



Earnings Release

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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 reports a 1Q26 Net Income (excluding specific items) of EUR 4.1 million**, above 1Q25 (+2%). This performance resulted in a normalized Return on Tangible Equity (RoTE) of 12.6% (last 12 months).
- **Commercial activity with strong momentum in the 1st quarter of the year, with Business Volumes** reaching EUR 8,058 million in March 2026, demonstrating an accelerated growth rate: +3% versus December 2025 and +14% versus March 2025.
- **Retail Customer Funds reached EUR 5,770 million as of March 2026, up 2% versus December 2025 and +13% versus March 2025.** Off-balance sheet funds (bancassurance) reached EUR 1,366 million (+23% vs Mar-25), while on-balance sheet funds rose to EUR 4,405 million (+11% vs Mar-25).
- **Net Customer Loans increased by EUR 85 million in 1Q26**, supported by record levels of loan origination, with mortgage loan and auto loan production up 21% and 18% versus 1Q25 respectively.
- Banco CTT Group continues to report **strong solvency and liquidity levels**, with CET1 and Total Capital Ratios at 21.3% (including net profit for the period), a leverage ratio of 5.3%, a Liquidity Coverage Ratio (LCR) of 925%, and a Net Stable Funding Ratio (NSFR) of 240% - all well above regulatory minimums.
- As at 31-mar-2026, **the MREL-RW ratio stood at 25,8%**, complying with regulatory binding target of 24,66% for jun-26. In April 2026, aligned with the Bank's previously disclosed funding plan to meet its MREL requirements, **Banco CTT successfully completed a €60 million issuance of senior preferred bonds**, with a 3.5-year maturity and an option for early redemption after 2.5 years. On a proforma basis with the April issue, the MREL-RW ratio stands at 30,7%.

RESULTS

(amounts in thousands of euros)

Income Statement	3M26	3M25	Δ	
			Abs.	%
Net interest income	27,172	24,945	2,227	+9%
Net fees and commissions income	7,562	6,590	972	+15%
Other results	(634)	(346)	(288)	+83%
Operating income	34,100	31,189	2,911	+9%
Operating expenses	(23,722)	(21,564)	(2,158)	+10%
Net Operating income before provisions and impairment	10,378	9,625	753	+8%
Provisions and impairment	(5,172)	(4,479)	(693)	+15%
Net income before income taxes	5,206	5,146	60	+1%
Income taxes	(1,153)	(1,189)	37	-3%
Net income for the period (excluding specific items)	4,054	3,957	97	+2%
Net specific items	150	51	99	+196%
Net income for the period	3,904	3,906	(2)	0%

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 1Q26 amounted to EUR 3.9 million and EUR 4.1 million excluding specific items, reflecting continued commercial momentum and resilient profitability despite higher operating costs and increased provisioning levels, resulting in a normalized Return on Tangible Equity (ROTE) of 12.6% (last 12 months).

Key highlights compared to the same period last year include:

- **Operating Income** increased 9% to EUR 34.1 million, driven by:
 - Net interest income rose EUR 2.2 million (+9%) to EUR 27.2 million, supported by loan book growth and disciplined balance sheet management. The net interest margin stood at 2.2% (vs. 2.1% in 1Q25), despite a decline of 0.3% of average Euribor 3M from 1Q25 to 1Q26.
 - Net fees and commissions increased 15% (+EUR 1.0 million) to EUR 7.6 million, reflecting stronger customer activity and higher demand for transactional and savings products.
 - Other results totaled EUR -0.6 million (vs. EUR -0.3 million in 1Q25), reflecting normal volatility in ancillary income lines and lower contribution from recoveries of written-off loans (following last year's sale of a significant part of the portfolio).
- **Operating Expenses** increased 10% to EUR 23.7 million, mainly driven by:
 - Staff Costs, increased by 18% (+EUR 1.6 million), reflecting workforce expansion (+11% to 709, versus March 25) – particularly in the commercial network, as well as wage adjustments.
 - Other Administrative Costs, up 8%, due to higher expenses linked to increased transaction volumes and continued investment in technological capabilities.
 - Depreciation and Amortisation recorded a slight decrease compared to the same period last year (-EUR 0.1 million).
- **Provisions and impairment** amounted to EUR 5.2 million, EUR 0.7 million higher than in 1Q25, with a credit cost of risk of 1,0% (0,9% in the last 12 months). NPE ratio of 5,4% (flat versus December 2025), with slightly higher coverage levels.
- **Income Tax** amounted to EUR 1.2 million, in line with 1Q25.

BALANCE SHEET

(amounts in thousands of euros)

Consolidated Balance-Sheet	31-mar-26	31-dec-25	Δ	
			Abs.	%
Loans and advances to customers (net)	2,080,086	1,994,804	85,282	+4%
Securities	2,304,206	2,100,680	203,526	+10%
Liquidity	543,475	767,693	(224,218)	-29%
Goodwill and Intangible assets	89,892	89,236	656	+1%
Other assets	52,627	53,811	(1,184)	-2%
Total Assets	5,070,286	5,006,224	64,062	+1%
Deposits from Customers	4,419,633	4,348,430	71,203	+2%
Debt securities issued	213,540	229,615	(16,075)	-7%
Other liabilities	97,250	92,177	5,073	+6%
Total Liabilities	4,730,423	4,670,222	60,201	+1%
Equity	339,863	336,002	3,861	+1%

Assets

- **Net Loans and advances to customers** reached EUR 2,080 million, marking an increase of EUR 85 million (+4%) compared to December 2025. Auto Loans accounted for 50% of the net loan portfolio and Mortgage Loans for 49%, with both segments showing growth during the period (+2% and +7% in Auto and Mortgage respectively). Gross Loans and advances to customer of EUR 2,148 million (up 16% vs March 2025).
- **Securities** totaled EUR 2,304 million, increasing by EUR 204 million (+10%) versus December 2025, reflecting the redeployment of excess liquidity into the investment portfolio.
- **Liquidity** stood at EUR 543 million, representing a reduction of 29% (-EUR 224 million) compared to December 2025, in line with the Group's balance sheet management strategy.

Liabilities

- **Deposits from customers** totaled EUR 4,420 million, an increase of EUR 71 million (+2%) compared to December 2025. Deposits from individuals amounted to EUR 4,402 million (+2% vs. December 2025 and +9% vs March 2025), of which EUR 1,605 million were held in current accounts (-2% vs. December 2025).
- **Debt securities** decreased 7% (EUR 16 million) to EUR 214 million, reflecting the gradual amortisation of the Ulisses auto loan securitisations. Of the total outstanding amount, EUR 55 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)

	31-mar-26	31-dec-25
Total Own Funds		
Common Equity Tier 1	259,423	258,239
Total Capital	259,423	258,239
RWA (Risk-Weighted Assets)	1,219,449	1,189,543
Solvency Ratios		
Common Equity Tier 1	21.3%	21.7%
Total Capital Ratio	21.3%	21.7%
Leverage Ratio	5.3%	5.4%
Liquidity Ratios		
Liquidity Coverage Ratio (LCR)	925%	1,004%
Net stable funding ratio (NSFR)	240%	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 21.3%** (including net profit for the period), down 0.4 percentage points compared to December 2025. This level remains well above the regulatory CET1 requirement of 8.6% and the Total Capital requirement of 13.4%. CET1 evolution reflects a EUR 1.2 million (+0.5%) increase in own funds, supported by the net profit of EUR 4.1 million generated during the period and higher the deductions related to intangible assets (software). Risk-weighted assets increased by EUR 29.9 million (+3% vs. December 2025), driven by business and loan growth.
- **Leverage ratio of 5.3%**, broadly in line with December 2025 and above regulatory requirements of 3.0%, while Liquidity ratios (LCR and NSFR) remain very comfortable and above regulatory requirements.
- As of 31 March 2026, the Group held EUR 55 million in instruments eligible for MREL purposes, resulting in a **MREL-RW ratio of 25.8%** 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.
- In April 2026, **Banco CTT successfully completed a €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. On a proforma basis, the march-2026 MREL-RW ratio would stand at 30.7%.

KEY FIGURES

	Unit	3M26	3M25	Δ		
				Abs.	%	
Results	Net interest income	€'000	27,172	24,945	2.227	9%
	Operating income	€'000	34,101	31,209	2.892	9%
	Operating expenses	€'000	(23,921)	(21,652)	(2.269)	10%
	Provisions and impairments	€'000	(5,172)	(4,479)	(693)	15%
	Income taxes	€'000	(1,104)	(1,172)	68	-6%
	Net income	€'000	3,904	3,906	(2)	0%
	Net income excluding specific items ¹⁾	€'000	4,054	3,957	97	2%
Business Indicators	Mortgage loan production	€'000	91,207	75,287	15.920	21%
	Auto loan production	€'000	78,782	66,530	12.252	18%
P&L Indicators	Return on Assets (ROA)	%	0.3%	0.3%	0.0 pp	
	Return on Tangible Equity (Normalised LTM) ²⁾	%	12.6%	12.9%	-0.3 pp	
	Return on Equity (ROE)	%	4.9%	5.1%	-0.2 pp	
	Cost-to-Income ¹⁾	%	69.6%	69.1%	0.5 pp	
	Cost of Risk (LTM)	%	0.9%	0.7%	0.2 pp	

	Unit	31.03.2026	31.12.2025	Δ		
				Abs.	%	
Balance Sheet	Total Assets	€'000	5,070,286	5,006,224	64,062	1%
	Loans and advances to customers (Gross)	€'000	2,148,203	2,057,807	90,396	4%
	Deposits from customers	€'000	4,419,633	4,348,430	71,203	2%
	o.w. Deposits from Individuals	€'000	4,334,509	4,402,009	(67,500)	-2%
	Total Equity	€'000	339,863	336,002	3,861	1%
	Loan to deposit ratio	%	47%	46%	1%	
Credit Quality	NPL ratio (Non-performing Loans / Gross Loans)	%	5.4%	5.4%	0.0 pp	
	NPL coverage (by specific impairments)	%	46.4%	45.1%	1.3 pp	
	NPL coverage (by credit impairments)	%	58.8%	57.0%	1.8 pp	
Business Indicators	No. of bank accounts	Number	711,833	707,009	4,824	1%
	Stock of saving products (bancassurance)	€'000	1,365,660	1,318,110	47,550	4%
	Resources from customers pro forma ³⁾	€'000	5,770,204	5,091,725	678,479	13%
	Business volumes ⁴⁾	€'000	8,060,764	7,081,453	979,310	14%
Capital and Liquidity	Risk-Weighted Assets - RWA (fully implemented)	%	1,219,449	1,189,543	29,906	3%
	Own Funds (fully implemented) ⁵⁾	%	259,423	258,239	1,184	0%
	Common Equity Tier 1 Ratio (fully implemented) ⁵⁾	%	21.3%	21.7%	-0,4 pp	
	MREL – RW Ratio	%	25.8%	26.3%	-0,5 pp	
	Leverage Ratio (fully implemented)	%	5.3%	5.4%	-0,1 pp	
	Liquidity Coverage Ratio (LCR)	%	925%	1.004%	-79.0 pp	
Net Stable Funding Ratio (NSFR) ⁵⁾	%	240%	244%	-4.0 pp		
Employees and Distribution Network	No. of employees	Number	709	689	20	3%
	No. of branches	Number	212	212	-	0%

1) Excluding specific items.

2) ROTC 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, Individuals.

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)

	31-mar-26	31-mar-25
Interest and similar income	38,548	41,489
Interest and similar expenses	(11,376)	(16,544)
Net Interest Income	27,172	24,945
Net fees and commissions income	7,562	6,590
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss	(6)	11
Net gains/(losses) on hedge accounting	(73)	6
Other operating income / (expenses)	(554)	(343)
Operating Income	34,101	31,209
Staff costs	(10,635)	(9,029)
Other administrative costs	(11,129)	(10,346)
Amortisation and depreciation	(2,157)	(2,277)
Operating Expenses	(23,921)	(21,652)
Net Operating Income Before Provisions and Impairment	10,180	9,557
Credit impairment	(5,138)	(4,431)
Impairment of other financial assets	(25)	(4)
Impairment of other assets	23	(4)
Provisions	(32)	(40)
Net Operating Income	5,008	5,078
Net Income Before Income Taxes	5,008	5,078
Income taxes		
Current	(1,020)	(1,640)
Deferred	(84)	468
Net Income for the Period	3,904	3,906
Earnings per share (in euros)		
Basic	0.01	0.01
Diluted	0.01	0.01

Balance Sheet

(amounts in thousands of euros)

	31-mar-24	31-dec-25
Assets		
Cash and deposits with central banks	72,538	67,829
Deposits with other credit institutions	32,959	36,923
Financial assets at amortised cost		
Placements with credit institutions	437,978	662,941
Loans and advances to customers	2,080,086	1,994,804
Debt securities	2,252,211	2,048,437
Financial assets at fair value through profit or loss	4,862	3,391
Financial assets at fair value through other comprehensive income		
Debt securities	51,995	52,243
Hedging derivatives	9,636	7,279
Other tangible assets	9,190	10,547
Goodwill and intangible assets	89,892	89,236
Deferred tax assets	1,982	1,818
Other assets	26,957	30,776
Total Assets	5,070,286	5,006,224
Liabilities		
Financial liabilities at fair value through profit or loss	8,506	5,405
Financial liabilities at amortised cost		
Deposits from customers	4,419,633	4,348,430
Debt securities issued	213,540	229,615
Hedging derivatives	298	1,277
Provisions	2,770	2,738
Current tax liabilities	-	-
Deferred tax liabilities	1,235	986
Other liabilities	84,441	81,771
Total Liabilities	4,730,423	4,670,222
Equity		
Share capital	321,400	321,400
Legal reserves	8,900	6,830
Fair value reserves	(15)	27
Other reserves	(200)	(200)
Retained earnings	5,874	(12,820)
Net income	3,904	20,765
Total Equity	339,863	336,002