed as material have been calculated or determined. However, due diligence is being taken to comply with the disclosure requirement in the next report.

## Description of the processes to identify and assess material impacts, risks and opportunities [ESRS 2.IRO-1]

The materiality assessment was conducted through a comprehensive process, with the aim of identifying, assessing, prioritising and monitoring potential and actual impacts, both positive and negative, affecting people and the environment, in the short, medium and long term (impact materiality, inside-out perspective). In addition, risks and opportunities were also identified and analysed that may, in turn, have a financial effect on the Banco CTT Group (financial materiality, outside-in perspective).

This double materiality assessment followed a methodological approach, structured into four stages, which should be reviewed annually, or whenever necessary, to ensure alignment with the Group's business strategy and latest practices.

The stages of the process were as follows:

1. Understanding
2. Identification
3. Assessment
4. Determination

In the Understanding phase, an analysis of the business, the value chain and the activities involved was carried out, using benchmarks and industry references.

In the Identification stage, a survey of impacts, risks and opportunities (IROs) was carried out, based on internal and external sources, covering all ESRS topics and considering the Banco CTT Group's business segments, as well as listening to stakeholders. In addition, the inputs of the various in-house experts who took part in the various work sessions to validate and evaluate them were also considered.

The assessment of IROs was carried out by specialists (members of the Board of Directors and senior management), who individually analysed all the factors listed, applying specific criteria to determine materiality. The stakeholder consultation was conducted with several internal and external interlocutors – namely employees, service providers and the main shareholder CTT – and the process occurred through an electronic questionnaire, in which the participants assigned a score from 0 to 5 depending on the relevance, at the level of the ESRS sub-theme. Relevance was established from the perspective of impact inside-out.

The IROs identified were classified according to their time horizon, namely short, medium and long term, in accordance with the time intervals established in the standard.

### Time horizon

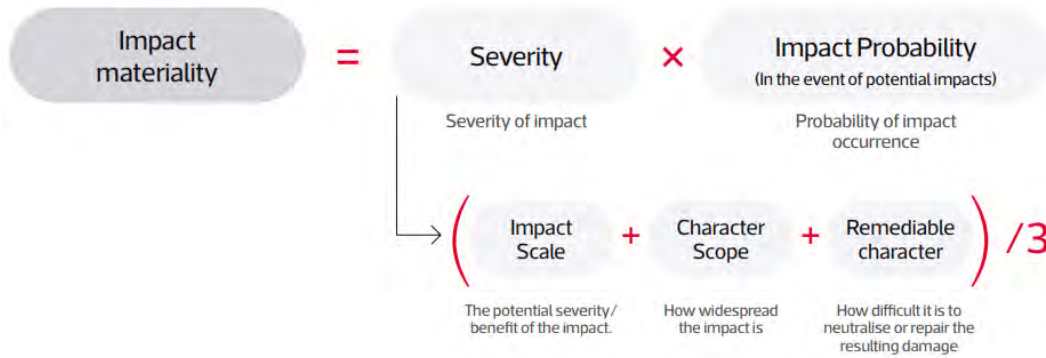
Short term: reporting year

Medium Term: Between the reporting year and up to 5 years

Long Term: More than 5 years

Negative and positive impacts have been assessed based on their severity and likelihood, covering operations, products, services and business relationships upstream and downstream of the Group’s activity. Severity is a combination of scale, scope and irremediable character (only applicable to negative impacts). Probability is not considered when calculating the materiality of negative impacts on human rights, in which case the severity score prevails over the probability score. To consolidate the results, the responses of the stakeholders were weighted at 20% of the value of the scale, while the remaining 80% corresponded to the evaluation of internal experts.

To calculate the impact materiality score, the following evaluation factors are considered:



For the different factors listed above, the following scales are used:

**Assessment methodology applied**

Scale	Scope	Irremediable character	Probability
5 = Absolute	5 = International or more than 80% of customers/employees/affected population	5 = Irremediable	5 = Possibility of constant occurrence [more than one occurrence per quarter]
4 = High	4 = National or 61%-80% of customers/employees/affected population	4 = Very difficult to remedy in the long term	4 = Possibility of frequent occurrence [one occurrence per year, one per quarter]
3 = Average	3 = Regional or 41-60% of universe of clients/employees/affected population	3 = Very difficult to remedy in the medium term	3 = Possibility of regular occurrence [one occurrence every 3 years, to one per year]
2 = Low	2 = District or 21%-40% of universe of clients/employees/affected population	2 = Remediable with effort	2 = Possibility of occasional occurrence [one occurrence every 10 years, one every 3 years]
1 = Minimum	1 = Local or less than 20% of clients/employees/population affected	1 = Relatively easy to remedy in the short term	1 = The impact may occur rarely or not at all [one occurrence every 10 years]
0 = Not applicable	0 = Not applicable	0 = Not applicable	0 = Not applicable

Resource dependencies were identified, analysing how they directly influence the risks and opportunities associated with operations and relationships with stakeholders. These risks and opportunities were assessed quantitatively based on the probability of occurrence and magnitude.

The Banco CTT Group carried out its first double materiality assessment exercise in late 2024, so the process of identifying, assessing and managing opportunities has not yet been fully integrated into the Group's overall management process.

To calculate the financial materiality score, the following evaluation factors are considered:



The magnitude and probability assessments consider the following scales:

**Assessment methodology applied**

Magnitude	Probability
5 = Absolute [≥2,000,000 euros]	5 = Possibility of constant occurrence [more than one occurrence per quarter]
4 = High [≥500,000 euros to <2,000,000 euros]	4 = Possibility of frequent occurrence [one occurrence per year, one per quarter]
3 = Average [≥100,000 euros to <500,000 euros]	3 = Possibility of regular occurrence [one occurrence every 3 years, to one per year]
2 = Low [≥10,000 euros to <100,000 euros]	2 = Possibility of occasional occurrence [one occurrence every 10 years, one every 3 years]
1 = Minimum [<10,000 euros]	1 = The impact may occur rarely or not at all [less than one occurrence every 10 years]
0 = Not applicable	0 = Not applicable

To determine the material topics whose disclosure requirements should be included in the sustainability statement, a scenario with a threshold of 2.5 was defined and applied to the impact and financial materiality analyses. Based on this criterion, five material impacts and eight risks or opportunities were identified.

The Banco CTT Group believes that sustainability-related risks, in particular climate and environmental risks, are relevant and, accordingly, are part of the risk taxonomy and are considered in the identification and assessment of risks in the Risk Appetite Statement (RAS).

**Disclosure requirements in ESRS covered by the undertaking's sustainability statement [ESRS 2.IRO-2]**

As a result of the double materiality assessment, the Banco CTT Group reports the disclosure requirements regarding the topics - considered material - of Climate Change (ESRS E1), Own Workforce (ESRS S1) and Business Conduct (ESRS G1), in addition to the General Disclosures (ESRS 2). One of the material impacts, risks and opportunities (IROs) is related to ESRS S4 – Consumers and end-users. In line with the disclosures set out under 'Disclosures in relation to specific circumstances [ESRS 2.BP-2]', the Group has opted to omit the information required by ESRS S4.

The sustainability topics declared are material to the Group because each one is linked to one or more impacts, risks or opportunities, assessed with a score of at least 2.5.

The introduction to each sustainability topic provides an overview of the Group's disclosure requirements with references to the relevant pages in the sustainability statement for 2024.

Annex 1 shows the tables with the disclosure requirements that correspond to the sub-themes assessed as material.

The table identifying the data points that appear in Appendix B of ESRS 2 and the thematic ESRS that emanate from other European Union legislation is shown in Annex 2.

### Policies adopted to manage material sustainability matters [ESRS 2. MDR-P]

For each material sustainability matter identified, the different policies in place to prevent, mitigate and remedy actual and potential impacts are recognized, as well as correctly addressing risks and opportunities.

The above-mentioned policies are disclosed in each topic and on the following pages, and summary information is presented in the table below.

Policy	Objectives and principles	Scope of application	Responsible Management	Instruments and regulations	Availability
Code of Good Conduct for preventing and combating harassment at work	Zero tolerance for conduct that qualifies as harassment at work, in any of its forms.	BCTT Group Portugal	Compliance Department	Labour Code Law no. 73/2017 of 16 August	Intranet Document Centre
Code of Conduct	Setting and disseminating the rules of conduct in force in the Group, contributing to the promotion of a common organizational culture. Establish high standards of ethics and conduct among all employees, to be observed continuously and scrupulously.	BCTT Group Portugal	Compliance Department	-	Intranet Document Centre
Code of Ethics	Explain the fundamental values of the CTT Group and provide a guide on how these values should be translated into daily action.	BCTT Group Portugal	Compliance Department	-	Intranet Document Centre
Communication of Irregularities Policy	Define the guiding principles for the procedures governing the receipt, handling, recording, and retention of communications reporting irregular practices. Ensure the possibility of accepting anonymous reports of irregularities. Confirm the adoption of preventive measures aimed at avoiding improper or irregular acts.	BCTT Group Portugal	Compliance Department	General Regime of Credit Institutions and Financial Companies approved by Decree-Law no. 298/92, of December 31st European Banking Authority (EBA) guidelines on the internal governance of institutions (EBA/GL/2021/05) Banco de Portugal Notice No. 3/2020	Intranet Document Centre

Policy	Objectives and principles	Scope of application	Responsible Management	Instruments and regulations	Availability
				Banco de Portugal Instruction 18/2020 Law No. 83/2017 of 18 August Law No. 109/2021 of 9 December Law No. 93/2021 of 20 December Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26	
Diversity Policy	Define the existing practices in the Banco CTT Group and the objectives to be achieved in terms of respect for diversity.	BCTT Group Portugal	Legal Services Department and General Secretariat	EBA guidelines on assessing diversity practices, including diversity policies and the gender pay gap EBA guidelines on remuneration policies EBA Guidelines on assessing the suitability of members of the Board of Directors and key function holders	Intranet Document Centre
Outsourcing Policy	Establish an internal management and governance model associated with the establishment, maintenance and termination of outsourcing relationships. Define the principles of the risk control system associated with outsourcing, especially of essential or important functions. Define the responsibilities for the key activities that must be followed in the outsourcing processes.	BCTT Group Portugal	Planning and Control Department	Banco de Portugal Notice No. 3/2020 Banco de Portugal Notice No. 8/2023 Bank of Portugal Circular Letter no. CC/2018/00000016 Bank of Portugal Circular Letter no. CC/201900000065 EBA guidelines on the internal governance of institutions (EBA/GL/2021/05) EBA guidelines on subcontracting (EBA/GL/2019/02)	Intranet Document Centre
Policy for Preventing and Combating Corruption	Contest and prevent any act related to the practice of corruption, bribery or other related infractions, directly by its Employees or indirectly through an intermediary with whom they have a relationship, ensuring, in a necessarily joint effort, a culture of intolerance to obtaining	BCTT Group Portugal	Compliance Department	General Regime for the Prevention of Corruption (RGPC) Commercial Companies Code. Criminal Code Banco de Portugal Notice No. 3/2020 EBA guidelines on the internal governance	Intranet Document Centre

Policy	Objectives and principles	Scope of application	Responsible Management	Instruments and regulations	Availability
	illegitimate advantages and questionable conduct.			of institutions (EBA/GL/2021/05)	
Remuneration Policy	Outline the general principles and remuneration practices applicable to all members of the Management and Supervisory Bodies and to all Employees.	BCTT Group Portugal	Human Resources Department	Banco de Portugal Notice No. 3/2020 Banco de Portugal Instruction 18/2020 Banco de Portugal Instruction 17/2023 Banco de Portugal Instruction 18/2023 Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013 Delegated Regulation (EU) 2021/923 of March 25, 2021 EBA Guidelines on remuneration policies and practices relating to the sale and supply of retail banking products and services (EBA/GL/2016/06) EBA guidelines on sound remuneration policies (EBA/GL/2021/04)	Intranet Document Centre
Sustainability Policy	Ensuring that the environmental, social and internal governance aspects are integrated into the Banco CTT Group's strategy. Contribute to the dissemination of the Sustainable Development Goals, actively identifying and promoting ways of contributing to achieving the targets set, including them throughout its value chain. Encourage commitment, transparency and reporting on sustainability issues.	BCTT Group Portugal	Risk Department	2015 Paris Agreement United Nations Universal Declaration of Human Rights United Nations Sustainable Development Goals (SDGs) Basic Climate Law - Law no. 98/2021, of 31 December Bank of Portugal Circular Letter no. CC/2021/00000010	Intranet Document Centre

In the context of the evaluation of actions and resources related to material sustainability issues, the type and amount of financial resources, current or future, required as operational expenditures for the implementation of policies were not determined.

## **B. ENVIRONMENTAL INFORMATION**

### **Taxonomy Regulation**

The Banco CTT Group acknowledges the relevance of the European Taxonomy for the integration of sustainability objectives in its activities and, simultaneously, for the improved assessment and management of the risk factors related to the transition of operations.

Risk management and control are aimed at ensuring alignment with the Taxonomy criteria, promoting consistency between internal management procedures and the regulatory and prudential framework of sustainable banking activities.

Article 3 of Regulation (EU) 2020/852 sets out the criteria that an economic activity must meet to qualify as environmentally sustainable. These criteria include:

- a) contribute substantially to one or more of the EU's six environmental objectives – the Banco CTT Group finances the acquisition, or renovation, of energy-efficient residential housing and the acquisition of motor vehicles with reduced CO<sub>2</sub> emissions; develops a set of initiatives aimed at customers that promotes the transition of the economy to a more sustainable model;
- b) Do No Significant Harm (DNSH) to other environmental objectives – counterparties (mainly individuals and sole traders) of mortgage and vehicles credit operations, classified as sustainable, must not significantly harm any of the six objectives;
- c) comply with the minimum safeguards in terms of Human Rights, Corruption, Taxation and Fair Competition – the contracting of suppliers is subject to contracts that provide that the activity of these companies must comply with the criteria of sound and prudent management, complying with the laws, regulations and standards applicable to the sector of activity, including the Fundamental Principles and Rights of Labour established by the International Labour Organization and the International Charter of Labour Human Rights, without recourse to forced labour, child labour or any type of treatment or threat of inhuman treatment.

The Group has implemented initiatives to meet the application and reporting requirements of the Taxonomy criteria, including:

- Collecting information on clients' characteristics, their activities, and the guarantees obtained during the credit approval process;
- Conducting internal analyses and applying methodologies that, on one hand, facilitate the classification of sustainable assets and, on the other hand, enable effective monitoring of the (sustainable) performance of the guarantees received.

The provisions of the aforementioned Regulation and its Delegated Acts are considered, considering all currently regulated environmental objectives: climate change mitigation; climate change adaptation; sustainable protection of aquatic and marine resources; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems.

The assumptions made in classifying operations in accordance with the Taxonomy for the mortgage credit portfolio are summarised as follows:

- a) Properties with A+ energy certificates, regardless of their year of construction;
- b) Properties with A and B energy certificates and a construction date of less than December 2020;

- c) There are no collaterals with an area greater than 5000 square meters; and
- d) The mortgage loan portfolio was segmented based on physical risk, incorporating geo-referencing and assigning a risk rating for each district.

In the automobile portfolio, the operations considered to be in line with the Taxonomy correspond to the following criteria:

- a) The vehicle class is classified as a passenger car, goods car, microcar, or off roader; and
- b) must have CO<sub>2</sub> emissions of less than 50 g CO<sub>2</sub>/Km and comply with European emission standards Euro 5, Euro 6 and EEV.

The tables that comply with the disclosure obligations of the Taxonomy Regulation are presented in Annex 3, based on the requirements of Delegated Regulation (EU) 2026/73, which aims to simplify the content and presentation of information to be disclosed on sustainable activities and which supplements Article 8 of Delegated Regulation (EU) 2023/2486, as well as the amendments to Delegated Regulation (EU) 2021/2178.

The data covered are based on the scope of consolidation and are in accordance with the reporting for supervisory purposes of financial institutions, as defined in Regulation (EU) N° 575/2013 of the European Parliament and of the Council and Commission Implementing Regulation (EU) 2021/451 (FINREP).

## Climate change [ESRS E1]

### Integration of sustainability-related performance in incentive schemes [ESRS E1-GOV3]

The information relevant to this topic is described in the previous section called 'Integration of sustainability-related performance in incentive schemes [ESRS 2.GOV-3]' on page 369.

### Transition plan for climate change mitigation [ESRS E1-1]

The process of defining and drawing up a transition plan to understand the adjustment of the Banco CTT Group's strategy and business model to ensure compatibility with: i) the transition to a sustainable economy; ii) limiting global warming to 1.5 °C; iii) achieving climate neutrality by 2050, is still underway and will be completed by the end of 2026.

### Material impacts, risks and opportunities and their interaction with strategy and business model [ESRS E1-SBM3]

The information relevant to this topic is described in the previous section called 'Material impacts, risks and opportunities and their interaction with strategy and business model [ESRS 2.SBM-3]' on page 373.

### Description of the processes to identify and assess material impacts, risks and opportunities [ESRS E1-IR01]

The information relevant to this topic is described in the previous point 'Description of the processes to identify and assess material impacts, risks and opportunities [ESRS 2.IRO-1]' on page 376.

The Banco CTT Group is not yet developing methodologies and scenarios for assessing the impacts of physical risks and transition risks on the resilience of the strategy and business model, which are expected to be concluded by the end of 2026, in line with the definition and preparation of the transition plan.

### Policies related to climate change mitigation and adaptation [ESRS E1-2]

The Banco CTT Group has a Sustainability Policy that reiterates the following main objectives: i) to ensure the integration of the environmental, social and governance aspects in the Banco CTT Group's strategy; ii) contribute to the dissemination of the Sustainable Development Goals, identifying and actively promoting ways to contribute to achieving the defined goals, including them throughout its value chain; and iii) encourage commitment, transparency and reporting of sustainability issues.

Work is underway to identify and review, where applicable, policies relevant to understanding and managing climate change, which should be completed by the end of 2026.

### Actions and resources in relation to climate change policies [ESRS E1-3]

To mitigate climate change and promote adaptation to it, four actions (current and future) stand out:

- Purchase of electric vehicles to electrify and decarbonize its own fleet.
- Maintenance of the "Movimento Merece" initiative. From the start of the partnership until December 2025, around 120,000 cards have been collected; in the reporting year alone, around 150 kg of cards were collected. The Merece programme guarantees the recycling of the cards and for every kg of cards collected, a tree is planted. A bank card leaves a carbon footprint of 150 grams.
- Digitalisation of processes: strengthening of the digitisation process to dematerialise processes, reduce the correspondence of statements and reduce paper consumption. Currently, 86% of the customer base receives their statement in digital format, helping to reduce paper consumption and impact on the environment. At 321 Crédito, the digital signature process via OTP has ensured that on December 2025, more than 65% of contracts with private individuals were signed this way.

An assessment of the relevant amounts of expenditure required, as well as of the resources that may be allocated to the implementation of the actions, and of the additional financial investments directly contributing to the execution of these initiatives, is not yet available. The isolated effect of the acquisition of electric vehicles for improving the energy efficiency of the Group's own fleet is not separately reflected in the total inventory of mobile combustion emissions. Grupo Banco CTT does not quantify, either on an isolated or consolidated basis, the impact of the measures described and does not anticipate being able, in the short term, to significantly reduce the environmental impact reported in the tables presented below.

### Targets related to climate change mitigation and adaptation [ESRS E1-4]

The process of setting targets to support climate change mitigation and adaptation policies is still ongoing. The Banco CTT Group expects to disclose some targets in the next sustainability reporting exercise.

### Energy consumption and mix [ESRS E1-5]

The following table shows the total energy consumption of the Banco CTT Group – active in a sector with a low climate impact – in absolute value, the improvement in energy efficiency, the exposure to activities related to coal, oil and gas, as well as the breakdown and share of renewable energy within its overall energy mix:

	2024	2025	Variation (%)
Fossil energy consumption (MWh)	2417	2515	4%
Nuclear energy consumption (MWh)	0	0	-
Renewable energy consumption (MWh)	198	219	11%
Renewable fuels (MWh)	0	0	-
Electricity, heat, steam and cooling purchased or acquired from renewable sources (MWh)	198	219	11%
Renewable energy generated by the organization (MWh)	0	0	-
<b>Total energy consumption (MWh)</b>	<b>2615</b>	<b>2734</b>	<b>5%</b>
Percentage of fossil sources in total energy consumption (%)	92%	92%	-
Percentage of consumption of nuclear energy sources in total energy consumption (%)	0%	0%	-
Percentage of renewable sources in total energy consumption (%)	8%	8%	-

The electricity consumed by Grupo Banco CTT comes from 100% renewable sources, through the acquisition of Guarantee Certificates of Origin. The Banco CTT Group has no energy consumption for activities in sectors with a high climate impact.

### Gross Scopes 1, 2, 3 and Total GHG emissions [ESRS E1-6]

Scope 1 greenhouse gas (GHG) emissions refer to direct GHG emissions from sources owned or controlled by the Banco CTT Group. To understand the direct impacts of the Banco CTT Group on climate change, we disclose the scope 1 GHG emissions:

	2024	2025	Variation (%)
Stationary combustion emissions (tCO <sub>2</sub> e) - Non-ETS	0	0	-
Mobile combustion emissions (tCO <sub>2</sub> e)	642	656	2%
Process emissions (tCO <sub>2</sub> e)	0	0	-
Fugitive emissions (tCO <sub>2</sub> e)	0	0	-
<b>Scope 1 gross GHG emissions (tCO<sub>2</sub>e)</b>	<b>642</b>	<b>656</b>	<b>2%</b>

Scope 1 emissions correspond to mobile combustion, with emissions calculated using the consumption of the company's own passenger car fleet. This consumption (diesel and petrol) is multiplied by the emission factor in the Portuguese Environment Agency's NIR report. The Banco CTT Group is not yet regulated in emissions trading schemes.

Scope 2 GHG emissions refer to indirect emissions from the production of electricity, steam, heat or cold purchased or obtained, consumed by the Banco CTT Group. To understand the indirect impacts on climate change caused by the energy consumed by the Banco CTT Group, the scope 2 GHG emissions are disclosed:

	2024	2025	Variation (%)
Gross Scope 2 GHG emissions based on location (tCO <sub>2</sub> e)	17	10	-43%
Gross market-based scope 2 GHG emissions (tCO <sub>2</sub> e)	0	0	-

Scope 2 emissions correspond to electricity consumption in the Banco CTT Group's administrative buildings and own branches. Based on the market, emissions are zero, since CTT purchases (for the Banco CTT Group) green energy through Guarantee Certificates of Origin. Based on location, the calculation of emissions uses the emission factor of the energy mix of APREN – Associação Portuguesa de Energias Renováveis.

In both scopes, emissions are calculated using an internal calculation platform, and the emission factors used are taken from national databases, to bring emissions closer to the Portuguese reality.

Scope 3 GHG emissions refer to all indirect GHG emissions (not included in scope 2) that occur in the Banco CTT Group's value chain.

In accordance with the information disclosed under ESRS 2.IRO-2 and in line with the application of the phase-in option provided for in the 'quick-fix' delegated act of July 11, 2025, which allows for the omission of certain information provided that it is listed in Appendix C ("List of phased-in Disclosure Requirements") of Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023, Grupo Banco CTT will omit the disclosure of Scope 3 gross greenhouse gas (GHG) emissions under disclosure requirement E1-6.

Below is a total summary of scope 1 and scope 2 GHG emissions:

	2024	2025	Variation (%)
Total location-based GHG emissions (tCO <sub>2</sub> e)	659	666	1%
Total market-based GHG emissions (tCO <sub>2</sub> e)	642	656	2%

With regard to the intensity of GHG emissions per net revenue, the following figures are presented:

	2024	2025	Variation (%)
Net revenues (€)	120870715	133998020	11%
GHG emissions intensity by net revenue, based on location (tCO <sub>2</sub> e/€)	0.000005	0.000005	-9%
GHG emissions intensity per net revenue, market-based (tCO <sub>2</sub> e/€)	0.000005	0.000005	-8%
Do the net revenues used in the calculation of GHG intensity correspond to the total net revenues in the financial statements?	Yes	Yes	-

The figures presented in this topic have not been validated by an external body other than the guarantee provider.

### GHG removals and GHG mitigation projects financed through carbon credits [ESRS E1-7]

During the reporting period, the Banco CTT Group did not establish projects to permanently remove or actively support the removal of GHG from the atmosphere, nor did it acquire carbon credits, so the amounts of GHG removals and storage are zero.

### Internal carbon pricing [ESRS E1-8]

The Banco CTT Group does not apply internal carbon pricing schemes.

### Anticipated financial effects from material physical and transition risks and potential climate-related opportunities [ESRS E1-9]

In accordance with the information disclosed under ESRS 2.IRO-2 and in line with the application of the phase-in option provided for in the 'quick-fix' delegated act of July 11, 2025, which allows for the omission of certain information provided that it is listed in Appendix C ("List of phased-in Disclosure Requirements") of Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023, Grupo Banco CTT will omit the disclosure of the expected financial effects of material physical and transition risks, as well as potential climate-related opportunities, under disclosure requirement E1-9.

## C. SOCIAL INFORMATION

### Own Workforce [ESRS S1]

#### Material impacts, risks and opportunities and their interaction with the strategy and business model [ESRS S1-SBM3]

The information relevant to this topic is described in the previous section called 'Material impacts, risks and opportunities and their interaction with strategy and business model [ESRS 2.SBM-3]' on page 373.

#### Policies related to own workforce [ESRS S1-1]

The Code of Ethics, adopted by the entities of the Grupo Banco CTT, is a guide on how the Group's fundamental values should be translated into the daily actions of all employees. The Group's core values are:

- Primacy of ethics and legal compliance;
- Integrity and transparency;
- No discrimination;
- Promoting gender diversity;
- Independence from political and party influence;
- Human and labour rights;
- Responsibility and sustainability.

The aforementioned Code aims to provide an integrated overview of the Group's stance on issues that have a broad impact on governance and management practices. It also seeks to consolidate a framework of values and actions to guide Employees in their interactions with one another and with other Stakeholders. It is a document shared by all the entities that make up the CTT Group's consolidation perimeter.

The Banco CTT Group's Code of Conduct outlines the rules of professional behaviour that must be followed by all employees, regardless of their contractual relationship, as well as by partners and suppliers, in the execution of their respective activities. It emphasises the importance of maintaining a consistent practice of complete transparency and social and environmental responsibility, in alignment with the provisions of the aforementioned Code of Ethics.

The Code of Good Conduct for the Prevention and Combat of Harassment at Work is designed to fulfil the obligations set out in Article 127(1)(k) of the current Labour Code and to implement the provisions outlined in points 214 and 414 of the CTT and Banco CTT Codes of Conduct. This is done without prejudice to the validity of the internal regulations currently in force within the CTT Group. This Code of Good Conduct establishes principles of action and specific rules for CTT and its subsidiaries, at any given time, which are deemed necessary for preventing and combating harassment in the workplace. These guidelines apply to all individuals working within this business environment, including members of corporate bodies and holders of management and leadership positions, in their interactions with managers, colleagues, and subordinates.

The Remuneration Policy was defined based on a series of objectives aligned with the mission and values of the Banco CTT Group and with the institution's efforts to prevent conflicts of interest and ensure respect for the rights and interests of the consumers of bank products and services, including savings, investment, credit and payments, namely the following:

- a) Attract, motivate and retain highly talented Employees, which enable the creation of long-term value and an increase in the organisation's productivity;
- b) Fostering employee commitment and motivation, and encouraging excellent performance, by acknowledging and rewarding merit, rewarding professional responsibility and ensuring internal equity and external competitiveness;
- c) Creating incentives that ensure a level of risk-taking compatible with the business and risk strategy of each Banco CTT Group company, foster the tolerance and risk culture of the institutions and safeguard sound, prudent risk management by the members of Corporate Bodies, Relevant Employees and all remaining Employees covered by the Policy, albeit not encouraging the taking of risks that exceed the risk level tolerated by the institution;
- d) Creating incentives that promote a solid risk culture, encourage Employees to adopt prudent risk-taking conducts, and ensure the observance of internal rules and procedures;
- e) Ensuring the achievement of the long-term strategic objectives, values and interests of the Banco CTT Group, in alignment with its strategy (namely the Group's business plan, financial model and budget);
- f) Avoiding conflicts of interest, particularly with respect to Employees with Control Functions, Employees Responsible for the Management of Control Functions and Control Function Managers (as defined in section B, below), as well as Employees and Managers responsible for solvency assessment (integrated in a Control Function) and credit decisions ("Credit Employees" and "Credit Managers", respectively);
- g) Promote professional, diligent, honest, loyal, and transparent conduct among Employees in their relationships with customers and other entities, in accordance with the Banco CTT Group's conduct rules, which uphold the rights and interests of customers fairly in the marketing of products and the provision of services.
- h) Creating value in the long run for the shareholders and other stakeholders of the Banco CTT Group

Its own workforce policies are in line with the relevant internationally recognized instruments and comply with the normative and legal provisions applicable to Portugal. In particular, legal provisions regarding trafficking in human beings, forced labour and child labour are considered. The Group adopts remedial measures for possible violations of the human rights of its own workforce, including the implementation of a secure and confidential reporting channel for reporting irregularities.

The commitments listed in various policies respect the principles arising from legal requirements or recommendations contained in relevant instruments, among them:

- Paris Agreement of 2015;
- United Nations Universal Declaration of Human Rights;
- Declaration of the International Labour Organization;
- Sustainable Development Goals (SDGs);
- United Nations Global Compact;
- The Principles for Responsible Investment (PRI);
- Basic Climate Law - Law no. 98/2021, of 31 December;
- Directive 2013/36/EU of the European Parliament and of the Council of June 26 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV - Capital Requirements Directive IV);
- Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26 on prudential requirements for credit institutions and investment firms (CRR - Capital Requirements Regulation);

- Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18 on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation);
- Commission Delegated Regulation (EU) 2021/2178 of July 6, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities and specifying the methodology to comply with that disclosure obligation.

The Banco CTT Group does not have an occupational accident prevention policy or an incident management system. The development of this policy is scheduled to be completed by the end of 2026.

The Diversity Policy applicable to the Group aims to define existing practices regarding respect for diversity, namely discrimination, harassment and the promotion of equal opportunities, diversity and inclusion.

The implementation of these policies ensures a fairer and more inclusive working environment, guaranteeing that cases of discrimination can be prevented through proactive actions, mitigated with effective corrective measures and duly forwarded through accessible reporting channels, which will require transparent response procedures.

### Processes for engaging with own workers and workers' representatives about impacts [ESRS S1-2]

The Banco CTT Group has established clear and open communication channels with its employees, maintaining an environment of proximity and listening, which makes it possible to foster dialog in order to find solutions. There are regular meetings between groups of employees and members of the Executive Board. These meetings are organized by the Human Resources Department and tend to be held monthly. There is no pre-defined list of objectives or issues, leaving freedom for active listening to employees' concerns and suggestions. In addition, some employees are appointed as Family-Responsible Company (EFR) Ambassadors and serve as facilitators for the communication and dissemination of topics related to the EFR certification. Every two years, as part of the performance appraisal process, employees and their managers are interviewed, with room for feedback, definition of training objectives and career progression. The employees of 321 Crédito are covered by a collective bargaining agreement.

The operational responsibility for ensuring that dialogue with employees takes place and that the results serve to inform the Group's approach lies with the Board of Directors. To understand the positions and functions of the members, please refer to the table in ESRS 2.GOV-1.

In all the processes mentioned, there are no criteria for differentiating between employees, so there are no distinct dialogues with particularly vulnerable groups (for example, people with disabilities).

### Processes to remediate negative impacts and channels for own workforce to raise concerns [ESRS S1-3]

The mission of the Human Resources and Social Responsibility Committee is to define, decide on, and monitor Human Resources Policies aimed at fostering the development of people, talent, and social responsibility. Additionally, the Committee supports the Executive Committee in exercising its authority in these areas.

Employees are consulted at various times and through different methods, including performance appraisal interviews (held at least twice a year) and satisfaction surveys on specific topics.

The mission of the Human Resources and Social Responsibility Committee is to define, make decisions about, and monitor Human Resources Policies aimed at promoting the development of people, talent, and social responsibility. In this forum, numerous topics related to employees are presented, discussed and deliberated, within the scope of the competencies described in its regulation. In addition, the process of listening to employees in the double materiality analysis is described in the topic 'Interests and views of stakeholders [ESRS 2.SBM-2]'

The report of any concern regarding illegal and/or inappropriate behaviour must be communicated by the employee: a) in writing and addressed to the Conduct Forum, b) through the form available in the "Conduct Channel" area and on the website of its affiliates; and/or c) verbally, to the Head of the Compliance Function.

The topic 'Corporate culture and business conduct policies [ESRS G1-1]' includes additional information on the Banco CTT Group's mechanisms to mitigate impacts on employees, ensure effective communication and complaint channels, and monitor the resolution of issues with the participation of stakeholders.

### **Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions [ESRS S1-4]**

In 2025, the Mixed Work Regime was maintained and the conditions for a positive experience in the workspace in the Atrium Saldanha building were reinforced, which enables teams to be together on the same floor, reinforcing the desired organisational horizontality and informality that characterises the Group's social environment.

In terms of reconciling employees' professional, personal and family lives, the Banco CTT Group continued to be attentive to their needs, a mission facilitated by the contribution of the EFR Ambassadors team, which has made it possible to strengthen communication between employees and the companies that make up the Group.

The Banco CTT Group offers all middle managers the opportunity to join the Leadership Trust course, a programme that takes place over one year and allows these employees to work on personal development and leadership skills.

To better adapt earnings to their context and time of life, there is a mechanism that allows employees to opt for variable remuneration to be converted into flexible benefits (for example, a social voucher to support childcare costs). The benefits that make up this remuneration instrument are varied and have been improved year after year.

In 2024, the Banco CTT Group conducted a report on the gender pay gap with two objectives: firstly, to examine and analyse in detail the composition of the Bank's remuneration package and 321 Crédito; and to determine the impact of gender, in terms of salary, in functions of equal value; secondly, to enable the two institutions to review and adapt their objectives and actions in light of the results, which serve to correct and prevent situations of pay gap between men and women that may arise in the short, medium, and long term. To date, metrics related to this matter continue to be monitored.

The Banco CTT Group offers a solution called Subsidised Housing Credit that aims to provide employees with more advantageous conditions compared to the general public in variable rate Housing Credit contracts, namely with the attribution of 0% spread financing for the acquisition, construction and works in permanent housing.

The measures referred in this topic are identified by the Human Resources Department, which proposes that they be discussed and/or approved by the Human Resources and Social Responsibility Committee, which plays a key role in monitoring and assessing the effectiveness of these actions.

**Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities [ESRS S1-5]**

The Banco CTT Group aims to attract a diverse range of talent to its workforce, including positions on the Board of Directors, the Audit Committee, and other essential functions. Bearing this objective in mind, one of the targets concerns the promotion of an increase in the number of people of the under-represented gender on the Boards of Directors of Banco CTT and 321 Crédito, the Audit Committee of the Banco CTT Group and the Supervisory Board of 321 Crédito, ensuring that members of the under-represented gender are appointed corresponding to a minimum of 33.3% of the total number of members that make up each Body.

In addition, the Group intends to progressively reduce the pay gap between men and women by incorporating a control into the salary review process, with the basic target being to achieve a pay gap of between -5% and 5% in at least nine job grades.

Finally, the focus on the creation and dissemination of measures that allow the reconciliation between the professional, personal and family life of employees continues to be a priority, and the Banco CTT Group intends that the classification of the new EFR certification increases to B on a possible scale of C, C+ notations, B and B+.

In the context of setting targets and monitoring them, it should be noted that the Human Resources and Social Responsibility Committee is responsible for coordinating and defining the strategic options in terms of Human Resources and Social Responsibility at Banco CTT Group level, as well as monitoring and controlling the gender pay gap on an annual basis.

**Characteristics of the undertaking's employees [ESRS S1-6]**

As of December 31, 2025, the Banco CTT Group has 689 employees (12% more than in the previous year), operating exclusively in Portugal. The characterisation of employees by gender is summarized in the following table:

	2024	2025	Variation (%)
Men	271	292	8%
Women	342	397	16%
Other	0	0	-
Undeclared	0	0	-
<b>Total</b>	<b>613</b>	<b>689</b>	<b>12%</b>

The figures presented can be cross-referenced with the data in Note 8 - Staff Costs in the chapter "Notes to the consolidated financial statements".

Below is a summary of the total number of employees leaving the Group in 2024 and 2025:

	2024	2025	Variation (%)
Employees who left the company during the reporting period	70	83	19%
Total No. of staff members	613	689	12%

Turnover rate	11%	12%	
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The number of permanent and temporary employees in 2025 is broken down by gender:

	Female	Male	Other	Not reported	Total
No. of employees	397	292	0	0	689
No. of permanent employees	365	280	0	0	645
No. of temporary employees	32	12	0	0	44
Number of unguaranteed working hours of employees	0	0	0	0	0

The number of permanent and temporary employees in 2024 is broken down by gender as follows:

	Female	Male	Other	Not reported	Total
No. of employees	342	271	0	0	613
No. of permanent employees	307	251	0	0	558
No. of temporary employees	35	20	0	0	55
Number of unguaranteed working hours of employees	0	0	0	0	0

### Characteristics of non-employee workers in the undertaking's own workforce [ESRS S1-7]

In accordance with the information disclosed under ESRS 2.IRO-2 and in line with the application of the phase-in option provided for in the 'quick-fix' delegated act of July 11, 2025, which allows for the omission of certain information provided that it is listed in Appendix C ("List of phased-in Disclosure Requirements") of Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023, Grupo Banco CTT will omit the disclosure requirements of the European Sustainability Reporting Standard (ESRS) S1-7: Characteristics of non-employee workers in the undertaking's own workforce.

### Social protection [ESRS S1-11]

In accordance with the information disclosed under ESRS 2.IRO-2 and in line with the application of the phase-in option provided for in the 'quick-fix' delegated act of July 11, 2025, which allows for the omission of certain information provided that it is listed in Appendix C ("List of phased-in Disclosure Requirements") of Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023, Grupo Banco CTT will omit the disclosure requirements of the European Sustainability Reporting Standard (ESRS) S1-11: Social protection.

### Training and skills development metrics [ESRS S1-13]

Regarding training and skills development, as well as the number of employees taking part in periodic performance evaluations, we present some quantitative information for the years 2024 and 2025.

A large part of the workforce has been subject to performance appraisals, as shown in the following tables, broken down by gender and professional category:

	2024	2025	Variation (%)
Men (no.)	228	250	10%
Women (no.)	300	348	16%
Other (no.)	0	0	-
Undeclared (no.)	0	0	-
Men (%)	84%	86%	-
Women (%)	88%	88%	-
Other (%)	-	-	-
Undeclared (%)	-	-	-
Total employees Men	271	292	8%
Total employees Women	342	397	16%
Total employees Other	0	0	-
Total number of employees Not declared	0	0	-

	2024	2025	Variation (%)
Directors (no.)	5	5	0%
Senior managers (no.)	22	25	14%
2nd line managers (no.)	44	49	11%
Other Employees (no.)	457	519	14%
Directors (%)	26%	26%	
Senior managers (%)	85%	96%	
2nd line managers (%)	100%	98%	
Other Employees (%)	87%	87%	
<b>Total</b>	<b>528</b>	<b>598</b>	<b>13%</b>

The average number of hours of training per employee rose from 59 hours in 2024 to 51 hours in 2025. The total number of training hours is shown below by gender and professional category:

	2024	2025	Variation (%)
Men	58	43	-25%
Women	61	56	-7%
Other	0	0	-
Undeclared	0	0	-

	2024	2025	Variation (%)
Directors	27	26	-4%
Senior managers	35	23	-35%
2nd line managers	51	38	-24%
Other Employees	61	54	-13%

### Work-life balance metrics [ESRS S1-15]

In accordance with the information disclosed under ESRS 2.IRO-2 and in line with the application of the phase-in option provided for in the 'quick-fix' delegated act of July 11, 2025, which allows for the omission of certain information provided that it is listed in Appendix C ("List of phased-in Disclosure Requirements") of Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023, Grupo Banco CTT will omit the disclosure requirements of the European Sustainability Reporting Standard (ESRS) S1-15: Work-life balance.

### Incidents, complaints and severe human rights impacts [ESRS S1-17]

The number of complaints relating to the Group's own workforce reported through the Conduct Channel or other grievance mechanisms is 2 in 2025, compared to 5 cases in 2024. No amounts relating to fines, monetary sanctions or compensation were recognised.

During the reporting periods of 2024 and 2025, no severe human rights impacts or incidents related to Grupo Banco CTT's own workforce were identified.

### Consumers and End-users [ESRS S4]

#### Consumers and End-users [ESRS S4]

In accordance with the information disclosed under ESRS 2.IRO-2 and in line with the application of the phase-in option provided for in the 'quick-fix' delegated act of July 11, 2025, which allows for the omission of certain information provided that it is listed in Appendix C ("List of phased-in Disclosure Requirements") of Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023, the information specified under the disclosure requirements of the European Sustainability Reporting Standard (ESRS) S4 will be omitted in the present sustainability reporting exercise.

## **D. GOVERNANCE INFORMATION**

### **Business Conduct [ESRS G1]**

#### **The role of the administrative, management and supervisory bodies [ESRS G1-GOV1]**

According to the Articles of Association and its Internal Regulations, the Board of Directors is responsible, among other competences, for adopting an organisational culture that promotes permanent integrated control of the risks to which the Banco CTT Group is exposed, responsible and prudent professional conduct of its employees and members of the management and supervisory bodies, guided by high standards of ethical demand, and that contributes to the sound and prudent management of the institution and to strengthening the levels of trust and reputation of the Bank and the Group, monitoring and evaluating the adequacy and effectiveness of the Group's organisational culture and governance and internal control systems, regularly including issues related to organisational conduct and culture in its meetings.

The members of the Board of Directors possess a solid understanding of the ethical and legal standards that govern the internal governance model, ensuring adherence to best practices and fostering transparency in the Group's operations. Additionally, they have enhanced their risk management skills through training, which are essential for identifying and mitigating potential conflicts of interest, promoting integrity in decision-making processes, and ensuring alignment with corporate values and principles.

The members of the Audit Committee are equipped to effectively monitor the implementation of the business conduct policies set by management and evaluate the effectiveness of the internal control and compliance systems.

With specialized knowledge of ethics and business conduct, the Board of Directors (and necessarily the Executive Committee, as an executive body) and the Audit Committee play a key role in protecting the interests of shareholders and promoting an organisational culture based on responsibility and corporate ethics.

In the course of 2025, the members of the aforementioned bodies underwent various training courses, including the following topics: CTT Group Code of Ethics; BCTT Group Code of Conduct; Policy for the Selection, Designation and Evaluation of the ROC and SROC; Operational Risk; Technological Risk; ESG, Sustainability and Climate Risk in the Financial Sector; Cybersecurity and Information Security Management and EFR Management Model and Conciliation.

Promoting an organisational culture grounded in high ethical standards, which fosters sound and prudent management, is one of the responsibilities assigned to the Audit Committee, as stipulated by law, the Articles of Association, and the relevant Internal Regulations. The Audit Committee is responsible for evaluating and issuing an opinion on an annual basis regarding the adequacy and effectiveness of the organisational culture and the governance and internal control systems of the Banco CTT Group.

#### **Description of the processes to identify and assess material impacts, risks and opportunities [ESRS G1-IRO1]**

The information relevant to this topic is described in the previous point 'Description of the processes to identify and assess material impacts, risks and opportunities [ESRS 2.IRO-1]' on page 376.

### Corporate culture and business conduct policies [ESRS G1-1]

The CTT Group's Code of Ethics, as adopted by Grupo Banco CTT, consolidates the principles that guide the organisation's ethical culture, reinforcing the commitment to integrity, transparency and good internal governance practices. Ethics is seen as an essential pillar for stakeholder trust and business sustainability. The content of this code emphasises the increasing importance of the ESG agenda and the CTT Group's membership in the United Nations Global Compact, reinforcing its commitment to contributing to the Sustainable Development Goals (SDGs) and to developing sustainable financing solutions.

The principles and rules set forth in the Code of Ethics provide employees with clear guidelines for their conduct and decision-making. The application of the Code extends to all employees, suppliers, and partners, ensuring a consistent ethical standard across the board. Additionally, top management plays a crucial role in promoting these values through their example and by implementing measures that ensure compliance with the established guidelines. The commitment to ethics and transparent, principled governance models is regarded as vital for the ongoing sustainability and growth of the Banco CTT Group, enhancing its reputation and institutional relationships.

The Grupo Banco CTT Code of Conduct establishes the standards of professional conduct applicable to employees, partners and suppliers, promoting transparency and social and environmental responsibility, in alignment with the aforementioned CTT Group Code of Ethics. The Code of Conduct sets out the organisation's core ethical guidelines, reinforcing the mitigation of risks related to error and fraud and fostering an organisational culture grounded in principles of integrity. Compliance with the Code is mandatory for all employees, regardless of their contractual relationship, with senior management and line management being responsible for exemplifying and disseminating its principles. Professional conduct is required to adhere to high standards of ethics, respect for applicable legislation, a prudent risk culture, and integrity and transparency in relationships with clients and other stakeholders.

In addition, the Board of Directors and the Audit Committee play crucial roles in promoting an ethical and responsible organizational culture, ensuring careful management and reinforcing the trust and reputation of the Banco CTT Group. They must guarantee the implementation of internal governance standards and foster an environment of dialogue on strategy and risks. In addition, they have a duty to regularly inform employees about the institution's risk tolerance level, ensuring that everyone understands their responsibilities in risk management and control.

Within the sphere of ethical conduct, employees and members of all corporate bodies of Grupo Banco CTT are required to comply with legal and internal rules in transactions with related parties, ensuring that such transactions are carried out under market conditions and with due regard for the principles of transparency and fair competition. In the relationship with customers, they must act with diligence, impartiality and transparency, protecting the assets in custody and ensuring clear and complete information about products and services. The Banco CTT Group is committed to strictly adhering to contractual conditions and ensuring that complaints are handled objectively and promptly. In relationships with suppliers, adherence to ethical standards equivalent to those of the Group is required. Finally, all Group entities must collaborate with supervisory authorities and ensure full compliance with legal and regulatory standards in the financial sector.

The Banco CTT Group also promotes strict measures against money laundering, corruption and conflicts of interest, prohibiting any practice that could compromise its integrity.

Disclosure and misuse of inside information is forbidden, as is market manipulation. Employees must avoid business relationships that could interfere with institutional impartiality and follow strict rules on receiving gifts and benefits. Finally, all marketing and advertising practices must be truthful and comply with applicable regulations.

The Banco CTT Group drafted and disseminates the Code of Good Conduct of CTT and Subsidiaries for the prevention and combating of harassment at work, which complies with the legal provisions of the Labour Code, reinforced by Law No. 73/2017. This policy is applicable to all employees, without exception, and sets out the principles and rules for a healthy work environment. In essence, this code represents a zero-tolerance policy towards harassment, defining it as any unwelcome behaviour that creates a hostile or humiliating environment, including sexual harassment. Potential victims or witnesses should report cases to the Ethics Committee or the competent bodies. The communication model ensures confidentiality and impartiality. However, accusations that are proven to be false are subject to disciplinary action. The Code of Good Conduct for preventing and combating harassment at work is disseminated internally, in digital format, and through mandatory training sessions.

The Banco CTT Group adopts a rigorous approach to preventing and dealing with irregularities, ensuring compliance with legal and regulatory requirements. The General Regime for Credit Institutions and Financial Companies (RGICSF) and the European Banking Authority (EBA) Guidelines on Internal Governance (EBA/GL/2021/05) require credit institutions to implement autonomous and independent mechanisms for receiving, processing and archiving complaints relating to:

- Administration, accounting organization and internal oversight, including serious breaches of regulatory duties, tampering with financial records, and involvement in financial crimes such as corruption or insider trading;
- Violations of ethical values and professional conduct, including breaches of the Code of Conduct, the Code of Good Conduct for Preventing and Combating Harassment at Work, and other internal policies of the Banco CTT Group.

The Banco CTT Group Code of Conduct establishes the existence of specific mechanisms for reporting irregularities within the scope of the activity of the Bank and its subsidiaries. The Whistleblowing Policy regulates the procedures for receiving, processing and filing these complaints, covering intentional or negligent actions or omissions attributable to employees, members of the Board of Directors and the Audit Committee, or third parties whose conduct may affect the Group's activity.

Complaints may be made by members of the corporate bodies and employees of the Banco CTT Group, as well as by interested third parties, including shareholders, partners, suppliers, service providers and customers, even if the professional relationship has ended.

The communication channels available are:

- Postal mail - addressed to the Conduct Forum, using the address of the headquarters of the respective entity.
- Online Conduct Channel - form available on the websites of Banco CTT and its subsidiaries.
- Verbal communication - directly to the Head of the Compliance Function of each entity.

Communications are received and analysed in accordance with the approved internal process, guaranteeing confidentiality and compliance with applicable legal standards.

The whistleblowing reporting model ensures the protection of the whistleblower, and the confidentiality of the information provided. The Banco CTT Group is committed to ensuring that no retaliation is taken against anyone who, in good faith, reports an irregularity or cooperates in an investigation. It strictly prohibits practices such as dismissal, suspension, or reduction of duties; threats, harassment, or discrimination; and the withholding of wages or benefits. Reports of irregularities cannot, in themselves, lead to any disciplinary, civil,

or criminal proceedings against the whistleblower, except in cases of deliberately false or clearly unfounded allegations.

The Banco CTT Group's Irregularity Reporting Policy complies with the requirements set out in Law No. 93/2021, of 20 December, on the protection of whistleblowers, as well as in Decree-Law No. 109-E/2021, of 9 December, which defines the general regime for the prevention of corruption.

The governance structure associated with the Conduct Channel is made up of:

- Audit Committee - responsible for receiving, registering and making the final decision on complaints, including the possible closing of cases.
- Compliance Department - responsible for managing the Conduct Channel.
- Conduct Forum - responsible for handling communications, and composed of the Bank's Compliance, Internal Audit and Risk Directors, and a member of the Audit Committee, who chairs the Forum and has a casting vote.

If a report of an irregularity is deemed significant enough to warrant an internal investigation, the Conduct Forum appoints an independent internal body (separate from the management chain involved in the complaint) or engages an external entity to conduct the investigation.

This body or entity is responsible for impartially analysing documentation, assessing the existence of the irregularity, and preparing reports.

All employees of the Banco CTT Group are required to undergo mandatory training on the "Code of Conduct" and the "Code of Good Conduct for Preventing and Combating Harassment at Work". These training sessions include specific content regarding the communication channels available for reporting irregularities. The Banco CTT Group's Corruption Prevention Plan (CPP) did not identify any areas of activity exposed to high or very high risks in its risk matrix.

The Board of Directors is responsible for approving the Policies, ensuring that they are properly implemented and periodically reviewed.

### **Prevention and detection of corruption and bribery [ESRS G1-3]**

The Banco CTT Group categorically rejects the practice of any form of corruption, bribery or other related infractions, considering them unacceptable and contrary to the ethical standards and norms that guide its activity. It is committed to disseminating values of integrity among its employees, investing in training and the dissemination of internal policies. This approach aims to ensure correct understanding and internalisation, to guarantee involvement and commitment to the other fundamental principles and rules, while ensuring strict confidentiality in the treatment of reported situations.

Reported cases of corruption are dealt with by the Conduct Forum. It is evident that bribery, corruption, and related offences can expose the Banco CTT Group and its employees to criminal and regulatory liability, resulting in significant harm to its reputation and financial standing.

The Banco CTT Group acknowledges its responsibilities towards employees, customers, partners, supervisory authorities, and the wider community, and is committed to conducting its activities with integrity and transparency. This commitment aims to maintain the absolute trust that underpins the Group's reputation and financial health.

The Banco CTT Group's Policy for Preventing and Combating Corruption complements the principles and rules of conduct outlined in the CTT Group's Code of Conduct and Code of Ethics. It is also aligned with specific internal policies, including those related to Transactions with Related Parties, Prevention of Conflicts of Interest, Reporting Irregularities, and Outsourcing.

This policy applies to all Banco CTT Group employees, regardless of their hierarchical level, and is part of the Plan for the Prevention of Corruption Risks and Related Infractions.

The principles described in the Policy for the Prevention and Fight against Corruption promote upright, socially responsible, transparent, professional and ethical behaviour, respecting the current regulatory framework. The Banco CTT Group expects its employees to adhere to these standards not only in the performance of their duties, but also in their personal lives, adopting irreproachable ethical behaviour, and aims for third parties with whom it engages to follow the same standards.

In addition, the Banco CTT Group has established an internal control and risk management system based on the three-line of defence model, which aims to identify, assess, monitor and mitigate the risks to which the group's companies are exposed, including those related to corruption and related infractions.

The Banco CTT Group ensures continuous training and updates for all employees on matters related to corruption. It guarantees timely communication of any changes to the Policy and reinforces important aspects through targeted communications and, training, as necessary. The topic of corruption is addressed in training courses on the "Code of Ethics" and the "Code of Conduct".

The entities comprising the Banco CTT Group must always provide the Policy for Preventing and Combating Corruption - either in physical or digital form - to all parties with whom they have business relationships, including Credit Intermediaries, Consultants, Partners, Suppliers, and Service Providers.

The Policy for Preventing and Combating Corruption is permanently accessible on the websites of each Banco CTT Group entity and on the respective internal portal. This accessibility aims to ensure that employees understand the prohibited behaviours and refrain from engaging in them. If employees suspect acts that may constitute corruption, bribery or related offenses, they are obliged to report them through the Conduct Channel, as established in the Banco CTT Group's Whistleblowing Policy.

In line with what is described in topic 'Policies adopted to manage material sustainability matters [ESRS 2. MDR-P]', no information is disclosed on the financial resources allocated to the implementation of the aforementioned policies.

### **Confirmed incidents of corruption or bribery [ESRS G1-4]**

In 2024 and 2025, the Banco CTT Group did not record any situation related to corruption and bribery and there were no convictions for anti-corruption and anti-bribery offenses, so there were no related fines or penalties.

## E. ANNEXES

### Annex 1 – Disclosure requirements corresponding to subthemes assessed as material

#### ESRS 2 – General Disclosures

DR	Description	Location
BP-1	General basis for preparation of the sustainability statements	Page 366
BP-2	Disclosures in relation to specific circumstances	Page 366
GOV-1	The role of the administrative, management and supervisory bodies	Page 368
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Page 369
GOV-3	Integration of sustainability-related performance in incentive schemes	Page 369
GOV-4	Statement on due diligence	Page 370
GOV-5	Risk management and internal controls over sustainability reporting	Page 370
SBM-1	Strategy, business model and value chain	Page 371
SBM-2	Interests and views of stakeholders	Page 372
SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	Page 373
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Page 376
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Page 378
MDR-P	Policies adopted to manage material sustainability matters	Page 379

#### ESRS E1 – Climate Change

DR	Description	Location
E1-GOV3	Integration of sustainability-related performance in incentive schemes	Page 369, 383
E1-1	Transition plan for climate change mitigation	Page 383
E1-SBM3	Material impacts, risks and opportunities and their interaction with the strategy and business model	Page 373, 383
E1-IRO1	Description of the processes to identify and assess material impacts, risks and opportunities	Page 376, 384
E1-2	Policies related to climate change mitigation and adaptation	Page 384
E1-3	Actions and resources related to climate change policies	Page 384
E1-4	Targets related to climate change mitigation and adaptation	Page 384
E1-5	Energy consumption and mix	Page 385
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Page 385
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Page 387
E1-8	Internal carbon pricing	Page 387
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Page 387

**ESRS S1 – Own workforce**

DR	Description	Location
S1-SBM3	Material impacts, risks and opportunities and their interaction with the strategy and business model	Page 373, 388
S1-1	Policies related to own workforce	Page 388
S1-2	Processes for engaging with own workers and workers' representatives about impacts	Page 390
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	Page 390
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Page 391
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Page 392
S1-6	Characteristics of the undertaking's employees	Page 392
S1-7	Characteristics of self-employed employees in the company's own workforce	Page 393
S1-11	Social protection	Page 393
S1-13	Training and skills development metrics	Page 393
S1-15	Work-life balance metrics	Page 395
S1-17	Incidents, complaints and severe human rights impacts	Page 395

**ESRS S4 – Consumers and end-users**

DR	Description	Location
S4-SBM2	Interests and views of stakeholders	Page 395
S4-SBM3	Material impacts, risks and opportunities and their interaction with the strategy and business model	Page 373
S4-1	Policies related to consumers and end users	Page 395
S4-2	Processes for engaging with consumers and end-users about impacts	Page 395
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Page 395
S4-4	Adoption of measures on significant impacts on consumers and end-users, and approaches to manage material risks and seek material opportunities related to consumers and end-users, and effectiveness of such actions.	Page 395
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Page 395

**ESRS G1 – Business conduct**

DR	Description	Location
G1-GOV1	The role of the administrative, management and supervisory bodies	Page 368, 396
G1-IRO1	Description of the processes to identify and assess material impacts, risks and opportunities	Page 376, 396
G1-1	Corporate culture and business conduct policies	Page 397
G1-3	Prevention and detection of corruption and bribery	Page 399
G1-4	Confirmed incidents of corruption or bribery	Page 400

## Annex 2 – Data points from ESRS 2 and thematic ESRS emanating from other European Union legislation

Caption: ■ applicable / □ not applicable

Disclosure requirement and respective data point	SFRD	Pillar 3	Reference Indexes Regulation	European Climate Law	Report or page
ESRS 2 GOV 1: Board's gender diversity, paragraph 21(d)	■	□	■	□	368
ESRS 2 GOV 1: Percentage of board members who are independent, paragraph 21(e)	□	□	■	□	368
ESRS 2 GOV 4: Statement on due diligence, paragraph 30	■	□	□	□	370
ESRS 2 SBM 1: Involvement in activities related to fossil fuel activities, paragraph 40(d)(i)	■	■	■	□	--
ESRS 2 SBM 1: Involvement in activities related to chemical production, paragraph 40(d)(ii)	■	□	■	□	--
ESRS 2 SBM 1: Involvement in activities related to controversial weapons, paragraph 40(d)(iii)	■	□	■	□	--
ESRS 2 SBM 1: Involvement in activities related to cultivation and production of tobacco, paragraph 40(d)(iv)	□	□	■	□	--
ESRS E11: Transition plan to reach climate neutrality by 2050, paragraph 14	□	□	□	■	--
ESRS E11: Undertakings excluded from Paris aligned Benchmarks, paragraph 16(g)	□	■	■	□	--
ESRS E14: GHG emission reduction targets, paragraph 34	■	■	■	□	--
ESRS E15: Energy consumption from non renewable sources disaggregated by sources (only high climate impact sectors), paragraph 38	■	□	□	□	--
ESRS E15: Energy consumption and energy mix, paragraph 37	■	□	□	□	385
ESRS E15: Energy intensity associated with activities in high climate impact sectors, paragraphs 10–43	■	□	□	□	--
ESRS E16: Gross Scope 1, 2, 3 and total GHG emissions, paragraph 44	■	■	■	□	385
ESRS E16: Gross GHG emissions intensity, paragraphs 10–55	■	■	■	□	385
ESRS E17: GHG removals and carbon credits, paragraph 56	□	□	□	■	--
ESRS E19: Exposure of the benchmark portfolio to climate related physical risks, paragraph 66	□	□	■	□	--
ESRS E1-9: Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66(a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66(c).	□	■	□	□	--
ESRS E1-9: Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67(c)	□	■	□	□	--
ESRS E1-9: Degree of exposure of the portfolio to climate-related opportunities, paragraph 69	□	□	■	□	--
ESRS E2-4: Quantity of each pollutant listed in Annex II of the EPTR (European Pollutant Release and Transfer Register) Regulation emitted into air, water and soil, paragraph 28.	■	□	□	□	--
ESRS E3-1: Water and marine resources, paragraph 9	■	□	□	□	--

Disclosure requirement and respective data point	SFRD	Pillar 3	Reference Indexes Regulation	European Climate Law	Report or page
ESRS E3-1: Dedicated policy, paragraph 13	■	□	□	□	--
ESRS E3-1: Sustainable oceans and seas, paragraph 14	■	□	□	□	--
ESRS E3 4: Total water recycled and reused, paragraph 28(c)	■	□	□	□	--
ESRS E3 4: Total water consumption in m <sup>3</sup> per net revenue from own operations, paragraph 29	■	□	□	□	--
ESRS 2 SBM3 E4, paragraph 16(a)(i)	■	□	□	□	--
ESRS 2 SBM3 E4, paragraph 16(b)	■	□	□	□	--
ESRS 2 SBM3 E4, paragraph 16(c)	■	□	□	□	--
ESRS E4 2: Sustainable land/agricultural practices or policies, paragraph 24(b)	■	□	□	□	--
ESRS E4 2: Sustainable oceans/seas practices or policies, paragraph 24(c)	■	□	□	□	--
ESRS E4 2: Policies to address deforestation, paragraph 24(d)	■	□	□	□	--
ESRS E5 5: Non recycled waste, paragraph 37(d)	■	□	□	□	--
ESRS E5 5: Hazardous waste and radioactive waste, paragraph 39	■	□	□	□	--
ESRS 2 SBM3 S1: Risk of incidents of forced labour, paragraph 14(f)	■	□	□	□	--
ESRS 2 SBM3 S1: Risk of incidents of child labour, paragraph 14(g)	■	□	□	□	--
ESRS S11: Human rights policy commitments, paragraph 20	■	□	□	□	388
ESRS S11: Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 21	□	□	■	□	388
ESRS S11: Processes and measures for preventing trafficking in human beings, paragraph 22	■	□	□	□	--
ESRS S11: Workplace accident prevention policy or management system, paragraph 23	■	□	□	□	--
ESRS S13: Grievance / complaints handling mechanisms, paragraph 32(c)	■	□	□	□	390
ESRS S114: Number of fatalities and number and rate of work related accidents, paragraph 88(b)(c)	■	□	■	□	--
ESRS S114: Number of days lost to injuries, accidents, fatalities or illness, paragraph 88(e)	■	□	□	□	--
ESRS S116: Unadjusted gender pay gap and weighted average gender pay gap, paragraph 97(a)	■	□	■	□	--
ESRS S116: Excessive CEO pay ratio, paragraph 97(b)	■	□	□	□	--
ESRS S117: Incidents of discrimination, paragraph 103(a)	■	□	□	□	395
ESRS S117: Violations of the United Nations Guiding Principles on Business and Human Rights and OECD Guidelines, paragraph 104(a)	■	□	■	□	395
ESRS 2 SBM3 S2: Significant risk of child labour or forced labour in the value chain, paragraph 11(b)	■	□	□	□	--
ESRS S2 1: Human rights policy commitments, paragraph 17	■	□	□	□	--
ESRS S2 1: Policies related to value chain workers, paragraph 18	■	□	□	□	--
ESRS S2 1: Violations of the United Nations Guiding Principles on Business and Human Rights and OECD Guidelines, paragraph 104(a)	■	□	■	□	--

Disclosure requirement and respective data point	SFRD	Pillar 3	Reference Indexes Regulation	European Climate Law	Report or page
ESRS S2-1: Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 19	<input type="checkbox"/>	<input type="checkbox"/>	■	<input type="checkbox"/>	--
ESRS S2-4: Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	■	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	--
ESRS S3-1: Human policy commitments, paragraph 16	■	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	--
ESRS S3-1: Violations of UNGC and ILO principles, and OECD guidelines, paragraph 17	■	<input type="checkbox"/>	■	<input type="checkbox"/>	--
ESRS S3-4: Human rights issues and incidents, paragraph 36	■	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	--
ESRS S4-1: Policies related to consumers and end-users, paragraph 16	■	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	--
ESRS S4-1: Violations of UNGC and ILO principles, and OECD guidelines, paragraph 17	■	<input type="checkbox"/>	■	<input type="checkbox"/>	--
ESRS S4-4: Human rights issues and incidents, paragraph 35	■	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	--
ESRS G1-1: United Nations Convention against Corruption, paragraph 10(b)	■	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	397
ESRS G1-1: Protection of whistleblowers, paragraph 10(d)	■	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	397
ESRS G1-4: Fines for violations of anti-corruption and anti-bribery laws, paragraph 24(a)	■	<input type="checkbox"/>	■	<input type="checkbox"/>	400
ESRS G1-4: Standards of anti-corruption and anti-bribery laws, paragraph 24(b)	■	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	400

**Annex 3 – Reporting tables for Delegated Regulation (EU) 2023/2486**

Template 0: Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

Disclosure reference date/period t: 31<sup>st</sup> December 2025

(values in thousands of euros)

		Total exposure to Taxonomy-aligned activities (currency)		KPI <sup>(1)</sup> (%)		% coverage (over total assets) <sup>(3)</sup> (%)	Non-assessed exposures (% of covered assets) <sup>(4)</sup> (%)	
		Turnover-based	CapEx-based	Turnover-based	CapEx-based		Turnover-based	CapEx-based
Main KPI	Green asset ratio (GAR) stock	154 161	154 161	8%	8%	40%	0%	0%
Additional KPIs	GAR (flow)	69 365	69 365	12%	12%	25%	0%	0%
	Trading book	n.a.	n.a.	n.a.	n.a.			
	Financial guarantees	0	0	-	-			
	Assets under management	0	0	-	-			
	Fees and commissions income <sup>(5)</sup>	n.a.	n.a.	n.a.	n.a.			

(1) Based on the Turnover KPI of the counterparty.

(2) Based on the CapEx KPI of the counterparty.

(3) % of assets covered by the KPI over banks' total assets.

(4) In accordance with Article 7(8) of this Regulation.

(5) Fee and commission income from services other than lending and AuM.

Template 1.1: Assets for the calculation of GAR

Disclosure reference date/period t: 31<sup>st</sup> December 2025

Stock (values in thousands of euros)	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures	Of which financing non-material activities of counterparties <sup>(1)</sup>	Of which exposures financing counterparties reporting in accordance with Article 7 (9)	Of which not assessed considered non-material by the credit institution <sup>(2)</sup>
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)							
<b>GAR - Covered assets in both numerator and denominator</b>	<b>1 994 804</b>	<b>1 994 804</b>	<b>154 161</b>	<b>154 161</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>154 161</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation</b>	<b>1 994 804</b>	<b>1 994 804</b>	<b>154 161</b>	<b>154 161</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>154 161</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial undertakings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0
<b>Non-financial undertakings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0			0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0			0
Equity instruments	0	0	0	0	0	0	0	0	0		0	0	0			0
<b>Households</b>	<b>1 994 804</b>	<b>1 994 804</b>	<b>154 161</b>	<b>154 161</b>	<b>0</b>		<b>0</b>			<b>154 161</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
of which loans collateralised by residential immovable property	966 181	966 181	69 090	69 090	0		0			69 090	0	0	0	0		0
of which building renovation loans	0	0	0	0	0		0			0	0	0	0			0
of which motor vehicle loans	1 028 622	1 028 622	85 071	85 071						85 071	0	0	0	0		0
<b>Local governments financing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Housing financing	0	0	0	0	0		0			0	0	0	0			0
Other local government financing	0	0	0	0	0		0			0	0	0	0			0
<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Exposures included on a voluntary basis <sup>(3)</sup></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total GAR assets</b>	<b>1 994 804</b>												<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Stock (values in thousands of euros)	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures	Of which financing non-material activities of counterparties <sup>(1)</sup>	Of which exposures financing counterparties reporting in accordance with Article 7 (9)	Of which not assessed considered non-material by the credit institution <sup>(2)</sup>
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)							
<b>Assets not covered for GAR calculation</b>	<b>3 005 704</b>															
<b>Central governments and Supranational issuers</b>	<b>2 048 437</b>															
<b>Central banks exposure</b>	<b>0</b>															
<b>Trading book</b>	<b>0</b>															
<b>Undertakings and entities not subject to CSRD</b>	<b>0</b>															
SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	0															
Loans and advances	0															
of which loans collateralised by commercial immovable property	0															
of which building renovation loans	0															
Debt securities	0															
Equity instruments	0															
Non-EU country counterparties not subject to CSRD disclosure obligations	0															
Loans and advances	0															
Debt securities	0															
Equity instruments	0															
<b>Derivatives</b>	<b>7 411</b>															
<b>On demand interbank loans</b>	<b>0</b>															
<b>Cash and cash-related assets</b>	<b>706 912</b>															
<b>Other categories of assets (e.g. Goodwill, commodities etc.)</b>	<b>242 943</b>															
<b>Total assets</b>	<b>5 000 507</b>															
<b>Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments</b>																
Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

(1) In accordance with Article 7(8)(a) and (b) of this Regulation.

(2) In accordance with Article 4(1a) of this Regulation.

(3) In accordance with Article 7(3) of this Regulation.

Template 1.2: Assets for the calculation of GAR (flow)

Disclosure reference date/period t: 31<sup>st</sup> December 2025

Flow (values in thousands of euros)	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures	Of which financing non-material activities of counterparties <sup>(1)</sup>	Of which exposures financing counterparties reporting in accordance with Article 7 (9)	Of which not assessed considered non-material by the credit institution <sup>(2)</sup>
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)							
<b>GAR - Covered assets in both numerator and denominator</b>	<b>579 359</b>	<b>579 359</b>	<b>69 365</b>	<b>69 365</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>69 365</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation</b>	<b>579 359</b>	<b>579 359</b>	<b>69 365</b>	<b>69 365</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>69 365</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial undertakings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0
<b>Non-financial undertakings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0			0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0			0
Equity instruments	0	0	0	0	0	0	0	0	0		0	0	0			0
<b>Households</b>	<b>579 359</b>	<b>579 359</b>	<b>69 365</b>	<b>69 365</b>	<b>0</b>		<b>0</b>			<b>69 365</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
of which loans collateralised by residential immovable property	255 896	255 896	16 230	16 230	0		0			16 230	0	0	0	0		0
of which building renovation loans	0	0	0	0	0		0			0	0	0	0			0
of which motor vehicle loans	323 462	323 462	53 135	53 135						53 135	0	0	0	0		0
<b>Local governments financing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>
Housing financing	0	0	0	0	0		0			0	0	0	0			0
Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0			0
<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>
<b>Exposures included on a voluntary basis <sup>(3)</sup></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>
<b>Total GAR assets</b>	<b>579 359</b>												<b>0</b>	<b>0</b>		<b>0</b>

Flow (values in thousands of euros)	Total [gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures	Of which financing non-material activities of counterparties <sup>(1)</sup>	Of which exposures financing counterparties reporting in accordance with Article 7 (9)	Of which not assessed considered non-material by the credit institution <sup>(2)</sup>
				Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)							
<b>Assets not covered for GAR calculation</b>	<b>1 740 309</b>															
<b>Central governments and Supranational issuers</b>	<b>1 025 986</b>															
Central banks exposure	0															
Trading book	0															
<b>Undertakings and entities not subject to CSRD</b>	<b>0</b>															
SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	0															
Loans and advances	0															
of which loans collateralised by commercial immovable property	0															
of which building renovation loans	0															
Debt securities	0															
Equity instruments	0															
Non-EU country counterparties not subject to CSRD disclosure obligations	0															
Loans and advances	0															
Debt securities	0															
Equity instruments	0															
<b>Derivatives</b>	<b>7 411</b>															
<b>On demand interbank loans</b>	<b>0</b>															
<b>Cash and cash-related assets</b>	<b>706 912</b>															
<b>Other categories of assets (e.g. Goodwill, commodities etc.)</b>	<b>0</b>															
<b>Total assets</b>	<b>2 319 668</b>															
<b>Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments</b>																
Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

(1) In accordance with Article 7(8)(a) and (b) of this Regulation.

(2) In accordance with Article 4(1a) of this Regulation.

(3) In accordance with Article 7(3) of this Regulation.

## Template 2: GAR sector information

**Disclosure reference date/period t:** 31<sup>st</sup> December 2025

Breakdown by sector - NACE 4 digits level (values in thousands of euros)	Total [Gross] carrying amount	Of which Taxonomy- eligible	Of which Taxonomy- aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
8299 - Other business support service activities	0	0	0	0	0	0	0	0	0
9609 - Other personal service activities	0	0	0	0	0	0	0	0	0
Nuclear activities <sup>(1)</sup>	0	0	0						
Fossil gas activities <sup>(2)</sup>	0	0	0						
Of which non-assessed exposures <sup>(3)</sup>	0								

(1) Referred to in Sections 4.26, 4.27 and 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139.

(2) Referred to in Sections 4.29, 4.30 and 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139.

(3) In accordance with Article 7(8) of this Regulation.



Disclosure reference date/period t: 31<sup>st</sup> December 2025

% (compared to corresponding total covered assets in the denominator)	Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Non-assessed exposures <sup>(1)</sup>
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)					
<b>GAR - Covered assets in both numerator and denominator</b>	100%	8%	8%	0%	0%	0%	0%	0%	8%	0%	0%	8%	0%
<b>Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation</b>	<b>100%</b>	<b>8%</b>	<b>8%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>8%</b>	<b>0%</b>	<b>0%</b>	<b>8%</b>	<b>0%</b>
<b>Financial undertakings</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%		0%	0%	0%	0%
<b>Non-financial undertakings</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%		0%	0%	0%	0%
<b>Households</b>	<b>100%</b>	<b>8%</b>	<b>8%</b>	<b>0%</b>		<b>0%</b>			<b>8%</b>	<b>0%</b>	<b>0%</b>	<b>8%</b>	<b>0%</b>
of which loans collateralised by residential immovable property	100%	7%	7%	0%		0%			7%	0%	0%	7%	0%
of which building renovation loans	0%	0%	0%	0%		0%			0%	0%	0%	0%	0%
of which motor vehicle loans	100%	8%	8%						8%	0%	0%	8%	0%
<b>Local governments financing</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Housing financing	0%	0%	0%	0%		0%			0%	0%	0%	0%	0%
Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>		0%			0%	0%	0%	0%	0%
<b>Exposures included on a voluntary basis <sup>(2)</sup></b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>		0%			0%	0%	0%	0%	
<b>GAR - Total GAR assets</b>	<b>100%</b>	<b>8%</b>	<b>8%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>8%</b>	<b>0%</b>	<b>0%</b>	<b>8%</b>	<b>0%</b>

(1) In accordance with Article 7(8) of this Regulation.

(2) In accordance with Article 7(3) of this Regulation.



Disclosure reference date/period t: 31<sup>st</sup> December 2025

% (compared to corresponding total covered assets in the denominator)	Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Non-assessed exposures <sup>(1)</sup>
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)					
<b>GAR - Covered assets in both numerator and denominator</b>	100%	12%	12%	0%	0%	0%	0%	0%	12%	0%	0%	12%	0%
<b>Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation</b>	<b>100%</b>	<b>12%</b>	<b>12%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>12%</b>	<b>0%</b>	<b>0%</b>	<b>12%</b>	<b>0%</b>
<b>Financial undertakings</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%		0%	0%	0%	0%
<b>Non-financial undertakings</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Equity instruments	0%	0%	0%	0%	0%	0%	0%	0%		0%	0%	0%	0%
<b>Households</b>	<b>100%</b>	<b>12%</b>	<b>12%</b>	<b>0%</b>		<b>0%</b>			<b>12%</b>	<b>0%</b>	<b>0%</b>	<b>12%</b>	<b>0%</b>
of which loans collateralised by residential immovable property	100%	6%	6%	0%		0%			6%	0%	0%	6%	0%
of which building renovation loans	0%	0%	0%	0%		0%			0%	0%	0%	0%	0%
of which motor vehicle loans	100%	16%	16%						16%	0%	0%	16%	0%
<b>Local governments financing</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Housing financing	0%	0%	0%	0%		0%			0%	0%	0%	0%	0%
Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>		0%			0%	0%	0%	0%	0%
<b>Exposures included on a voluntary basis (2)</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>		0%			0%	0%	0%	0%	
<b>GAR - Total GAR assets</b>	<b>100%</b>	<b>12%</b>	<b>12%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>12%</b>	<b>0%</b>	<b>0%</b>	<b>12%</b>	<b>0%</b>

(1) In accordance with Article 7(8) of this Regulation.

(2) In accordance with Article 7(3) of this Regulation.

Template 5: KPI off-balance sheet exposures

Disclosure reference date/period t: 31<sup>st</sup> December 2025

% (compared to corresponding total covered assets in the denominator)	Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures <sup>(1)</sup>
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)				
Financial guarantees (FinGuar KPI)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Assets under management (AuM KPI)	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

(1) In accordance with Article 7(8) of this Regulation.

**F. INDEPENDENT LIMITED ASSURANCE REPORT ON SUSTAINABILITY REPORTING**

(Translation from the original Portuguese language. In case of doubt, the Portuguese version prevails)

## Independent Limited Assurance Report on the Consolidated Sustainability Reporting

To the Management  
Banco CTT, S.A.

### Limited assurance conclusion

We have conducted a limited Assurance engagement on the Consolidated Sustainability Reporting of Banco CTT, S.A. (the “Group”) included in section “Sustainability Statement” of the Annual Report (the “Consolidated Sustainability Reporting”), as at 31 December 2025 and for the period from 1 January to 31 December 2025.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Reporting is not prepared, in all material respects, in compliance with:

- ▶ The European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported on the Consolidated Sustainability Reporting (the “Process”) is in accordance with the description set out in note Description of the processes to identify and assess material impacts, risks and opportunities [ESRS 2.IRO-1]; and
- ▶ The disclosures laid down in Article 8 of Regulation (EU) 2020/852 (the “Taxonomy Regulation”) included in subsection subsecção “Taxonomy Regulation” within the section “B. Environmental Information” of the Consolidated Sustainability Reporting.

### Basis for conclusion

Our limited assurance engagement was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information”, issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants and other technical standards and recommendations issued by the Portuguese Institute of Statutory Auditors (Ordem dos Revisores Oficiais de Contas).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) standards are further described in section “Responsibilities of the Auditor”.

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

### Quality and Independence

We apply the International Standard on Quality Management ISQM 1, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA) and of the Ordem dos Revisores Oficiais de Contas’ Code of ethics (OROC).

## Responsibilities of the Management for the Consolidated Sustainability Reporting

Management of the Group is responsible for designing, implementing and maintaining a Process to identify the information reported in the Consolidated Sustainability Reporting in accordance with the ESRS and for disclosing this Process in note Description of the processes to identify and assess material impacts, risks and opportunities [ESRS 2.IRO-1] of the Consolidated Sustainability Reporting. This responsibility includes:

- ▶ Understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- ▶ The identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- ▶ The assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- ▶ The selection and adoption of methods and making assumptions that are reasonable in the circumstances.

Management of the Group is further responsible for:

- ▶ The preparation of the Consolidated Sustainability Reporting in compliance with the ESRS;
- ▶ The preparation of the disclosures in subsection "Taxonomy Regulation" within the section B. Environmental Information of the Consolidated Sustainability Reporting, in compliance with Article 8 of the Taxonomy Regulation;
- ▶ Designing, implementing and maintaining such internal controls that Management determines are necessary to enable the preparation of the Consolidated Sustainability Reporting that is free from material misstatement, whether due to fraud or error; and
- ▶ The selection and application of appropriate sustainability reporting methods and making assumptions and estimates about sustainability disclosures that are reasonable in the circumstances.

## Inherent limitations in preparing the Consolidated Sustainability Reporting

In reporting forward-looking information in accordance with ESRS, Management of the Group is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

## Responsibilities of the Auditor

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Reporting is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economics decisions of users taken on the basis of the Consolidated Sustainability Reporting as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Reporting, in relation to the Process, include:

- ▶ Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- ▶ Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in note Description of the processes to identify and assess material impacts, risks and opportunities [ESRS 2.IRO-1].

Our other responsibilities in respect of the Consolidated Sustainability Reporting include:

- ▶ Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Reporting but not evaluating the design of

particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;

- ▶ Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- ▶ Designing and performing procedures responsive to disclosures in the Consolidated Sustainability Reporting where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Reporting.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Consolidated Sustainability Reporting.

In conducting our limited assurance engagement, with respect to the Process, we:

- ▶ Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by Management; and
  - reviewing the Group's internal documentation of its Process.
- ▶ Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in note Description of the processes to identify and assess material impacts, risks and opportunities [ESRS 2.IRO-1].

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Reporting, we:

- ▶ Obtained an understanding of the Group's reporting processes relevant to the preparation of its Consolidated Sustainability Reporting by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Reporting, but not for the purpose of expressing a conclusion about the effectiveness of the Group's internal control;
- ▶ Evaluated whether material information identified by the Process is included in the Consolidated Sustainability Reporting;
- ▶ Evaluated whether the structure and the presentation of the Consolidated Sustainability Reporting is in accordance with the ESRS;
- ▶ Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Consolidated Sustainability Reporting;
- ▶ Performed substantive assurance procedures based on a sample basis on selected disclosures in the Consolidated Sustainability Reporting;
- ▶ Obtained evidence on the methods, assumptions and data used on developing material estimates and forward-looking information and on how these methods were applied;
- ▶ Obtained an understanding and evaluated the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in Consolidated Sustainability Reporting.

Lisbon, 18 March 2026

Ernst & Young Audit & Associados – SROC, S.A.  
Sociedade de Revisores Oficiais de Contas  
Represented by:

(Signed)

Manuel Ladeiro de Carvalho Coelho da Mota - ROC nº 1410  
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banco**ctt**