bancoctt

Earnings Release

30 June 2026

Banco CTT, S.A.
Headquarters: Duque de Saldanha Square, No. 1, Atrium Saldanha Building, 3rd floor, 1050-094 Lisbon
Legal Entity and Commercial Registry No.: 513 412 417
Share capital: EUR 321,400,000
Phone: +351 210 471 786
Fax: +351 210 471 777
investor.relations@bancoctt.pt
(hereinafter referred to as the 'Bank', 'Banco CTT' or the 'Group')

TABLE OF CONTENTS

HIGHLIGHTS

- **Banco CTT reports 1H26 Net Income excluding specific items of EUR 8.3 million**, **broadly in line with 1H25**. This performance resulted in a normalised Return on Tangible Equity (RoTE) of **12,1**% (last 12 months).

- **Commercial activity maintained strong momentum in the first half of the year, with Business Volumes** reaching EUR 8,377 million in June 2026, representing an accelerated growth rate: +7% versus December 2025 and +14% versus June 2025.

- **Retail Customer Funds reached EUR 5,988 million as of June 2026, +6% versus December 2025 and +13% versus June 2025.** Off-balance sheet funds (*bancassurance*) reached EUR 1,382 million (+18% vs. June 2025), while on-balance sheet funds rose to EUR 4,606 million (+12% vs. June 2025).

- **Net Customer Loans increased by EUR 179 million in 1H26**, supported by record levels of loan origination, with mortgage and auto loan production up 36% and 15% respectively versus 1H25, representing market share gains in both.

- Banco CTT Group continues to report **strong solvency and liquidity levels**, with CET1 and Total Capital Ratios at 20.6% (including net profit for the period), leverage ratio of 5.1%, Liquidity Coverage Ratio (LCR) of 1,004%, and Net Stable Funding Ratio (NSFR) of 244% – all well above regulatory minimums.

- As of 30 June 2026, the MREL-RW ratio stood at 29.6%, above the regulatory requirement of 24.66% for June 2026. In April 2026, aligned with the Bank's previously disclosed funding plan to meet its MREL requirements, **Banco CTT successfully completed a EUR 60 million issuance of senior preferred bonds**, with a 3.5-year maturity and an option for early redemption after 2.5 years.

RESULTS

(amounts in thousands of euros)

Income Statement	1H26	1H25	Δ Abs.	Δ %
Net interest income	55,334	50,453	4,881	+10%
Net fees and commissions income	15,199	13,303	1,896	+14%
Other results	(2,050)	(724)	(1,326)	+183%
Operating income	**68,483**	**63,032**	**5,451**	**+9%**
Operating expenses	(47,771)	(43,390)	(4,381)	+10%
Net Operating income before provisions and impairment	**20,712**	**19,642**	**1,070**	**+5%**
Provisions and impairment	(10,374)	(8,913)	(1,461)	+16%
Net income before income taxes	**10,338**	**10,729**	**(391)**	**-4%**
Income taxes	(1,999)	(2,408)	409	-17%
Net income for the period (excluding specific items)	**8,339**	**8,321**	**18**	**+0%**
Net specific items	(415)	(74)	(341)	+461%
Net income for the period	**7,924**	**8,247**	**(323)**	**-4%**

These results are presented on a management basis and may therefore differ from the statutory consolidated financial statements. Statutory figures are presented in the final section of this release.

Consolidated Net Income in 1H26 amounted to EUR 7.9 million and EUR 8.3 million excluding specific items, reflecting continued commercial momentum and resilient profitability despite higher operating costs and increased provisioning levels, resulting in a normalised Return on Tangible Equity (RoTE) of 12,1% (last 12 months).

Key highlights compared to the same period last year include:

- **Operating Income** increased 9% to EUR 68.5 million, driven by:
    - Net interest income rose EUR 4.9 million (+10%) to EUR 55.3 million, supported by loan book growth and disciplined balance sheet management. Net interest margin remained stable at 2.2% (vs. 2.2% in 1H25), despite a 27-bps decline in average 3-month Euribor, from 2.4% in June 2025 to 2.1% in June 2026.
    - Net fees and commissions increased 14% (+EUR 1.9 million) to EUR 15.2 million, reflecting stronger customer activity and higher demand for transactional and savings products.
    - Other results amounted to EUR -2.1 million (vs. EUR -0.7 million in 1H25), reflecting normal volatility in ancillary income lines, lower contribution from recoveries of written-off loans and higher sectoral contributions.
- **Operating Expenses** increased 10% to EUR 47.8 million, mainly driven by:
    - Staff Costs increased by 15% (+EUR 2.8 million), reflecting workforce expansion (+6% to 728, versus June 2025) – particularly in the commercial network, as well as wage adjustments.
    - Other Administrative Costs, up 7%, due to higher expenses linked to increased transaction volumes and continued investment in technological capabilities.
    - Depreciation and Amortisation recorded a slight increase compared to the same period last year (+EUR 0.1 million).
- **Provisions and impairment** amounted to EUR 10.4 million, EUR 1.5 million higher than in 1H25, with a credit cost of risk of 0.9% (0.9% over the last 12 months). NPL ratio of 5.4% (flat versus December 2025), with higher coverage levels (specific impairment coverage up 3.5 pp to 48.6%).
- **Income Tax** amounted to EUR 2.0 million, EUR 0.4 million lower than in 1H25.

BALANCE SHEET

(amounts in thousands of euros)

Consolidated Balance Sheet	30-Jun-26	31-Dec-25	Δ Abs.	Δ %
Loans and advances to customers (net)	2,174,134	1,994,804	179,330	+9%
Securities	2,502,042	2,100,680	401,362	+19%
Liquidity	499,792	767,693	(267,901)	-35%
Goodwill and Intangible assets	91,417	89,236	2,181	+2%
Other assets	56,764	53,811	2,953	+5%
Total Assets	**5,324,149**	**5,006,224**	**317,925**	**+6%**
Deposits from Customers	4,616,738	4,348,430	268,308	+6%
Debt securities issued	258,166	229,615	28,551	+12%
Other liabilities	105,328	92,177	13,151	+14%
Total Liabilities	**4,980,232**	**4,670,222**	**310,010**	**+7%**
Equity	**343,917**	**336,002**	**7,915**	**+2%**

Assets

- **Net Loans and advances to customers** reached EUR 2,174 million, marking an increase of EUR 179 million (+9%) compared to December 2025. Auto Loans accounted for 49% and Mortgage Loans for 51% of the net loan portfolio, with both segments showing growth during the period (+4% and +14% in Auto and Mortgage, respectively). Gross Loans and advances to customers stood at EUR 2,247 million (up 16% vs. June 2025).
- **Securities** totalled EUR 2,502 million, increasing by EUR 401 million (+19%) versus December 2025, reflecting the redeployment of excess liquidity into the investment portfolio.
- **Liquidity** stood at EUR 500 million, representing a reduction of 35% (-EUR 268 million) compared to December 2025, in line with the Group's balance sheet management strategy.

Liabilities

- **Deposits from customers** totalled EUR 4,617 million, an increase of EUR 268 million (+6%) compared to December 2025. Deposits from individuals amounted to EUR 4,602 million (+6% vs. December 2025 and +12% vs. June 2025), of which EUR 1,673 million were held in current accounts (+2% vs. December 2025).

- **Debt securities** increased 12% (EUR 29 million) to EUR 258 million, reflecting the gradual amortisation of the Ulisses auto loan securitisations and the new issuance (in April 2026) of senior preferred debt, eligible for MREL (Minimum Requirement for Own Funds and Eligible Liabilities). Of the total outstanding amount, EUR 116 million relates to senior preferred issuances eligible for MREL (Minimum Requirement for Own Funds and Eligible Liabilities).

CAPITAL AND LIQUIDITY

(amounts in thousands of euros)

	30-Jun-26	31-Dec-25
Total Own Funds		
Common Equity Tier 1	263,794	258,204
Total Capital	263,794	258,204
RWA (Risk-Weighted Assets)	**1,279,480**	**1,189,543**
Solvency Ratios		
Common Equity Tier 1	20.6%	21.7%
Total Capital Ratio	20.6%	21.7%
Leverage Ratio	5.1%	5.4%
Liquidity Ratios		
Liquidity Coverage Ratio (LCR)	1,004%	1,004%
Net Stable Funding Ratio (NSFR)	244%	244%

Note: Figures are presented on a fully implemented basis and include the net income for the respective period.

- Banco CTT reported a **Common Equity Tier 1 (CET1) ratio of 20.6%** (including net profit for the period), down 1.1 percentage points compared to December 2025. This level remains well above the regulatory CET1 requirement of 9.88% and the Total Capital requirement of 14.65%. CET1 evolution reflects a EUR 5.6 million (+2.2%) increase in own funds, supported by the net profit of EUR 7.9 million generated during the period, partly offset by higher deductions related to intangible assets (software). Risk-weighted assets increased by EUR 89.9 million (+8% vs. December 2025), driven by business and loan growth.

- **Leverage ratio of 5.1%,** 0.3 pp below December 2025 and above the regulatory requirement of 3.0%, while Liquidity ratios (LCR and NSFR) remain very comfortable and above regulatory requirements.

- As of 30 June 2026, the Group held EUR 116 million in senior preferred debt, resulting in **an MREL-RW ratio of 29.6%** and an MREL-LR ratio of 7,38%. The Bank of Portugal, acting as the National Resolution Authority, has set a preferred resolution strategy based on a Single Point of Entry (SPE) approach for Banco CTT Group. In this context, the Group's MREL requirement at consolidated level, applicable from June 2026, is set at 24.66% of TREA, including a 3.25% Combined Buffer Requirement, and 5.31% of LRE.

- In April 2026, **Banco CTT successfully completed a EUR 60 million issuance of senior preferred bonds**, with a 3.5-year maturity and an option for early redemption after 2.5 years. The transaction was fully subscribed, attracting participation from more than 20 institutional investors across four European jurisdictions, and was oversubscribed by 1.4x. This issuance is aligned with the Bank's previously disclosed strategy to meet its MREL requirements ahead of the June 2026 deadline, while supporting the continued growth of its business.

KEY FIGURES

		Unit	1H26	1H25	Δ Abs.	Δ %
Results	Net interest income	€'000	55,334	50,453	4,881	+10%
	Operating income	€'000	68,500	63,073	5,427	+9%
	Operating expenses	€'000	(48,338)	(43,530)	(4,808)	+11%
	Provisions and impairments	€'000	(10,374)	(8,913)	(1,461)	+16%
	Income taxes	€'000	(1,864)	(2,383)	519	-22%
	Net income	€'000	7,924	8,247	(323)	-4%
	Net income excluding specific items [1]	€'000	8,339	8,321	18	0%
Business Indicators	Mortgage loan production	€'000	198,898	146,542	52,356	+36%
	Auto loan production	€'000	158,743	137,730	21,013	+15%
P&L Indicators	Return on Assets (ROA)	%	0.3%	0.4%	-0.1 pp	
	Return on Tangible Equity (Normalised) [2]	%	9.1%	10.9%	-1.8 pp	
	Return on Equity (ROE) [1]	%	4.9%	5.3%	-0.4 pp	
	Cost-to-Income [1]	%	69,8%	68.8%	+0.9 pp	
	Cost of Risk (LTM)	%	0.9%	0.8%	+0.1 pp	

		Unit	30-Jun-26	31-Dec-25	Δ Abs.	Δ %
Balance Sheet	Total Assets	€'000	5,324,149	5,006,224	317,925	+6%
	Loans and advances to customers (Gross)	€'000	2,246,970	2,057,807	189,163	+9%
	Deposits from customers	€'000	4,616,738	4,348,430	268,308	+6%
	o.w. Deposits from Individuals	€'000	4,602,420	4,334,509	267,911	+6%
	Total Equity	€'000	343,917	336,002	7,915	+2%
	Loan to deposit ratio	%	47%	46%	+1.0 pp	
Credit Quality	NPL ratio (Non-performing Loans / Gross Loans)	%	5.4%	5.4%	0.0 pp	
	NPL coverage (by specific impairments)	%	48.6%	45.1%	3.5 pp	
	NPL coverage (by credit impairments)	%	60.1%	57.0%	3.1 pp	
Business Indicators	No. of bank accounts	Number	698,793	707,009	(8,216)	-1%
	Stock of saving products (bancassurance)	€'000	1,382,058	1,318,110	63,948	+5%
	Resources from customers pro forma [3]	€'000	5,987,632	5,652,619	335,013	+6%
	Business volumes [4]	€'000	8,377,314	7,851,019	526,295	+7%
Capital and Liquidity	Risk-Weighted Assets - RWA (fully implemented)	€'000	1,279,480	1,189,543	89,937	+8%
	Own Funds (fully implemented) [5]	€'000	263,794	258,239	5,553	+2%
	Common Equity Tier 1 Ratio (fully implemented) [5]	%	20.6%	21.7%	-1.1 pp	
	MREL – RW Ratio	%	29.6%	26.3%	+3.3 pp	
	Leverage Ratio (fully implemented)	%	5.1%	5.4%	-0.3 pp	
	Liquidity Coverage Ratio (LCR)	%	1,004%	1,004%	0.0 pp	
	Net Stable Funding Ratio (NSFR) [5]	%	244%	244%	0.0 pp	
Employees and Distribution Network	No. of employees	Number	728	689	39	+6%
	No. of branches	Number	212	212	-	0%

1) Excluding specific items.
2) RoTE considering results excluding specific items, assuming normalised tangible equity at 15% of average RWA
3) Includes on-balance sheet deposits and the stock of bancassurance products, Individuals, not considering hedge accounting adjustments.
4) Customer resources + Loans and advances to customers (gross; *pro forma* including intermediation of credit).
5) Includes the net income for the period.

STATUTORY CONSOLIDATED FINANCIAL STATEMENTS

Income Statement

(amounts in thousands of euros)

	1H26	1H25
Interest and similar income	78,912	80,937
Interest and similar expenses	(23,578)	(30,484)
Net Interest Income	**55,334**	**50,453**
Net fees and commissions income	15,199	13,303
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss	4	23
Net gains/(losses) on hedge accounting	48	-
Other operating income / (expenses)	(2,085)	(706)
Operating Income	**68,500**	**63,073**
Staff costs	(21,125)	(18,230)
Other administrative costs	(22,648)	(20,820)
Amortisation and depreciation	(4,565)	(4,480)
Operating Expenses	**(48,338)**	**(43,530)**
Net Operating Income Before Provisions and Impairment	**20,162**	**19,543**
Credit impairment	(10,029)	(8,936)
Impairment of other financial assets	(21)	(12)
Impairment of other assets	(11)	(35)
Provisions	(313)	70
Net Operating Income	**9,788**	**10,630**
Net Income Before Income Taxes	**9,788**	**10,630**
Income taxes		
Current	(1,656)	(2,784)
Deferred	(208)	401
Net Income for the Period	**7,924**	**8,247**
Earnings per share (in euros)		
Basic	0.02	0.03
Diluted	0.02	0.03

Balance Sheet

(amounts in thousands of euros)

	30-Jun-26	31-Dec-25
Assets		
Cash and deposits with central banks	71,431	67,829
Deposits with other credit institutions	39,573	36,923
Financial assets at amortised cost		
Placements with credit institutions	388,788	662,941
Loans and advances to customers	2,174,134	1,994,804
Debt securities	2,431,901	2,048,437
Financial assets at fair value through profit or loss	3,682	3,391
Financial assets at fair value through other comprehensive income		
Debt securities	70,141	52,243
Hedging derivatives	7,948	7,279
Other tangible assets	11,488	10,547
Goodwill and intangible assets	91,417	89,236
Deferred tax assets	1,633	1,818
Other assets	32,013	30,776
Total Assets	**5,324,149**	**5,006,224**
Liabilities		
Financial liabilities at fair value through profit or loss	8,827	5,405
Financial liabilities at amortised cost		
Deposits from customers	4,616,738	4,348,430
Debt securities issued	258,166	229,615
Hedging derivatives	2,455	1,277
Provisions	3,052	2,738
Current tax liabilities	-	-
Deferred tax liabilities	1,016	986
Other liabilities	89,978	81,771
Total Liabilities	**4,980,232**	**4,670,222**
Equity		
Share capital	321,400	321,400
Legal reserves	8,900	6,830
Fair value reserves	19	27
Other reserves	(200)	(200)
Retained earnings	5,874	(12,820)
Net income	7,924	20,765
Total Equity	**343,917**	**336,002**