

BANCO MONTEPIO REPORTS A NET INCOME OF €70.7Mn IN THE FIRST HALF OF 2025

Higher profitability, a robust credit profile and business growth mark 2025. The assignment of an investment grade rating confirms Banco Montepio's financial strength

Banco Montepio achieved a consolidated net income of €70.7Mn in the first half of 2025, setting a new all-time high for a half-year period. This figure represents an increase of 2.8% compared to the same period in 2024 and reflects a gross return on equity of 10.1%. This result was achieved in a context of strengthened financial soundness and culminated in the assignment of an investment grade rating, a strategic milestone for the institution.

Operating income totalled €226.0Mn, with Net interest income standing at €167.2Mn and Net commissions at €65.8Mn. Operating costs amounted to €143.0Mn. The reversal of impairment losses and other provisions stood at -€2.6Mn in net terms, and taxes at €14.5Mn.

Commercial activity continued to evolve favourably. Year-on-year, **Deposits from customers grew by 9.7% reaching a new all-time high of €15,590Mn, gross loans to customers increased by 5.6% to €12,543Mn, and performing loans to customers amounted to €12,307Mn, reflecting growth of 6.6%. The cost of credit risk stood at -0.1% and the NPE ratio fell to 1.9%.**

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In the first half of the year, **Banco Montepio regained the investment grade rating assigned by Moody's and DBRS**, after more than a decade in speculative grade. This upgrade, **accompanied by an upward revision of deposit ratings**, reflects independent recognition of the institution's progress and confirms its ability to sustain a positive trajectory and face the sector's challenges with resilience.

HIGHLIGHTS:

Business

- **Gross loans to customers** increased to €12.5Bn, compared to €12.2Bn at the end of 2024 (+3.1% YtD), with *performing* loans increasing by €405Mn (+3.4%) YtD;
- **Deposits from Customers** amounted to €15.6Bn, representing an increase of €631Mn (+4.2%) YtD, with the individual's segment accounting for 69% of the total;
- **2025 Consumer Choice Award - Mortgage Loans**



For the fourth consecutive time, Banco Montepio's Mortgage Loans were awarded the "Consumer Choice 2025" prize. Portuguese consumers rated Banco Montepio as the No. 1 Brand in the Mortgage Loans category, among nine banks analysed;

- **With a penetration rate of 28% in the Social and Solidarity Economy** (with a social purpose) **customer segment**, Banco Montepio consolidates its strategy of dedicated support, positioning itself as a leading partner in this sector;
- Banco Montepio has taken on a **prominent and active role in supporting businesses**, standing out for the **high number of approved and contracted loans backed by BPF InvestEU credit lines** from Banco Português de Fomento, reaffirming its commitment to financing the economy and supporting business investment;



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- As part of its strategy to support job creation and social inclusion, Banco Montepio financed more than 75 projects through its Microcredit and Support for Entrepreneurship and Self-Employment credit lines, totalling more than €1.2Mn;
- The number of active customers **using the Montepio24 service** (internet and mobile banking) increased by 8% YoY, with the number of transactions carried out growing by 16% YoY.

Asset quality

- **Cost of credit risk** of -0.1%, which compares favourably with the 0.1% recorded at the end of June 2024;
- **Reduction of non-performing exposures (NPE)** by €94Mn (-28%) YoY, bringing the NPE ratio to 1.9%, compared to 2.8% recorded on 30 June 2024;
- **NPE ratio, net of total impairments for credit risk**, of 0.3%, compared to 0.8% at the end of June 2024;
- **NPE coverage** by specific impairments of 45.2% (compared to the average of 41.2% for EU Member States at the end of December 2024, according to the latest data available from the EBA). NPE coverage by total impairments for credit risk amounted to 82.1% (72.2% at the end of June 2024) and 121.0% (113.4% at the end of June 2024) when considering associated collateral and financial guarantees;
- **Reduction of exposure to real estate risk** by €74Mn (-32%) YoY, to a total of €156Mn, representing only 0.8% of net assets (1.3% at the end of June 2024) and 9.9% of own funds (15.4% on 30 June 2024).

Capital and liquidity

- **Common Equity Tier 1 (CET1) ratio**¹ at 16.3% (+0.3 p.p. YtD);
- **Total Capital Ratio**¹ at 19.5% (+0.3 p.p. YtD);

¹ Ratios calculated including accumulated net income for the period, less estimated potential profit distributions.

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- **MREL ratio**, determined as a percentage of total RWA, of 26.9% (+2.1 p.p. YoY);
- **Successful completion of a €350Mn senior preferred debt issuance eligible for MREL**, with a coupon rate of 3.5%, 6.5 p.p. lower than the comparable issuance carried out in October 2023, reflecting the improvement in the credit profile;
- **Liquidity coverage ratio (LCR)** of 191.0%;
- **Stable Funding Ratio (NSFR)** amounted to 142.7%;
- **Liquidity buffer** amounted to €5.8Bn (+3.6% YoY), reflecting the strengthening of the liquidity position.

Commitment to Sustainability and ESG

Banco Montepio published the 2024 Sustainability Report, marking an important milestone in the Group's sustainability reporting, as it covers for the first time all entities within the Banco Montepio Group and strengthens the integrated view of its operations.

This report provides a consolidated overview of the main challenges, opportunities and achievements, reflecting the Group's effective contribution to sustainable development, based on principles of ethics, rigour and authenticity, with a focus on value creation across environmental, social and governance (ESG) dimensions.

The report stands out not only for its broader scope, but also for the introduction of advances in carbon footprint measurement methodology, enabling a more rigorous and comprehensive assessment. It also takes a deeper approach to measuring social impact.

Furthermore, the report signals the Group's alignment with the European Corporate Sustainability Reporting Directive (CSRD) by incorporating indicators from the European Sustainability Reporting Standards (ESRS), while retaining the Global Reporting Initiative (GRI) standards as a reference point, in a reporting exercise that anticipates the future transposition of European regulations into national legislation.

The disclosed information was **verified by an independent external auditor** and presented in neutral, clear and inclusive language, using the *ColorADD* system to ensure communication accessibility for all audiences.

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The 2024 Sustainability Report is available for consultation on the Banco Montepio website. You can also share your opinion on it, [here](#) or via the QR Code.

**RESULTS**

Consolidated net income increased to €70.7Mn at the end of the first half of 2025, reflecting a favourable performance and a new half-yearly record.

Net interest income in the first six months of 2025 amounted to €167.2Mn, compared to €198.6Mn in the same period of 2024. This change was primarily driven by a €51.5Mn decrease in Commercial net interest income (mainly due to the decrease in interest received on loans to customers, impacted by the effect of the refixing of interest rates on contracts) and by the increase in financing costs of €5.0Mn related to the issuance of senior preferred debt (eligible for MREL) at the end of May 2024. These effects were partially offset by positive changes of €6.4Mn in interest on investments in securities and €18.6Mn in net interest on borrowings and loans from other credit institutions and derivative instruments.

Net commissions totalled €65.8Mn in the first six months of 2025, compared to €63.1Mn in the same period of 2024, representing an increase of €2.7Mn (+4.3% YoY). This increase was mainly driven by higher commissions from market activity and insurance brokerage, reflecting commercial momentum and business expansion.

The **Results from financial operations** recorded in the first six months of 2025 were negative by €5.7Mn, compared to a nearly zero value recorded in the same period of 2024. This was due to a reduction in income from exchange rate revaluation by €2.2Mn, as well as derivative instruments net of the fair value of financial assets and liabilities by €1.9Mn, and with the securities portfolio by €1.7Mn.

Other results in the first six months of 2025 were negative by €1.8Mn, mainly reflecting the accounting of the sector's mandatory contributions (IFRIC 21) totalling €11.3Mn and the recognition of €9.1Mn of income from the disposal of assets. The favourable

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evolution of €5.2Mn compared to the amount recorded in the same period of 2024 was mainly due to the reduction in mandatory contributions by €1.1Mn, the increase in gains from the disposal of assets by €3.4Mn and the positive net impact of €0.7Mn from other operating income and costs affected by the recording of non-recurring items.

Operating costs totalled €143.0Mn in the first six months of 2025, compared to €133.6Mn in the same period of 2024, reflecting increases in Staff costs, General and administrative expenses and Depreciation and amortization.

In the first six months of 2025, **Staff costs** amounted to €79.8Mn, reflecting an increase of 3.1% compared to €77.4Mn recorded in the same period of 2024, mainly due to salary updates and adjustments resulting from the internal talent valuation and retention policy.

General and administrative expenses in the first six months of 2025 amounted to €37.7Mn, compared to €34.6Mn in the same period of 2024. This increase is due to the impact of inflation on the costs of contracting and renewing services, particularly in light of Banco Montepio's ongoing digital transformation and developments in information systems.

Depreciation and amortization in the first six months of 2025 totalled €25.4Mn, compared to €21.6Mn recorded in the same period of 2024. This increase reflects increased investment in information technology and digitalisation, as well as in the development of data collection, processing and governance models, with the aim of promoting automation and continuous re-engineering of internal processes.

Efficiency, measured by the recurring **Cost-to-income ratio**, given by the portion of Operating income that is absorbed by Operating costs, excluding Results from financial operations, Other results and non-recurring costs related to staff adjustment, stood at 61.3% in the first half of 2025.

The net value of **impairments and provisions** was negative by €2.6Mn in the first six months of 2025, showing a decrease of €16.3Mn compared to the same period in 2024.

Loan impairments in the first six months of 2025 recorded a reversal of -€8.0Mn, compared to a provision of €7.3Mn in the same period of 2024. In the first half of 2025,

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the reversal reflected the improvement and evolution of the credit portfolio quality, which translated into a cost of credit risk of -0.1% in the first half of 2025 compared to 0.1% recorded at the end of June 2024.

The aggregate of **Other financial assets impairments, Other assets impairments and Provisions net of reversals and annulments** totalled €5.4Mn in the first six months of 2025, compared to €6.5Mn recorded in the same period of 2024, reflecting the evolution of impairment losses on investment property and other assets and debtors, as well as the reduction in other provisions.

BALANCE SHEET

Total assets stood at €19,235Mn on 30 June 2025, compared to €18,415Mn at the end of 2024 (+4.5%), essentially reflecting the changes in Loans and advances to customers (+€404Mn), Cash and deposits with central banks (+€217Mn), Other financial assets at amortised cost (+€114Mn), and Investments in credit institutions (+€62Mn).

Gross loans to customers totalled €12,534Mn on 30 June 2025, showing an increase in performing loans of €405Mn (+3.4%) compared to 31 December 2024, despite a €24Mn (-9.2%) reduction in non-performing loans. Compared to the end of the same period in 2024, gross loans to customers increased by €666Mn (+5.6%), supported by a €760Mn (+6.6%) increase in performing loans, despite a €94Mn (-28.3%) decrease in non-performing loans.

The **Securities portfolio** totalled €4,045Mn on 30 June 2025, reflecting an increase of €145Mn compared to the level observed at the end of 2024, mainly due to the increase in the portfolio of debt instruments issued by other issuers (+€191Mn) and the decrease in sovereign debt (-€21Mn). The structure of the securities portfolio as at 30 June 2025 consisted of 88% sovereign debt, compared to 91% at the end of 2024.

Total liabilities at the end of June 2025 increased by €752Mn (+4.5%) compared to the figure recorded on 31 December 2024, with a notable increase in Deposits from customers (+€631Mn) and Debt securities issued (+€122Mn).

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Deposits from Customers reached €15,590Mn at the end of June 2025, representing an increase of €631Mn (+4.2%) compared to the amount recorded at the end of 2024. This performance was driven by the favourable evolution of deposits from the corporate segment, up €431Mn (+9.7%), and from individuals, up €200Mn (+1.9%). Compared to the same period last year, Deposits from customers increased by €1,378Mn (+9.7%), supported by the positive change in corporate's deposits of €850Mn (+21.1%) and individuals' deposits of €527Mn (+5.2%). At the end of June 2025, the *mix* of the demand deposit/term deposit portfolio stood at 41%/59%, compared to 39%/61% at the end of 2024.

As of 30 June 2025, **Total customer resources**, amounted to €17,284Mn, representing an increase of €796Mn (+4.8%) compared to the end of 2024. This change was driven not only by the growth in Deposits from customers but also by an increase of €165Mn (+10.8%) YtD in Off-balance sheet resources. This dynamic reflects Banco Montepio's commitment to attracting deposits and providing its customer base with alternative savings and investment solutions, with Deposits from customers accounting for 90.2% of the total funds attracted.

Equity totalled €1,742Mn on 30 June 2025, representing an increase of €68Mn (+4.1%) compared to the figure recorded at the end of 2024, essentially reflecting the positive effect of €70.7Mn net income recorded in the first six months of 2025, the decrease related to the distribution of dividends (-€30.6Mn) and the recognition of positive actuarial gains determined by the increase in the discount rate (+€34.0Mn).

PENSION FUND

At the end of the first half of 2025, post-employment and long-term benefit liabilities, taking into account the provisions recognised in the balance sheet, were fully funded, with a **coverage ratio of 110.4%**.

Total liabilities to the Pension Fund at the end of June 2025 amounted to €740.5Mn, showing a decrease of €41.0Mn compared to the amount recorded at the end of 2024, due to the impact of the change in the discount rate.

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The value of the Pension Fund's assets amounted to €813.2Mn at the end of the first half of 2025, compared to €823.4Mn recorded on 31 December 2024. This change incorporates the impact of negative financial deviations and the effect of pension payments, partially offset by the expected return on assets.

OWN FUNDS AND CAPITAL RATIOS

Risk-weighted assets (RWA) increased by €110Mn in the first six months of 2025, mainly due to the growth of the loan portfolio, the rebalancing of the securities portfolio aimed at improving yield, and the impacts of the adoption of CRR3. RWA density (measured by the ratio of RWA to net assets) stood at 42.0% at the end of the first half of 2025 (43.3% at the end of the previous year), reflecting the efficiency of management in investment decisions and credit granting.

Total own funds increased by €41Mn in the first six months of 2025, standing at €1,573Mn, essentially reflecting the positive net income deducted of estimated potential income distributions.

	Jun-24	Dec-24	Jun-25 ⁽¹⁾	Change YtD
Common Equity Tier 1 Capital (CET1) (€Mn)	1,242	1,276	1,317	41
Tier I Capital (€Mn)	1,242	1,276	1,317	41
Total Own Funds (€Mn)	1,498	1,532	1,573	41
Risk-weighted assets (RWA) (€Mn)	7,715	7,977	8,088	110
Capital ratios⁽²⁾				
Common Equity Tier 1 ratio (CET1)	16.1%	16.0%	16.3%	0.3 p.p.
Tier I ratio	16.1%	16.0%	16.3%	0.3 p.p.
Total Capital ratio	19.4%	19.2%	19.5%	0.3 p.p.
Leverage ratio				
Leverage ratio - Fully Implemented	6.7%	6.8%	6.7%	(0.1 p.p.)

⁽¹⁾ Proforma ratios include the accumulated net income for the period, less estimated potential profit distributions.

⁽²⁾ Fully implemented ratios as of 30/Jun/2024 and 31/Dec/2024.

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At the end of the first six months of 2025, the **Common Equity Tier 1 (CET1)² ratio** stood at 16.3%, comfortably above the minimum regulatory requirement of 9.02%.

The **Total Capital ratio²** amounted to 19.5%, also comfortably above the minimum regulatory requirement of 13.87%.

The evolution of Banco Montepio's capital ratios reflected the growth in customer lending and improved profitability, supported by the adoption of management measures aimed at increasing operational efficiency and optimising the balance sheet risk profile, demonstrating the institution's ability to generate capital organically.

MINIMUM REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES

Banco Montepio complies with the MREL (Minimum Requirement for own funds and Eligible Liabilities), both as a percentage of RWA and as a percentage of LRE (Leverage Ratio Exposure):

	Jun-24	Dec-24	Jun-25 ⁽¹⁾
Total Own Funds (€Mn)	1,498	1,532	1,573
MREL eligible liabilities (€Mn)	450	450	600
Total Own funds & eligible liabilities (€Mn)	1,948	1,982	2,173
Total RWA (€Mn)	7,715	7,977	8,088
MREL ratio (%RWA)	25.3%	24.8%	26.9%
Minimum requirement MREL (%RWA) ⁽²⁾	20.38%	20.38%	23.54%
MREL ratio (%LRE)	10.6%	10.6%	11.1%
Minimum requirement MREL (%LRE)	5.33%	5.33%	5.33%

⁽¹⁾ Proforma ratios include the cumulative net income for the period, less estimated potential profit distributions.

⁽²⁾ Includes the combined buffer requirement of 2.77 p.p. as at 30 June 2024 and 30 June 2025, and of 2.78 p.p. as at 31 December 2024.

The MREL ratio, determined as a percentage of total RWA, stood at 26.9% on 30 June 2025, above the minimum requirement in force communicated by the Banco de Portugal (23.54% since 1 January 2025, including the combined capital buffer requirement).

² Proforma ratios calculated including accumulated net income for the period, less estimated potential profit distributions. With reference to 30 June 2025, the ratios not including the net income for the period and estimated dividends are: CET1 and Tier 1 15.7%, Total Capital 18.9% and Leverage 6.5%.

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The MREL ratio, determined as a percentage of total LRE, stood at 11.1% on 30 June 2025, also comfortably above the minimum requirement (5.33% since 1 January 2022).

Banco Montepio is not subject to any subordination requirement and is well positioned to continue to ensure compliance with the MREL requirements, with an adequate buffer in view of its overall strategy and risk profile.

LIQUIDITY

Banco Montepio has maintained a stable funding and liquidity base, fully aligned with the strategic objectives set out in its Funding and Capital Plan.

On 30 June 2025, **Cash and deposits with central banks** amounted to €1,691Mn, compared to €1,475Mn at the end of 2024, representing an increase of 14.7% and showing a significant strengthening of the liquidity position.

Debt issued stood at €972Mn at the end of June 2025, representing an increase of €112Mn compared to the amount recorded on 31 December 2024. This change was mainly due to the partial repayment of €29Mn in securitisation bonds and to the successful liability management exercise carried out in June 2025. This operation consisted of the early redemption of €187.7Mn of senior preferred debt, with a coupon of 10% and maturing in October 2026, and a new public issue of €350Mn, with a coupon of 3.5% and maturing in 2029.

Deposits from other financial institutions totalled €588Mn at the end of June 2025, a decrease of €20Mn compared to the amount recorded at the end of 2024, mainly explained by the reduction in collateral associated with derivative positions.

On 30 June 2025, the value of the **portfolio of assets eligible for liquidity-providing operations under** the Eurosystem's monetary policy, free of liens or encumbrances, amounted to €4,121Mn, representing an increase of €18Mn (+0.4%) since the beginning of the year. This portfolio included marketable assets (namely eligible debt instruments valued at market prices, net of haircuts applied by the ECB) amounting to €3,817Mn, and non-marketable assets, such as credit claims on non-financial corporations and

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public sector entities, namely bank loans and credit lines used that meet specific eligibility criteria, valued at €305Mn.

RATING

On 30 June 2025, Banco Montepio's long-term debt rating assigned by DBRS Morningstar (DBRS) and Moody's Investors Service (Moody's) stood at BBB-, marking the return to investment grade after more than a decade in speculative grade. The Banco Montepio's deposit ratings, assigned by the three main agencies (DBRS, Moody's and Fitch Ratings), were also at investment grade level, reflecting the consolidation of the positive perception of the institution's strength.

In May 2025, Moody's upgraded Banco Montepio's senior unsecured debt rating to Baa3, thus achieving investment grade, with a positive outlook. At the same time, the long-term deposit rating was upgraded to Baa1, the highest level in Moody's Baa category.

In June 2025, DBRS upgraded Banco Montepio's Long-Term Senior Debt rating to BBB (low), also at investment grade, and the long-term deposit rating to BBB.

The ratings assigned to Banco Montepio with reference to 31 December 2024 and 30 June 2025 are shown in the table below:

Rating Agencies	Covered Bonds (CPT) ⁽¹⁾		Long-term ⁽²⁾		Deposits		Outlook	
	31.Dec.24	30.Jun.25	31.Dec.24	30.Jun.25	31.Dec.24	30.Jun.25	31.Dec.24	30.Jun.25
Fitch	AAA	AAA	BB+	BB+	BBB-	BBB-	Stable	Stable
Moody's	Aaa	Aaa	Ba1	Baa3	Baa2	Baa1	Positive	Positive
DBRS	--	--	BB (high)	BBB (low)	BBB (low)	BBB	Positive	Stable

(1) Issued under the Covered Bonds Programme, converted from conditional pass-through to soft-bullet format on 12 May 2025.

(2) Long-term Senior Preferred Debt rating by Fitch, Senior Unsecured Debt rating by Moody's e Long-term Senior Debt rating by DBRS.

The successive rating upgrades reflect the independent recognition of the excellent performance of Banco Montepio, following the successful implementation of digital transition and operational optimisation measures, which have enabled it to increase profitability, reduce non-performing and non-strategic assets, sustainably improve its risk profile and strengthen its capital ratios through organic growth. The favourable

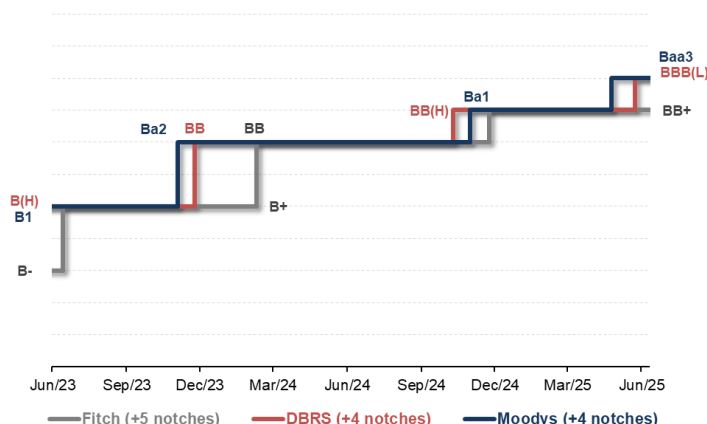
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assessment by the rating agencies also reflects the bank's proven capacity to consolidate its results and prepare itself for future challenges.

Senior preferred debt rating



ESG

Five Star Award (*Prémio Cinco Estrelas*) - Banking Sustainability



For the third consecutive year, Banco Montepio was awarded the Five Star Award 2025 in the Banking - Sustainability category, obtaining the highest rating (7.91) among all the brands assessed. This award stands out for evaluating criteria considered truly relevant to consumers, such as

Satisfaction with Experience, Price-Quality Ratio, Recommendation Intention, Trust in the Brand and Innovation. The 2025 edition saw the participation of 358,600 consumers in the evaluation of 1,181 brands. With this recognition, Banco Montepio reinforces its commitment to social, economic and environmental sustainability.

Sustainable Financing

Banco Montepio has been strengthening its commitment to sustainable financing, taking on an active role as an agent of positive change. Through the structuring and placement of financial instruments aligned with environmental and social principles, the Bank has demonstrated how financial institutions can be strategic partners in the transition to a more sustainable economy.

In the second quarter of 2025, Banco Montepio advised Cork Supply on the structuring of a €5Mn sustainability-linked bond issue through a private and direct offering. The terms of the "Sustainability-Linked Bonds Cork Supply 2025-2030" are indexed to sustainability targets related to the reduction of direct and indirect greenhouse gas emissions and the number of initiatives developed under Cork Supply's *"We Care"* programme, which aims to promote the well-being of its employees.

Banco Montepio also advised Ferreira Construção on the structuring of a €5Mn issue through a private placement. The terms of the "Sustainability-Linked Bonds Ferreira 2025-2030" are indexed to sustainability objectives related to efficiency in the management of construction and demolition waste and to the contribution to affordable housing.

In both issues, the sustainability objectives were defined in the respective Sustainability-Linked Financing Frameworks, in compliance with the Sustainability-Linked Bond Principles published by the International Capital Market Association, in accordance with opinions issued by independent external entities.

These operations join other relevant initiatives supported by Banco Montepio in the area of sustainable financing, such as the Green Bond issues by Riopole and the by the consortium led by I-Sete and Amener, carried out in the first quarter of 2025, aimed at projects in the areas of renewable energy and energy efficiency.

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DIGITAL TRANSITION

The constant technological evolution that characterises the modern world, with the emergence and rapid rise of new solutions, requires that Banco Montepio's digital transition and transformation process be equally continuous and permanently adjusted. This effort aims, above all, to continuously improve the customer experience, expand the reach and convenience of the services provided and strengthen internal efficiency.

During the first half of 2025, Banco Montepio continued its digital transition process, with the following initiatives standing out:

- Launch of a new online journey for maintaining customer data, using the Digital Mobile Key (Chave Móvel Digital), allowing updates to be made in 5 minutes and 100% digitally, without the need to manually submit supporting documents;
- Launch of new operations and features on Montepio24 (web and app), notably the renewal of the application process and increase in credit card limits, as well as the application for and taking out of personal loans online;
- Launch of a new journey for the purchase of prestige products at the Branches, in line with the online shopping experience for these products through Banco Montepio Collection;
- Development of the SPIN service, which now allows transfers based on the beneficiary's tax identification number, and implementation of the final beneficiary confirmation service for service payments and direct debits, reinforcing customer security and confidence in the transactions carried out.

On 30 June 2025, Banco Montepio recorded a 5% increase in the number of customers using digital channels (Montepio24 service) and an 8% increase in the number of active digital customers compared to the same period last year. The number of transactions carried out through the Montepio24 service also increased by 16% year-on-year. In the same period, the number of active digital customers using the mobile channel (Montepio24 app) grew by 6% compared to the same period last year.

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MAJOR MILESTONES**Mark of Excellence – Superbrands 2025**

For the 16th time, Banco Montepio has been distinguished as a Superbrands brand, a recognition awarded by this independent international organisation, which identifies brands that stand out in each market for performing above and beyond their competitors.

In Portugal, the distinction is awarded based on a consumer survey and the assessment of the Superbrands Council.

This recognition also reflects the path we have been following for 181 years, alongside families, companies and social economy entities. That is why we say: this recognition is true love.

Banco Montepio among the most valuable Portuguese brands

Banco Montepio recorded the second highest increase in value in the annual ranking of the 100 Most Valuable Portuguese Brands. The study, conducted by OnStrategy, reveals that Banco Montepio achieved significant growth of 68.3%, climbing 16 places to 42nd position.

OnStrategy develops and delivers consulting services in analysis, strategy and financial evaluation to maximise the value of tangible and intangible assets using independent methodologies and tools.

This ranking is developed based on the Royalty Relief methodology and follows the requirements of international standards ISO20671 (brand strategy and strength assessment) and ISO10668 (financial assessment).

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Banco Montepio issued €350Mn in senior preferred debt with demand around 7x above the offer

On 16 June 2025, Banco Montepio successfully completed a MREL-eligible senior preferred debt issue in the amount of €350Mn. This operation is part of the institution's strategic plan and aims to strengthen its own funds and eligible liabilities ratio, which already comfortably exceeds regulatory requirements.

The issue has a maturity of 4 years, with an early redemption option at the end of the 3rd year. It was launched with an issue price of 99.877% and a fixed coupon of 3.5% per annum for the first three years. If the early redemption option is not exercised, the rate applicable in the last year will be indexed to 3-month Euribor plus a spread of 1.48%.

Demand reached around €2.4Bn, approximately seven times the amount issued. Orders were allocated to more than 130 institutional investor accounts, with a diversified geographical distribution, notably the United Kingdom and Ireland (22%), France (21%), Iberia (20%), Italy (17%) and Benelux (11%).

It should be noted that the coupon rate of the new issue (3.5%) was 6.5 percentage points below the rate of the comparable issue carried out in October 2023 (10.0%), essentially reflecting the improvement in the bank's credit profile. The strong market response confirms Banco Montepio's ability to access funding on competitive terms and demonstrates investor confidence in its strategy, risk profile and financial consistency.

At the same time, a liability management exercise was carried out with the aim of repurchasing and early redeem the €200Mn issue maturing in October 2026, contributing to the optimisation of the structure of own funds and eligible liabilities. Following the tender offer announced by Banco Montepio, on 25 June 2025, an amount of €187.7Mn was acquired and cancelled. Subsequently, Banco Montepio notified the holders of the remaining bonds of the exercise of the clean-up call option and, on 10 July 2025, redeemed all outstanding bonds at their nominal value (€12.3Mn) plus accrued interest but not paid up to that date.

Banco Montepio awarded by ALF - Portuguese Leasing, Factoring and Renting Association

Banco Montepio was recognised by ALF - Portuguese Association of Leasing, Factoring and Renting as the institution with the highest percentage growth in factoring production in 2024, with an increase of 31%.

This award recognises the progress that Banco Montepio has been consolidating, with a strategic focus on financing companies, including specialised credit solutions such as Factoring, which contribute to a more efficient cash flow management and a sustainable business growth.

Bem Bom is back

After launching the Bem Bom competition in 2024 as part of its 180th anniversary, an initiative that awarded more than €1.5Mn to customers with mortgage loans, Banco Montepio is launching the second edition in

2025 to reach even more families.

Following the success of the first edition, which was exclusively addressed to customers, Banco Montepio is now extending access to the competition, allowing anyone with a mortgage to participate, whether or not they are a Banco Montepio customer.

The "Bem Bom" competition, held in partnership with TVI, is being broadcast in a 2-minute programme immediately after the Jornal Nacional news. Each broadcast will show the moment of the draw, announce the winner and share stories and content that spread joy. The partnership with Rádio Comercial, the Portuguese people's favourite radio station, also continues.

The 2025 edition will last 40 weeks, until January 2026, and will raffle 40 iconic cars, one per week. The prize is the new Renault 5, 100% electric and voted European Car of the Year 2025. A model that has marked generations, is part of our collective memory and

is now back, renewed and ready to respond to the social and environmental challenges of our time.

Banco Montepio supports the 2025 Pirilampo Mágico Campaign



The Pirilampo Mágico Campaign, promoted by FENACERCI and supported by Banco Montepio since 2017, took place between 9 May and 1 June 2025. The colour chosen for this edition was violet, associated with wisdom and

transformative power, values that reflect Fenacerci's mission: to support thousands of people with intellectual and/or multiple disabilities and their families. With a lighthouse as its background image, the campaign adopted the slogan "The light that embraces difference".

The Pirilampo Mágico (Magic Firefly) is one of the greatest symbols of solidarity in Portugal and its main objective is to raise funds for CERCI, members of FENACERCI, and other similar organisations.

Banco Montepio hosted another edition of Braço Direito, organised by JAP – Junior Achievement Portugal.

The initiative took place in early April and aimed to provide practical professional experience to young people about to enter the job market, offering them the opportunity to shadow a Banco Montepio employee for a day. During this experience, students participated in various activities developed by mentors and accompanied them in their daily professional tasks.

The initiative raised awareness of the various professional opportunities in the financial sector, while reinforcing the importance of everyone's contribution to the smooth functioning of the labour market.

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Banco Montepio joined Model UN at ISCSP

Banco Montepio participated in Model UN at the Higher Institute of Social and Political Sciences (ISCSP) of the University of Lisbon, an initiative integrated into the World Diplomacy by Young Generation programme, promoted by the United Nations Association Portugal, which aims to bring young people closer to the global world and international negotiation. The central theme of the debate was "New Technologies and Conflict Dynamics".

Model UN is an educational simulation of the United Nations General Assembly, which aims to provide a realistic experience of multilateral diplomacy. Banco Montepio was part of the panel of judges responsible for awarding the "Best Resolution" prize, given to the delegation that stood out the most in drafting proposals, mediating conflicts and promoting consensus.

Banco Montepio's participation in this initiative reflects its ongoing commitment to sustainability, education and active citizenship. The prize consisted of a summer internship at Banco Montepio for the members of the winning delegation.

Banco Montepio attends the "Great Sustainability Conference"

Banco Montepio attended the "Great Sustainability Conference", organised by Jornal de Negócios, at Nova SBE, in Carcavelos. This event brought together business leaders, experts and representatives from financial and academic institutions to discuss strategies and solutions that promote sustainable economic growth, with a focus on innovation, competitiveness and energy transition.

The presence at this conference reinforces Banco Montepio's position as an active partner in building a greener, more competitive future focused on responsible innovation.

ESG WEEK 2025 – Banco Montepio was Main Sponsor

The 4th edition of ESG WEEK | Environmental, Social, Governance, an initiative organised by the Portuguese Association for Business Ethics (APEE), once again featured Banco Montepio as Main Sponsor. ESG WEEK 2025 was the stage for debate

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on the major issues of sustainability, within the ESG framework, and took place at Estúdio Time Out, in the Ribeira Market, in Lisbon.

Sustainable Vehicle Fleet

Banco Montepio has renewed its Move+ certificate, achieving an A+ energy rating. Move+ is a system for assessing and classifying the energy performance of vehicle fleets, awarded by the Portuguese Energy Agency (ADENE). Banco Montepio was one of the first companies in the country to receive this certification, which it has now renewed for the third consecutive time. The certificate recognises organisations at the forefront of the energy transition, moving towards a more sustainable and decarbonised economy.

The Move+ rating system provides an energy efficiency scale for a company's vehicle fleet, ranging from A+ (most efficient) to F (least efficient).

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KEY INDICATORS

	Jun-24	Dec-24	Jun-25	Change YoY
ACTIVITY AND RESULTS (€ million)				
Total assets	18,169	18,415	19,235	5.9%
Gross Loans to customers	11,877	12,162	12,543	5.6%
Deposits from customers	14,212	14,959	15,590	9.7%
Equity	1,660	1,674	1,742	5.0%
Net income	68.7	109.9	70.7	2.8%
SOLVENCY ^(a)				
Common Equity Tier 1 ratio	16.1%	16.0%	16.3%	0.2 p.p.
Tier 1 ratio	16.1%	16.0%	16.3%	0.2 p.p.
Total Capital ratio	19.5%	19.2%	19.5%	0.0 p.p.
Leverage ratio	6.8%	6.8%	6.7%	(0.1 p.p.)
Risk weighted assets (€ million)	7,715	7,977	8,088	4.8%
LIQUIDITY RATIOS				
Loans to customers (net) / Deposits from customers ^(b)	81.9%	79.9%	79.2%	(2.7 p.p.)
LCR	219.3%	201.1%	191.0%	(28.3 p.p.)
NSFR	135.4%	141.1%	142.7%	7.3 p.p.
ASSET QUALITY				
Cost of credit risk	0.1%	0.2%	(0.1%)	(0.2 p.p.)
Non-performing exposures (NPE) ^(c) / Gross Loans to customers	2.8%	2.1%	1.9%	(0.9 p.p.)
NPE ^(c) net of impairments for credit risk / Gross Loans to customers	0.8%	0.4%	0.3%	(0.5 p.p.)
NPE ^(c) coverage by specific impairments	43.2%	44.0%	45.2%	2.0 p.p.
NPE ^(c) coverage by credit risk impairments	72.2%	83.3%	82.1%	9.9 p.p.
NPE ^(c) coverage by credit risk impairments and associated collaterals and financial guarantees	113.4%	122.5%	121.0%	7.6 p.p.
PROFITABILITY AND EFFICIENCY				
Total operating income / Average total assets ^(b)	2.8%	2.7%	2.4%	(0.4 p.p.)
Net income before income tax / Average total assets ^(b)	1.2%	0.9%	0.9%	(0.3 p.p.)
Net income before income tax / Average total equity ^(b)	13.4%	10.1%	10.1%	(3.3 p.p.)
Net income / Average total equity	8.6%	6.7%	8.4%	(0.2 p.p.)
Cost-to-income (Operating costs / Total operating income) ^(b)	52.4%	56.4%	63.3%	10.9 p.p.
Cost-to-Income. excluding specific impacts ^(d)	50.4%	53.1%	61.3%	10.9 p.p.
Staff costs / Total operating income ^(b)	30.4%	32.5%	35.3%	4.9 p.p.
EMPLOYEES AND DISTRIBUTION NETWORK (Number)				
Employees				
Banco Montepio Group	2,994	2,983	2,999	0.2%
Banco Montepio	2,873	2,864	2,871	(0.1%)
Branches - Banco Montepio				
Domestic network	226	225	224	(0.9%)
Representative offices	5	5	5	0.0%

(a) In accordance with CRD IV / CRR (fully implemented on 30 June 2024 and 31 December 2024). The ratios include net income for the period.

(b) In accordance with Banco de Portugal Instruction 16/2004. as amended.

(c) EBA definition.

(d) Excludes Results from financial operations and Other results ("Net gains/(losses) arising from sale of other financial assets" and "Other operating income/(expense)") and non-recurring costs related to the implementation of the operational adjustment plan.

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CONSOLIDATED INCOME STATEMENT

(Euro millions)	Jun-24	Jun-25	Change YoY	
			€Mn	%
Interest and similar income	351.3	300.6	(50.7)	(14.4%)
Interest and similar expense	152.8	133.4	(19.3)	(12.6%)
NET INTEREST INCOME	198.6	167.2	(31.4)	(15.8%)
Dividends from equity instruments	0.5	0.6	0.1	15.2%
Net fee and commission income	63.1	65.8	2.7	4.3%
Results from financial operations	0.0	(5.7)	(5.7)	<(100%)
Other results	(7.1)	(1.8)	5.2	74.2%
OPERATING INCOME	255.1	226.0	(29.1)	(11.4%)
Staff Costs	77.4	79.8	2.4	3.1%
General and administrative expenses	34.6	37.7	3.1	9.1%
Depreciation and amortization	21.6	25.4	3.8	17.7%
OPERATING COSTS	133.6	143.0	9.4	7.0%
Loan impairments	7.3	(8.0)	(15.3)	<(100%)
Other financial assets impairments	0.9	0.1	(0.8)	(85.9%)
Other assets impairments	7.9	6.8	(1.1)	(14.4%)
Provisions net of reversals and annulments	(2.4)	(1.5)	0.9	37.8%
Share of profit of associates under the equity method	(0.3)	(0.3)	(0.0)	(4.3%)
NET INCOME BEFORE TAX	107.3	85.2	(22.2)	(20.7%)
Tax	38.6	14.5	(24.1)	(62.5%)
CONSOLIDATED NET INCOME	68.7	70.7	1.9	2.8%

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CONSOLIDATED BALANCE SHEET

(Euro millions)	Jun-24	Dec-24	Jun-25	Change YoY	
				€Mn	%
Cash and deposits with central banks	1,663.0	1,474.5	1,691.2	28.2	1.7%
Loans and advances to credit institutions repayable on demand	46.4	49.8	59.0	12.6	27.0%
Other loans and advances to credit institutions	147.8	138.2	199.8	52.0	35.2%
Loans and advances to customers	11,638.5	11,945.0	12,348.8	710.3	6.1%
Financial assets held for trading	29.5	26.8	38.2	8.7	29.6%
Financial assets at fair value through profit or loss (FVPL)	114.9	102.7	101.0	(13.9)	(12.1%)
Financial assets at fair value through other comprehensive income (FVOCI)	328.7	304.5	344.2	15.5	4.7%
Hedging derivatives	10.9	30.3	10.7	(0.2)	(1.5%)
Other financial assets at amortised cost	3,173.2	3,473.7	3,587.8	414.6	13.1%
Investments in associates	3.7	4.5	4.2	0.5	13.8%
Non-current assets held for sale	0.1	0.0	0.0	(0.1)	(70.2%)
Investment properties	52.2	44.8	38.3	(13.9)	(26.5%)
Property and equipment	193.2	196.0	192.3	(0.9)	(0.5%)
Intangible assets	60.3	64.6	66.5	6.2	10.2%
Current tax assets	1.1	1.3	0.6	(0.5)	(48.1%)
Deferred tax assets	343.6	323.7	306.8	(36.8)	(10.7%)
Other Assets	362.2	234.2	245.8	(116.4)	(32.2%)
TOTAL ASSETS	18,169.4	18,414.8	19,235.0	1,065.6	5.9%
Deposits from other financial institutions	778.0	607.3	587.6	(190.4)	(24.5%)
Deposits from customers	14,212.2	14,958.8	15,589.9	1,377.7	9.7%
Debt securities issued	952.3	588.4	710.3	(242.0)	(25.4%)
Financial liabilities held for trading	12.9	11.2	7.0	(5.9)	(46.0%)
Provisions	17.2	30.5	28.3	11.1	64.8%
Current tax liabilities	1.8	1.5	1.1	(0.7)	(35.4%)
Hedging derivatives	2.4	27.0	30.5	28.1	>100%
Other subordinated debt	257.5	271.8	261.8	4.3	1.6%
Other liabilities	275.3	243.9	276.2	0.9	0.3%
TOTAL LIABILITIES	16,509.6	16,740.4	17,492.7	983.1	6.0%
Share Capital	1,210.0	1,210.0	1,210.0	0.0	0.0%
Reserves and retained earnings	381.1	354.5	461.6	80.5	21.1%
Consolidated net income	68.7	109.9	70.7	2.0	2.8%
TOTAL EQUITY	1,659.8	1,674.4	1,742.3	82.5	5.0%
TOTAL LIABILITIES AND EQUITY	18,169.4	18,414.8	19,235.0	1,065.6	5.9%

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Disclaimer

The financial information contained in this document has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union, applicable to the Banco Montepio Group in the preparation of its consolidated financial statements, pursuant to Regulation (EC) 1606/2002. The data presented refers to unaudited financial information for the period ended 30 June 2025. Some amounts and percentages presented have been rounded, so certain sums or variations may not correspond exactly to the result of the respective arithmetic calculations.

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GLOSSARY

CET1 - Common Equity Tier 1.

Commercial net interest income - Refers to the net income derived from interest earned on Loans and advances to customers, less the interest paid on Deposits from customers.

Cost of Credit Risk - Indicator that measures the cost recognized in the period and recorded as credit impairment in the income statement to cover the risk of default in the loans and advances to customer's portfolio. It results from dividing the Loan impairments (annualized) by the average balance of Gross loans to customers.

Cost-to-income ratio - Ratio of operating efficiency measured through the portion of operating income that is absorbed by operating costs, given by dividing operating costs by operating income.

CRR3 - The third revision of the Capital Requirements Regulation; is a European regulation that aims to implement the final elements of the Basel III Accord (often referred to as Basel IV) into EU law, further strengthening the prudential framework for financial institutions.

Debt issued - Sum of balance sheet items 'Debt securities issued' and 'Other subordinated debt'.

EBA - European Banking Authority. European Banking Authority.

Fully implemented - It refers to the full implementation of the prudential rules set out in the legislation in force in the European Union, which was produced based on the standards defined by the Basel Committee on Banking Supervision in the agreements known as Basel II and Basel III.

Gross return on equity - Ratio given by dividing Profit before tax, non-controlling interests and discontinued operations by Average equity.

LCR - Liquidity Coverage Ratio.

Liquidity buffer - Sum of the aggregate amount of the balance sheet item "Cash and deposits with central banks" and the market value, net of haircuts applied by the ECB, of eligible and uncommitted assets for liquidity-providing operations under the Eurosystem's monetary policy.

Net commissions - Corresponds to the item in the income statement "Net fee and commission income".

NPE - Non-Performing Exposures according to the EBA definition.

NPE coverage by specific impairments - ratio that measures the proportion of impairment for credit risks of non-performing exposures, in relation to the balance of non-performing exposures.

NPE coverage by total impairments for credit risk - ratio that measures the proportion of impairment for credit risks accumulated on the balance sheet in relation to the balance of non-performing exposures.

NPE coverage by total impairments for credit risk, collateral and associated financial guarantees - ratio that measures the proportion of the sum of the impairment for credit risks accumulated on the balance sheet and the value of the associated collateral and financial guarantees, in relation to the balance of non-performing exposures.

NPE ratio - Ratio given by the division of NPE calculated in accordance with the EBA definition by Gross loans to customers.

Non-Performing Loans - NPL according to the EBA definition.

NSFR - Net Stable Funding Ratio

Off-balance sheet resources - Disintermediation resources managed by third parties (assets under management), excluding securities and real estate investment funds recorded in the own portfolio.

Operating costs - Sum of the Income Statement headings "Staff costs", "General and administrative expenses" and "Depreciation and amortisation".

Operating income - Corresponds to the sum of the Income Statement items "Net interest income", "Dividends from equity instruments", "Net fee and commission income", "Results from financial operations" and "Other results".

Other results - Corresponds to the sum of the Income Statement headings "Net gains/(losses) arising from sale of other financial assets" and "Other operating income/(expense)".

Performing loans - Corresponds to the Gross loans to customers less the Non-performing loans.

Phasing-in - It refers to the phased implementation of prudential rules in accordance with the legislation in force in the European Union.

Proforma ratios (Common Equity Tier 1 (CET1), Tier I Capital, Total Capital) - calculated including accumulated net income for the period, less estimated potential profit distributions.

Results from financial operations - Sum of the headings in the income statement "Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss", "Net gains/(losses) arising from financial assets at fair value through other comprehensive income" and "Net gains/(losses) arising from exchange differences".

RWA - Risk-Weighted Assets.

Securities portfolio - Total of the balance sheet asset items "Financial assets held for trading", "Financial assets at fair value through profit or loss", "Financial assets at fair value through other comprehensive income", "Hedging derivatives", "Other financial assets at amortized cost", less the balance sheet liability items "Financial liabilities held for trading" and "Hedging derivatives".

Total customer resources - Sum of balance sheet item "Deposits from customers" and Off-balance sheet resources.

YoY - Year-on-year, change compared to the same period of the previous year.

YtD - Year-to-date, change compared to the end of the previous year.