



## Earnings Release

31 December 2025

**Banco CTT, S.A.**

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(hereinafter referred to as the 'Bank', 'Banco CTT' or the 'Group')

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## HIGHLIGHTS

- **Banco CTT delivered on all its 2025 targets – business volumes and profitability – as it continues to grow business volumes while continuing to invest in the future growth.**
- **Consolidated Net Income** for the full year of 2025 reached EUR 20.8 million, a new record and up 4% year on year. This performance resulted in a normalized **Return on Tangible Equity (RoTE)** of 13.2%, slightly above the guidance range provided for 2025 (11-13%).
- **Total business volumes** reached EUR 7,851 million as of December 2025, up 12% year-on-year, driven by:
  - **Customer Funds** reached EUR 5,667 million as of December 2025, up 11% year-on-year. Off-balance sheet funds (bancassurance) reached EUR 1,318 million (+EUR 273 million), while on-balance sheet funds rose to EUR 4,348 million (+EUR 288 million).
  - **Net Customer Loans** increased by EUR 253 million year-on-year, supported by strong growth in mortgage loan production, which totaled EUR 270 million (+44% year-on-year), reflecting increased market share.
- Banco CTT Group continues to demonstrate **strong solvency and liquidity**, with CET1 and Total Capital Ratios at 21.7% (including net profit for the period), a leverage ratio of 5.4%, a Liquidity Coverage Ratio (LCR) of 1,004%, and a Net Stable Funding Ratio (NSFR) of 244% - all well above regulatory minimums.
- Following the **successful placement of €45 million Senior Preferred Debt** last November, the MREL-RW ratio stood at 26,3%, above regulatory requirement set for June 2026.

# RESULTS

Income Statement	(amounts in thousand euros)			
	FY25	FY24	Δ	
			Abs.	%
Net interest income	101,982	97,693	4,289	+4%
Net fees and commissions income	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>13,154</b>	<b>+11%</b>
Operating expenses	(90,192)	(81,353)	(8,839)	+11%
<b>Profit before impairment and provisions</b>	<b>43,746</b>	<b>39,431</b>	<b>4,315</b>	<b>+11%</b>
Impairment and provisions	(17,828)	(13,043)	(4,785)	+37%
<b>Profit before income taxes</b>	<b>25,918</b>	<b>26,388</b>	<b>(470)</b>	<b>-2%</b>
Income Taxes	(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</b>	<b>20,765</b>	<b>20,048</b>	<b>717</b>	<b>+4%</b>

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

**Consolidated Net Income** in 2025 reached EUR 20.8 million, a new record and up 4% from EUR 20.0 million in 2024, reflecting a normalized Return on Tangible Equity (ROTE) of 13.2%.

Key highlights compared to the same period last year include:

- **Operating Income** rose 11% to EUR 133.9 million, driven by:
  - Net interest income up EUR 4.3 million (+4%), supported by loan book growth and prudent interest rate risk management. The net interest margin stood at 2.1% (vs. 2.2% in 2024), despite a decline of 1.4% of average Euribor 3M from 2024 to 2025.
  - Net fees and commissions increased 19% (+EUR 4.7 million) to EUR 29.4 million, reflecting stronger activity in savings products and insurance.
  - Other results totaled EUR 2.5 million (vs. EUR -1.7 million in 2024), reflecting improved recoveries on written-off loans, including the impact of the sale of a significant portion of the written-off auto loan portfolio.
- **Operating Expenses** increased 11% to EUR 90.2 million, mainly driven by:
  - Staff Costs, increased by 13% (+EUR 4.4 million), reflecting workforce expansion (+12% to 689) – particularly in the commercial network, as well as wage adjustments.
  - Other Administrative Costs, up 10%, due to higher expenses linked to increased transaction volumes and continued investment in technological capabilities.
  - Depreciation and Amortisation, up 7%, reflecting ongoing investment in technology and infrastructure.
- **Impairments and Provisions** of EUR 17.8 million, EUR 4.8 million higher than in the same period last year, reflecting:
  - Credit impairments and provisions of EUR 16.9 million, up EUR 4.2 million, mainly driven by loan portfolio growth. The cost of risk stood at 0.9% (vs. 0.7% in 2024, which benefited from gains related to the NPL sale).
  - Other impairments and provisions with a net charge of EUR 0.9 million (vs. a net charge of EUR 0.3 million in 2024).
- **Income Tax** amounted to EUR 4.8 million, a reduction of EUR 1.5 million, mainly due to the reversal of provisions for tax contingencies under IFRIC 23.

# BALANCE SHEET

(amounts in thousand euros)

Consolidated Balance-Sheet	31-dec25	31-dec-24	Δ	
			Abs.	%
Loans and advances to customers	1,994,804	1,742,032	252,772	+15%
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>Equity</b>	<b>336,002</b>	<b>315,075</b>	<b>20,927</b>	<b>+7%</b>

## Assets

- **Loans and advances to customers** reached EUR 1,995 million, marking an increase of EUR 253 million (+15%) compared to December 2024. Auto Loans accounted for 52% of the net loan portfolio and Mortgage Loans for 48%, with both segments showing growth during the period (+10% and +20% in Auto and Mortgage respectively).
- **Securities** stood fairly stable at EUR 2,101 million, EUR 42 million above December 2024.
- **Liquidity** of EUR 768 million, reflecting a reduction of 4% (–EUR 29 million), in line with the Group's balance sheet management strategy.

## Liabilities

- **Deposits from customers** totaled EUR 4,348 million, an increase of EUR 288 million compared to December 2024. Deposits from individuals amounted to EUR 4,335 million (+7% vs. December 2024), of which EUR 1,639 million were held in current accounts (+11% vs. December 2024).
- **Debt securities** decreased by 13% (EUR 33 million) to EUR 229 million, reflecting the gradual amortization of the Ulisses auto loan securitizations, partly offset by a EUR 45 million senior preferred issuance. The transaction was fully subscribed by more than 20 institutional investors, with demand reaching around 2x the amount offered. International investors accounted for more than 40% of demand. Allocations were distributed as follows: 51% to asset managers, 31% to insurance companies and 18% to banks.

# CAPITAL AND LIQUIDITY

(amounts in thousand euros)

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

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

- Banco CTT reported a **Common Equity Tier 1 (CET1) ratio of 21.7%** (including net profit for the period), up 0.5 percentage points compared to December 2024. This level remains well above the regulatory CET1 requirement of 8.7% and the Total Capital requirement of 13.5%. CET1 evolution reflects a EUR 18.5 million (+8%) increase in own funds, supported by the net profit of EUR 20.8 million generated during the period. Risk-weighted assets increased by EUR 59.6 million (+5% vs. December 2024), as business-driven growth was offset by the impact of the CRR3 adoption.
- **Leverage ratio of 5.4%**, broadly stable year-on-year and above regulatory requirements of 3.0%, while Liquidity ratios (LCR and NSFR) remain very comfortable and above regulatory requirements.
- As of 31 December 2025, the Group held EUR 55 million in instruments eligible for MREL purposes, resulting in a **MREL-RW ratio of 26.3%** and a MREL-LR ratio of 6.5%. 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.

## SIGNIFICANT EVENTS AND DISTINCTIONS

On 2 June 2025, the Bank's shareholders proceeded to elect the new Board of Directors to serve for the 2025–2027 term of office: João Nuno de Sottomayor Pinto de Castello Branco (Chairman); Francisco Manuel Grade Barbeira (CEO); João Maria de Magalhães Barros de Mello Franco (CCMO); Pedro Rui Fontela Coimbra (CFO); Nuno Carlos Dias dos Santos Fórneas (CTO); Inês Isabel Maia Santos (CRO); João Manuel de Matos Loureiro (Non-executive and chairman of the Audit Committee); Sofia Luísa Corrêa Henriques Cardoso de Menezes Frère (Non-executive and member of the Audit Committee); Carla Maria de Castro Chousal (Non-executive and member of the Audit Committee); Guy Patrick Guimarães de Goyri Pacheco (Non-executive); António Domingues (Non-executive); Pedro Luís Francisco Carvalho (Non-executive); Sandra Marina Farinha Moás (Non-executive).

In November 2025, Banco CTT issued €45 million senior preferred bond with a 3-year maturity (with option to early redeem after 2 years). The issuance was fully subscribed by more than 20 institutional investors. This transaction was aligned with the previously disclosed objective of funding the MREL requirements set for June 2026, enabling Banco CTT to support the growth of its business. This first senior preferred bond issuance in the capital markets by Banco CTT demonstrates recognition by institutional investors of Banco CTT's financial position, risk profile, and strategy.

Banco CTT received several distinctions at the beginning of 2026 and in 2025:

- **PRÉMIO BECX 2025:** Banco CTT ranked #1 in Customer Experience in banking in the BECX study, assessed across eight dimensions (e.g., quality, value, emotions, effort, incidents, loyalty, and interaction channels).
- **PRÉMIO CINCO ESTRELAS 2025:** Banco CTT won “Five Stars 2025” for Customer Service in Banking, standing out among nine banks on satisfaction/experience, brand trust, innovation, and recommendation intent.
- **ESCOLHA SUSTENTÁVEL 2025:** Banco CTT's Sustainable Mortgage was named “Sustainable Choice 2025” by Consumer Choice for sustainability criteria and product design aligned with the SDGs.

321 Crédito, the specialized lending subsidiary, received several distinctions at the beginning of 2026 and in 2025:

- **PRÉMIO BOA ESCOLHA:** 321 Crédito received the “Boa Escolha” brand distinction in Auto Financing for strong value-for-money, consumer satisfaction, trust, innovation, and service quality.
- **MARCA DO MÊS:** 321 Crédito earned the “Brand of the Month” seal for 12 consecutive months in Auto Financing, based on Portal da Queixa monthly satisfaction performance (speed and effectiveness of responses).
- **MARCA RECOMENDADA:** Portal da Queixa recognized 321 Crédito as “Recommended Brand of the Year 2025,” supported by an annual average satisfaction index of 94 driven by complaint-handling interactions

# KEY FIGURES

	Unit	2025	2024	Δ		
				Abs.	%	
<b>Results</b>	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%
	Provisions and impairments	€'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 <sup>1)</sup>	€'000	21,161	20,136	1,025	5%
<b>Balance Sheet</b>	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 pp	7%
<b>Credit Quality</b>	Cost of Risk	%	0.9%	0.7%	0.1 pp	19%
	NPE ratio (Non-performing exp. / Gross customer loans)	%	5.4%	4.8%	0.6 pp	12%
	NPE coverage	%	45.1%	39.2%	5.9 pp	15%
<b>Business Indicators</b>	No. of bank accounts	Number	707,009	681,319	25,690	4%
	Mortgage Loan production	€'000	270,493	187,522	82,971	44%
	Stock of savings products (Bancassurance)	€'000	1,318,110	1,045,467	272,643	26%
	Customer resources <sup>3)</sup>	€'000	5,666,540	5,105,929	560,611	11%
	Auto Loan production	€'000	301,286	272,513	28,773	11%
	Business Volumes <sup>4)</sup>	€'000	7,851,019	7,009,411	841,608	12%
<b>P&amp;L indicators</b>	Return on Assets (ROA)	%	0.4%	0.5%	0.0 pp	-3%
	Return on Tangible Equity (Normalised RoTE) <sup>2)</sup>	%	13.2%	13.0%	0.2 pp	2%
	Return on Equity (ROE)	%	6.5%	7.1%	-0.6 pp	-8%
	Cost-to-Income <sup>1)</sup>	%	67.3%	67.4%	0.0 pp	0%
<b>Capital and Liquidity</b>	Own Funds (fully implemented) <sup>5)</sup>	€'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 (fully implemented) <sup>5)</sup>	%	21.7%	21.2%	0.5 pp	2%
	MREL-RW ratio	%	26.3%	22.2%	4.1 pp	19%
	Leverage Ratio (fully implemented)	%	5.4%	5.4%	0.0 pp	0%
	Liquidity Coverage Ratio (LCR)	%	1,004%	1,361%	-356 pp	-26%
	Net Stable Funding Ratio (NSFR) <sup>5)</sup>	%	244%	261%	-17 pp	-7%
<b>Other</b>	No. of employees	Number	689	613	76	12%
	No. of branches	Number	212	212	-	0%

1) Excluding specific items.

2) RoTE considering results excluding specific items, assuming normalized tangible equity at 15% of average RWA.

3) Includes on-balance sheet deposits and the stock of bancassurance products.

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 thousand euros)

	2025	2024
Interest and similar income calculated through the effective interest rate	156,452	176,975
Interest and similar expenses calculated through the effective interest rate	(54,470)	(79,282)
<b>Net Interest Income</b>	<b>101,982</b>	<b>97,693</b>
Net fees and commissions income	29,430	24,756
Gains / (losses) on assets and liabilities at fair value through profit or loss	26	40
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)
Other administrative costs	(44,225)	(40,185)
Amortisation and depreciation	(8,931)	(8,373)
<b>Operating Expenses</b>	<b>(90,658)</b>	<b>(81,559)</b>
<b>Operating Profit/(Loss) Before Provisions and Impairments</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>Operating Profit/(Loss)</b>	<b>25,387</b>	<b>26,269</b>
<b>Profit/(Loss) 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 Period</b>	<b>20,765</b>	<b>20,048</b>
Earnings per share (in euros)		
Basic	0.06	0.07
Diluted	0.06	0.07

## Balance Sheet

(amounts in thousand euros)

	2025	2024
<b>Assets</b>		
Cash and deposits at central banks	67,829	64,826
Deposits at other credit institutions	36,923	30,918
Financial assets at amortised cost		
Investments at 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>