REPORT AND ACCOUNTS 1ST HALF 2026

This report is the English version of the document “Relatório e Contas 1º Semestre 2026” delivered by Banco Montepio to the Portuguese Securities Market Commission (CMVM) in accordance with Portuguese Law. Should there be any doubt or contradiction between documents, the aforementioned Portuguese version prevails.

CONTENTS

PART I MANAGEMENT REPORT 4
01 CORPORATE GOVERNANCE 5
02 1ST HALF OF 2026 IN SUMMARY 9
HIGHLIGHTS 10
SUMMARY OF INDICATORS 12
MAIN EVENTS 13
03 THE BANCO MONTEPIO GROUP 14
WHO WE ARE 15
GROUP STRUCTURE 15
THE BANCO MONTEPIO BRAND 17
PEOPLE 23
CHANNELS, NETWORKS AND CUSTOMER RELATIONS 27
TECHNOLOGY AND INNOVATION 28
BUSINESS SEGMENTS 30
04 BUSINESS ENVIRONMENT 42
ECONOMY 43
FINANCIAL MARKETS 45
FINANCIAL SECTOR 47
MAIN RISKS AND UNCERTAINTIES FOR THE SECOND HALF OF 2026 48
05 FINANCIAL INFORMATION 51
ACTIVITY BY SEGMENTS 52
SUBSIDIARY COMPANIES 55
THE GROUP'S FINANCIAL PERFORMANCE 58
INCOME STATEMENT ANALYSIS 69
SOLVENCY AND LIQUIDITY ANALYSIS 76
PENSION FUND 80
06 STRATEGY 82
07 SUSTAINABILITY 85
08 RISK 91
RISK MANAGEMENT 92
RISK RATINGS 114
09 REGULATORY INFORMATION 116
CONSOLIDATED FINANCIAL STATEMENTS 117
ALTERNATIVE PERFORMANCE MEASURES 119
GLOSSARY 127
PART II ACCOUNTS, NOTES TO THE ACCOUNTS AND OPINIONS 130
ACCOUNTS AND NOTES TO THE CONSOLIDATED ACCOUNTS 131
ACCOUNTS AND NOTES TO THE INDIVIDUAL ACCOUNTS 292
DECLARATION OF CONFORMITY 445
EXTERNAL AUDITOR REPORTS 447

REPORT AND ACCOUNTS

MANAGEMENT REPORT

1ST HALF 2026

Banco Montepio

REPORT AND ACCOUNTS

CORPORATE GOVERNANCE

01

1ST HALF 2026

Banco Montepio

CORPORATE GOVERNANCE

GOVERNANCE MODEL

Caixa Económica Montepio Geral, caixa económica bancária, S.A. (hereinafter referred to as "Banco Montepio") adopts an Anglo-Saxon governance model, as established in Article 278(1b), Article 423-B and following of Section III and Article 446-A and following of Section VII of the Commercial Companies Code, with a Board of Directors that includes the Audit Committee (elected at the General Meeting from among the non-executive members) and a Statutory Auditor.

GOVERNING BODIES AND COMMITTEES OF THE BOARD OF DIRECTORS

The General Meeting of Banco Montepio, held on 29 April 2026, elected the members of the Institution's management and supervisory bodies for the 2026–2029 term of office, who took office on 22 May 2026, following authorisation from Banco de Portugal to perform their duties, under Article 30-B of the Legal Framework of Credit Institutions and Financial Companies ("RGICSF").

Accordingly, as at 30 June 2026, the composition of the Governing Bodies of Banco Montepio was as follows:

BOARD OF THE GENERAL MEETING

Chairman	António Manuel Lopes Tavares
Secretary	António Manuel Freitas Alexandre

BOARD OF DIRECTORS

Chairman	Manuel Ferreira Teixeira
Directors	Ângela Isabel Sancho Barros
	Eugénio Luís Correia Martins Baptista
	Isabel Cristina dos Santos Pereira da Silva
	José António de Azevedo Pereira
	José Carlos Sequeira Mateus
	Laura Abrantes Pinheiro da Silva Chaves[1]
	Manuel Luís Pires Domingues[1]
	Maria Alexandra de Matos Sequeira Thadeu
	Maria Lúcia Ramos Bica
	Nuno Miguel Sousa Figueiredo Carvalho
	Sara Eusébio da Fonseca

[1] Took office on 1 June 2026.

AUDIT COMMITTEE

Chair	Laura Abrantes Pinheiro da Silva Chaves
Members	Maria Alexandra de Matos Sequeira Thadeu
	Maria Lúcia Ramos Bica
	Sara Eusébio da Fonseca

STATUTORY AUDITOR

The General Meeting of Banco Montepio reappointed PricewaterhouseCoopers & Associados – Revisores Oficiais de Contas, Lda. as Statutory Auditor/Audit Firm of the Banco Montepio Group for the 2026–2028 three-year term, represented by:

- Carlos José Figueiredo Rodrigues, registered with the Order of Official Auditors under number 1737 and registered with the Securities Market Commission (CMVM) under number 20161347.

On the reference date, the Board of Directors had internal committees, composed only of non-executive members, mostly with independent status, including the respective Chairs, namely the Risk Committee, the Assessment, Nominations, Ethics, Sustainability and Governance Committee.

As at 30 June 2026, the composition of the internal committees of the Board of Directors of Banco Montepio was as follows:

RISK COMMITTEE

Chairman	Eugénio Luís Correia Martins Baptista
Members	Laura Abrantes Pinheiro da Silva Chaves
	Maria Lúcia Ramos Bica

ASSESSMENT, NOMINATIONS, ETHICS, SUSTAINABILITY AND GOVERNANCE COMMITTEE

Chair	Sara Eusébio da Fonseca
Members	Eugénio Luís Correia Martins Baptista
	Maria Alexandra de Matos Sequeira Thadeu

As at 30 June 2026, the composition of Banco Montepio's Executive Committee, to which the Board of Directors has delegated the day-to-day management of the Bank, with the exception of powers relating to matters whose delegation is forbidden by law or those reserved to it under the terms of its Regulations, was as follows:

EXECUTIVE COMMITTEE

Chairman	José António de Azevedo Pereira
Members	Ângela Isabel Sancho Barros
	Isabel Cristina dos Santos Pereira da Silva
	José Carlos Sequeira Mateus
	Manuel Luís Pires Domingues
	Nuno Miguel Sousa Figueiredo Carvalho

The Remuneration Committee elected by the General Meeting held on 29 April 2026 presented the following composition as at 30 June 2026 (all members are independent from the members of the management body):

REMUNERATION COMMITTEE

Chairman	Paulo Câmara Pires dos Santos
Vice-Chair	António Miguel Lino Pereira Gaio
Member	Soledade Carvalho Duarte

ANNUAL GENERAL MEETING

Banco Montepio held the ordinary General Meeting of shareholders on 29 April 2026, with the following decisions having been taken:

1. Deliberation on the Management Report and Accounts for the Financial Year 2025, of the individual and consolidated activity (including the 2025 Corporate Governance Report) – Approved unanimously;
2. Deliberation on the proposed appropriation of the net income for the year – Approved unanimously;
3. General appraisal of the company's management and auditing, under the terms of Articles 376 and 455 of the Commercial Companies Code – Approved unanimously;
4. Decision on the Report of Assessment of the Remuneration Policies and procedures adopted by Banco Montepio and Banco Montepio Group, prepared pursuant to Article 115-C(6) of the RGICSF and Article 44(1)(b) of Banco de Portugal Notice 3/2020 – Approved unanimously;
5. Deliberation on the review of the Policy for Selection and Assessment of Suitability of Members of the Management and Supervisory Bodies (MOAF) and Key Function Holders (TFE) – Approved unanimously;
6. Decision on the revision of the Policy for the Selection, Appointment and Assessment of the Statutory Auditor (ROC) or Statutory Audit Firm (SROC) and the Hiring of Services from the to the ROC/SROC) – Approved unanimously;
7. Deliberation on the election of the holders of corporate offices and bodies of Caixa Económica Montepio Geral, caixa económica bancária, S.A., under the law and the Articles of Association, for the 2026–2029 term of office – Approved unanimously;
8. Deliberation on the election of the General Meeting Remuneration Committee provided for in Article 12(c) of the Articles of Association of Caixa Económica Montepio Geral, caixa económica bancária, S.A., for the 2026–2029 term of office – Approved unanimously;
9. Deliberation on the Mission Letter of Caixa Económica Montepio Geral, caixa económica bancária, S.A., for the 2026–2029 term of office – Approved unanimously.

REPORT AND ACCOUNTS

1ST HALF OF 2026 IN SUMMARY

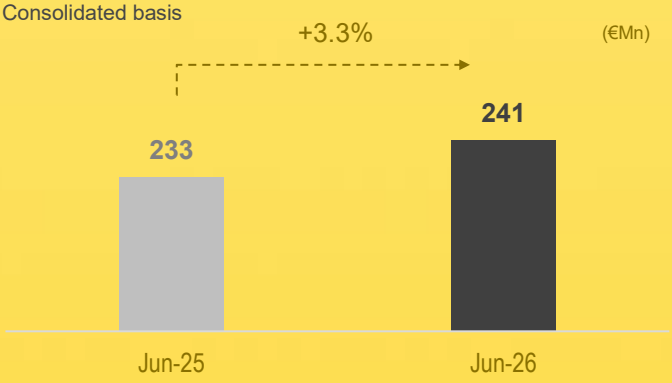
1ST HALF 2026

Banco Montepio

HIGHLIGHTS

CORE OPERATING INCOME

(Net interest income + Net feed and commissions);
Consolidated basis

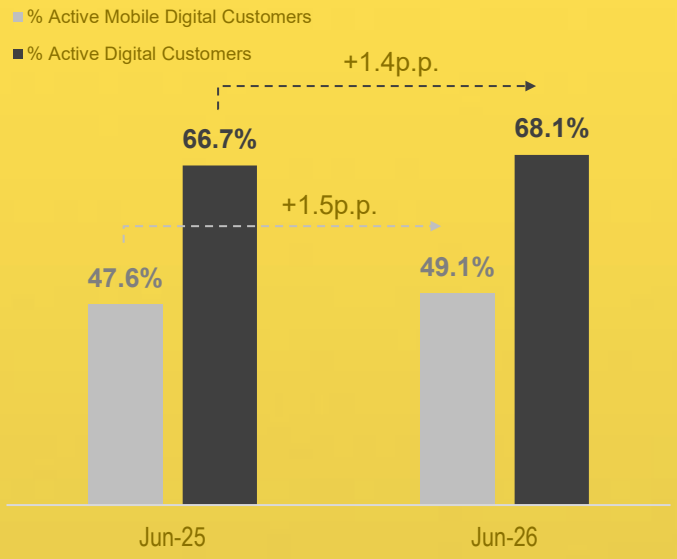


€241Mn

+3.3%

- Core Operating Income increased by 3.3% compared with the same period of the previous year to €241 million, despite the still negative impact of the lag in the repricing of assets from the previous interest rate cycle, growing in both of its components.
- Net Interest Income increased by 2.7% compared with the same period of the previous year, reflecting appropriate funding management, with a significant reduction in the cost of the issues carried out, as well as the expansion of lending activity, which more than offset the price effect.
- Growth of 5.1% in Net Fees and Commissions compared with Jun-25, reflecting the dynamism of commercial activity, in particular the volumes of credit and resources.

DIGITAL TRANSFORMATION

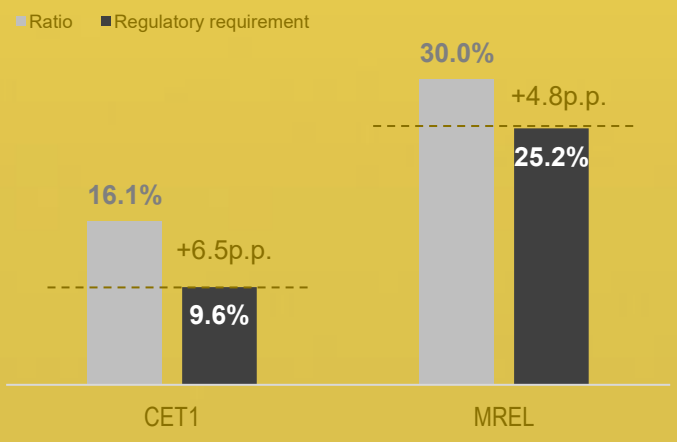


68%

% DE CLIENTES DIGITAIS ATIVOS NO TOTAL DE CLIENTES ATIVOS

- Digital transformation continued to play a central role in the execution of Banco Montepio's strategy, remaining one of its main investment priorities.
- Highlights include the launch of a new 100% digital Personal Loan application journey, the functional evolution of the new Banco Montepio App and the strengthening of the digitalisation of the branch experience through the extension of the operations available on the Chave24 service.
- At the end of the first half, active digital Customers represented 68% of the active Customer base, while active Customers on the mobile channel came to represent 49%, reinforcing the role of digital as the main channel of Customers' relationship with Banco Montepio.

CET1 AND MREL (1)



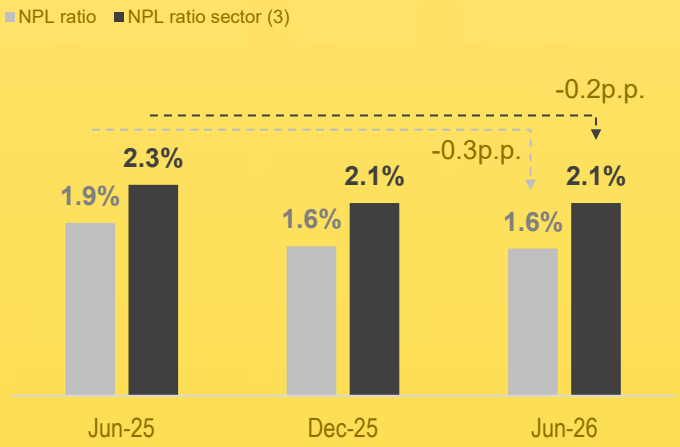
(1) The ratios include the accumulated net income for the period, net of the dividends to be distributed.

CET1 OF 16,1%

+6.5 p.p. ACIMA DO REQUISITO MÍNIMO

- The Common Equity Tier 1 (CET1) ratio reached 16.1% at the end of the first half, evidencing solid capitalisation, with a significant buffer of 6.5 p.p. above the minimum requirement.
- The MREL (%RWA) ratio strengthened to 30.0% with the issue of Green Bonds with a nominal value of €350 million, in June 2026, comfortably above the requirement set at 25.2%. The issue attracted strong demand, exceeding the issue amount by 4x, with the spread reaching around 90 b.p.
- The capital buffer achieved reflects the growing financial strength of the Banco Montepio Group, strengthening its ability to face potential adverse scenarios.

NON-PERFORMING LOANS (2)

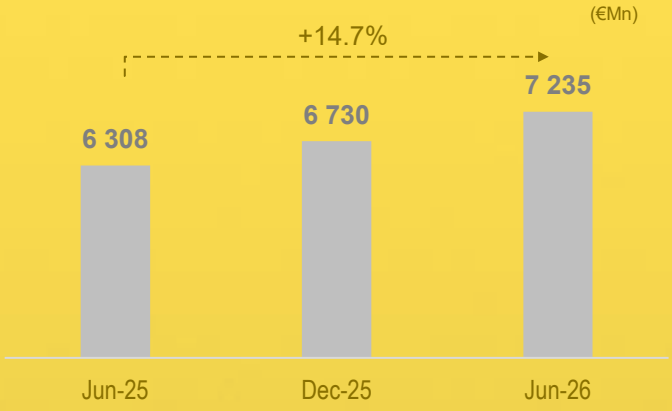


1.6%

-0.3 p.p.

- The Banco Montepio Group stands out with an NPL ratio of 1.6%, a reduction of 0.3 p.p. over the last year, remaining below the sector average in Portugal.
- Decrease of €16 million in the stock of NPL, compared with Jun-25, to a value of only €220 million.
- The rigorous credit risk management criteria, combined with careful analysis at origination and an effective credit recovery dynamic, contributed to maintaining the good quality of the portfolio, on a path of normalisation of the cost of credit risk, which stood at 0.02%.

MORTGAGE LOANS (4)

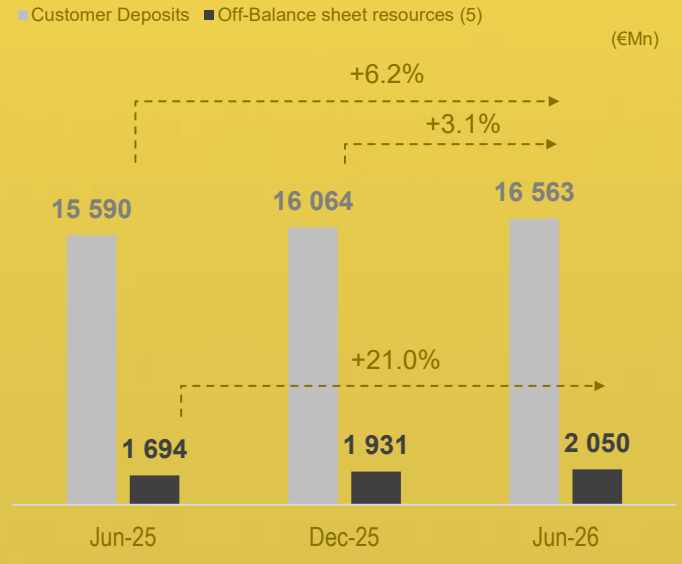


€7,235Mn

+14.7%

- The Mortgage Loan portfolio rises by 14.7% year-on-year to €7,235 million, evidencing the Bank's commitment to a product that is central to the lives of families living in Portugal.
- The effectiveness of the Customer acquisition and retention strategy, combined with a differentiating value proposition, materialised in growth above the sector, with a significant gain in market share of new production, which reached 6.6% in the half-year.
- Mortgage Loans have been reinforcing their weight on Banco Montepio's balance sheet, representing more than half of the total loan portfolio.

CUSTOMER RESOURCES



€18,613Mn

+7.7% YoY

- Customer Deposits continue to set new all-time highs, reaching €16,563 million, reflecting year-on-year growth of 6.2% and above the sector, consolidating the trajectory of sustained market share gains.
- This performance was supported by an above the sector growth in both Corporate and Institutional Customers (+7.6%) and Individual Customers (+5.6%).
- In addition, the Bank has been growing significantly in off-balance sheet resources, a change of 21% compared with the same period of the previous year, providing Customers with a diversified offering for investing their savings.

(2) NPL classification according to EBA criteria and considering the total accounting item of Loans to Customers (which includes securitised credit, such as commercial paper and bond loans).
(3) As published by the Banco de Portugal (Portuguese banking system: recent developments, 2nd quarter 2026).
(4) Includes multi-purpose credit secured by residential property (housing).
(5) Includes mutual and real estate investment funds (excluding own portfolio), Pension Funds and capitalisation insurance products.

SUMMARY OF INDICATORS

	Jun-25	Dec-25	Jun-26	Δ YoY	Δ YtD
ACTIVITY AND RESULTS (million euros)					
Total assets	19 235	19 859	20 701	7.6%	4.2%
Performing loans to customers (gross)	12 307	12 802	13 523	9.9%	5.6%
Customer deposits	15 590	16 064	16 563	6.2%	3.1%
Net income	71	104	58	(17.3%)	-
SOLVENCY [a]					
Common equity tier 1 ratio	16.3%	16.4%	16.1%	(0.2 p.p.)	(0.3 p.p.)
Tier 1 ratio	16.3%	16.4%	16.1%	(0.2 p.p.)	(0.3 p.p.)
Total capital ratio	19.5%	19.5%	19.0%	(0.5 p.p.)	(0.5 p.p.)
MREL ratio (%RWA)	26.9%	26.7%	30.0%	3.1 p.p.	3.3 p.p.
Leverage ratio	6.7%	6.7%	6.6%	(0.1 p.p.)	(0.1 p.p.)
Risk weighted assets (million euros)	8 088	8 330	8 677	7.3%	4.2%
LIQUIDITY RATIOS					
Liquidity coverage ratio (LCR)	191.0%	187.3%	182.3%	(8.7 p.p.)	(5.0 p.p.)
Net stable funding ratio (NSFR)	142.7%	142.6%	142.8%	0.1 p.p.	0.2 p.p.
LOAN TO DEPOSIT RATIOS					
Loans to customers (net) / Customer deposits [b]	79.2%	79.9%	81.9%	2.7 p.p.	2.0 p.p.
Loans and advances to non-financial corporations and households / Deposits from non-financial corporations and households [b]	80.4%	79.6%	82.3%	1.9 p.p.	2.7 p.p.
CREDIT QUALITY					
Cost of credit risk	(0.13%)	(0.05%)	0.02%	0.15 p.p.	0.07 p.p.
Ratio of loans and interest overdue by more than 90 days	0.7%	0.5%	0.8%	0.1 p.p.	0.3 p.p.
Coverage of loans and interest overdue by more than 90 days by Impairments for balance sheet loans	233.3%	258.0%	165.5%	(67.8 p.p.)	(92.5 p.p.)
NPL ratio (Non-performing exposures (NPE) [c] / Gross customer loans)	1.9%	1.6%	1.6%	(0.3 p.p.)	0.0 p.p.
NPL [c] coverage impairment at stage 3	45.2%	48.3%	50.1%	4.9 p.p.	1.8 p.p.
NPL [c] coverage by Impairment for balance sheet loans	82.1%	83.4%	80.4%	(1.7 p.p.)	(3.0 p.p.)
NPL [c] coverage by Impairment for balance sheet loans and associated collaterals and financial guarantees	121.0%	111.3%	109.6%	(11.4 p.p.)	(1.7 p.p.)
Forborne exposures ratio (Forborne exposures [d] / Gross customer loans)	1.4%	0.9%	0.9%	(0.5 p.p.)	0.0 p.p.
PROFITABILITY AND EFFICIENCY					
Total operating income / Total assets [b]	2.5%	2.4%	2.4%	(0.1 p.p.)	0.0 p.p.
Net income / Total assets [b]	0.8%	0.5%	0.6%	(0.2 p.p.)	0.1 p.p.
Net income / Total equity) [b]	8.3%	6.0%	6.6%	(1.7 p.p.)	0.6 p.p.
Cost-to-income (Operating costs / Total operating income) [b]	60.9%	62.0%	60.8%	(0.1 p.p.)	(1.2 p.p.)
Cost-to-Income, excluding specific impacts [e]	61.3%	62.3%	60.4%	(0.9 p.p.)	(1.9 p.p.)
Staff costs / Total operating income [b]	34.0%	34.5%	34.1%	0.1 p.p.	(0.4 p.p.)
EMPLOYEES AND DISTRIBUTION NETWORK (Number)					
Employees					
Grupo Banco Montepio	2 999	3 031	3 045	46	14
Banco Montepio	2 871	2 897	2 901	30	4
Distribution Network - Banco Montepio					
Branches in Portugal	224	222	222	(2)	0
Representation Offices	5	5	5	0	0
BANCO MONTEPIO RATINGS - Long-term				**Outlook as at 30.jun.2026**	
Fitch [f]	BB+	BBB-	BBB-	Stable	
Moody's	Baa3	Baa2	Baa2	Stable	
DBRS	BBB (low)	BBB (low)	BBB	Positive	

(a) The ratios include the accumulated net income for the period, net of the dividends to be distributed.

(b) Pursuant to Banco de Portugal Instruction no. 16/2004, in its current version.

(c) NPL classification according to EBA criteria and considering the total accounting item 'Loans to Customers' (which includes securitised credit, such as commercial paper and bond loans).

(d) According to EBA criteria.

(e) Excludes one-off costs associated with staff costs of -€0.1 million in June 2025, €0.7 million in December 2025 and €0.2 million in June 2026, related to early retirements and terminations by mutual agreement, as well as the more volatile components of results, such as Results from financial operations and Other results (Results from the sale of other assets and Other operating results).

(f) On August 27, 2026, Fitch upward revised the Outlook associated with the Long-Term Issuer Default Rating from "Stable" to "Positive".

MAIN EVENTS

JANUARY

Banco Montepio is distinguished for the 5th consecutive year by **ConsumerChoice as No. 1 Brand in "Consumer Choice 2026"**, in the **Mortgage Loan** category.

Banco Montepio **advises** NOS on the **structuring of an issue of Sustainability-Linked Bonds and of a Sustainability-Linked Commercial Paper programme.**

FEBRUARY

Banco Montepio receives, for the 4th consecutive year, **the "Five Stars" Award** in the **Banking – Sustainability** category.

Banco Montepio supports the strengthening of private capital mobilisation for energy efficiency in the European Union by taking part in the Second Roundtable of the European Coalition for Energy Efficiency, in Brussels.

MARCH

On its 182nd anniversary, Banco Montepio leaves a mark on the future by launching peliForest, the Banco Montepio agroforest. The project involves setting up a 1-hectare area in the Arrábida Natural Park, dedicated to soil regeneration, strengthening biodiversity and preserving natural resources.

"*Só tem a ganhar em não espalhar*" (You have everything to gain by not spreading it around)

Launch of the Personal Loan campaign through which Customers who took out this product became eligible for a draw for a Renault 4 E-Tech Electric.

The 7th edition of the online competition The Trading Game powered by Banco Montepio is under way, an initiative aimed at higher education students in Portugal to promote financial literacy and develop knowledge of the financial markets.

APRIL

The General Meeting of Banco Montepio meets on 29 April to proceed with the **election of the members of the Institution's management and supervisory bodies for the 2026–2029 term of office**, who took office on 22 May 2026.

Banco Montepio once again joins ESG WEEK as Main Sponsor of the 5th edition of this initiative promoted by APEE – Portuguese Business Ethics Association, reinforcing its commitment to sustainability and to promoting a more responsible, ethical and inclusive economy. This participation is in line with Banco Montepio's sustainability strategy and reflects its presence in initiatives that promote dialogue and reflection on topics relevant to sustainable development.

Banco Montepio made available a video interpreting service in Portuguese Sign Language, accessible through its branch network and customer service channels, reinforcing the accessibility measures available to its Customers. This solution enables deaf Customers to communicate with the Bank in real time, helping to eliminate barriers to accessing financial services.

MAY

Morningstar DBRS upgrades the rating of senior unsecured debt (Senior Unsecured debt) to BBB, improving the outlook to positive. This is the third rating upgrade in the last two years, totalling three notches, consolidating its investment grade status.

Fitch Ratings upgrades the rating of Deposits (Long-Term Deposits Rating) to BBB+. This upgrade follows the update of the methodology, resulting in greater differentiation between the ratings of deposits and of senior preferred debt eligible for MREL.

Banco Montepio sells the 20% financial holding that it holds in the share capital of the company **HTA – Hotéis, Turismo e Animação dos Açores, S.A.**

Banco Montepio's management and supervisory bodies take office, elected at the General Meeting of April 2026.

Banco Montepio publishes its first 2025 Social Impact Report. The report highlights the impact of the Bank's activity in areas such as the Social Economy, Housing, Microcredit and Education, reflecting the Institution's commitment to creating sustainable value.

Banco Montepio once again joins the Pirilampo Mágico (Magic Firefly) Campaign, promoted by FENACERCI, reinforcing a partnership maintained since 2017 and its commitment to social inclusion. The 2026 edition took place under the motto **"A Solidariedade tem raízes firmes" ("Solidarity has firm roots")**.

JUNE

Banco Montepio completes its first **green issue of €350 million of senior preferred notes (Green Senior Preferred Notes)**, under its EMTN Programme and its Green, Social and Sustainability Bond Framework, **eligible for MREL**. The issue attracted strong demand from the market, four times the size of the issue, underpinned by the improvement in Banco Montepio's risk profile, which translated into a spread of around 90 b.p. over the mid-swap rate. This issue strengthens Banco Montepio's MREL position, bolstering its ratios to levels comfortably above regulatory requirements.

Banco Montepio hosts the Statutory Meetings of the WSBI-ESBG, which bring together international representatives from the savings and retail banking sector. The event is attended by members of the decision-making bodies and senior executives of the member institutions of the WSBI-ESBG. The Statutory Meetings are the main governance forum of the WSBI-ESBG, where the organisation's strategic guidelines and main decisions are discussed and approved.

Banco Montepio publishes its first Green, Social and Sustainability Bond framework, reinforcing its role in the field of sustainable finance.

REPORT AND ACCOUNTS

THE BANCO MONTEPIO GROUP

1ST HALF 2026

Banco Montepio

THE BANCO MONTEPIO GROUP

WHO WE ARE

Founded in 1844 and authorised by royal charter of Queen Maria II on 4 January, as an entity attached to Montepio Geral Associação Mutualista, Banco Montepio is the oldest Portuguese financial institution and unique in the national landscape due to its mutualist origin. This foundation distinguishes the Institution through its vocation for savings and the provision of universal financial services to Individual, Corporate and Social Economy Customers, across all stages of their lives.

With 182 years of history, Banco Montepio has always stood alongside Families, Small and Medium Entrepreneurs, Companies and the Community. It has actively supported successive generations of Portuguese people throughout decisive moments in national history – through wars, crises and revolutions – with resilience and commitment.

Today, Banco Montepio is a universal, intergenerational, interclass and multicultural Bank, operating on the basis of humanist values and mutualist principles such as democracy, freedom, independence and solidarity. These values are embedded in the Institution's identity, culture and brand, guiding every action and decision.

Its activity is driven by the values of proximity, trust, solidity, transparency, tradition, innovation and inclusion, reflected in its brand signature: Values that Grow with You.

Headquartered in Lisbon and with a network of more than 220 branches across mainland Portugal, the Autonomous Regions and international representation in Paris, Frankfurt, Geneva, Toronto and Newark, Banco Montepio serves a solid customer base in Portugal and worldwide.

With a legacy of almost two centuries of service to the community, Banco Montepio continues to affirm its mission with ambition and responsibility. Faithful to its mutualist origin, it adapts to the challenges of the financial sector with innovation and proximity, without losing sight of the values that define it.

This commitment is reflected in its Social Commitment Charter and reinforced by the integration of ESG (Environmental, Social and Governance) principles into the Institution's strategy and operations, contributing to the construction of a fairer, more inclusive and more sustainable society.

GROUP STRUCTURE

Under the terms of Decree-Law No. 190/2015, of September 10, which approved the legal regime for Savings Banks, Caixa Económica Montepio Geral became considered a banking savings bank (*caixa económica bancária*), and that same legal provision determined its transformation into a public limited company. Following this process, the corporate name became Caixa Económica Montepio Geral, caixa económica bancária, S.A., and in 2019 the commercial designation Banco Montepio was adopted.

The Banco Montepio Group ("Group" or "GBM") is a diversified banking and financial group which, due to its nature and mutualist foundation, presents unique characteristics and a distinctive positioning in the sectors in which it operates and within Portuguese society.

In recent years, it has been implementing a simplification strategy, reflected in structural changes aimed at streamlining processes and maximising efficiency across multiple dimensions. In this context, the reorganisation of corporate banking was also promoted, with its full integration into Banco Montepio, at the same time as the respective carve-out of BEM's activity to the parent company was carried out.

During the first half of 2026, the following changes occurred in the structure of Banco Montepio: the 20% financial holding that Banco Montepio held in the share capital of HTA – Hotéis, Turismo e Animação dos Açores, S.A. was sold and, in addition, with regard to the Complementary Grouping of Companies (ACE) of which it is a member for the provision of certain services, Banco Montepio's percentage of rights in Montepio Serviços, ACE was redefined from 80% to 78%, at the General Meeting of the latter.

Thus, as at 30 June 2026, the Banco Montepio Group was composed of the following entities:

Banco Montepio Group Entities

Full consolidation

- Caixa Económica Montepio Geral, caixa económica bancária, S.A.
- Montepio Holding, Sociedade Gestora de Participações Sociais, S.A.
- Montepio Crédito - Instituição Financeira de Crédito, S.A.
- Montepio Investimento, S.A. (Banco de Empresas Montepio, ou BEM)
- SSAGIncentive – Sociedade de Serviços Auxiliares e Gestão de Imóveis, S.A.
- Montepio Serviços, ACE.

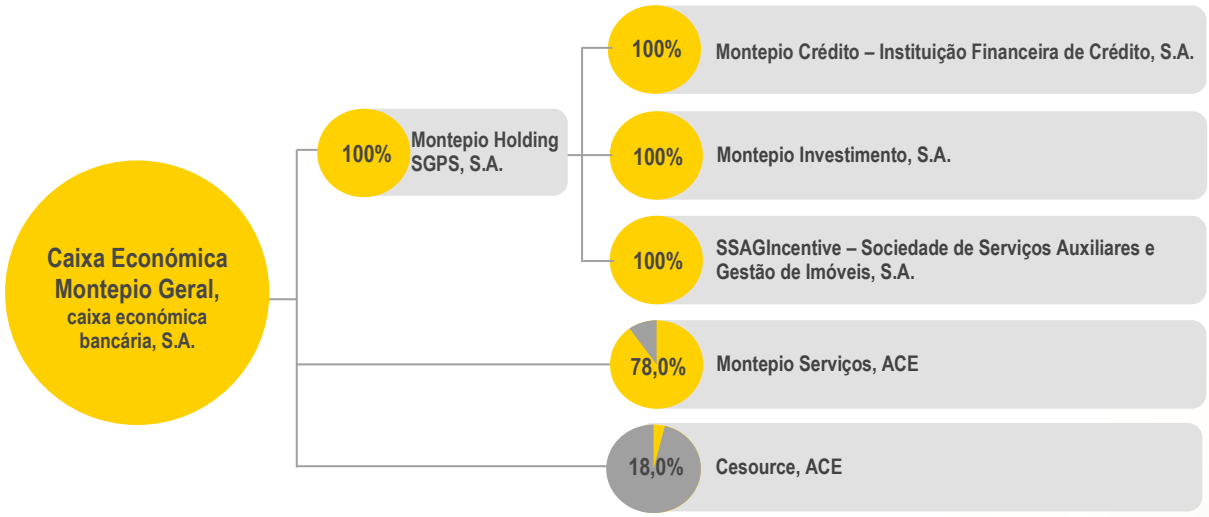
Consolidation by the equity method

- Cesource, ACE.

Special purpose entities and investment funds

- Valor Arrendamento – Fundo de Investimento Imobiliário Fechado
- Polaris – Fundo de Investimento Imobiliário Fechado;
- Carteira Imobiliária – Fundo Especial de Investimento Imobiliário Aberto (FEIIA)
- Pelican Finance No 2 – Entity referring to a securitisation vehicle, with the aim of managing funding and strengthening equity ratios.

The structure of the Banco Montepio Group as at 30 June 2026 was as follows:



THE BANCO MONTEPIO BRAND

BRAND REPUTATION

Brand Score

In the first half of 2026, the reputation and brand valuation indicators of Banco Montepio, monitored through SCOPEN's Brand Score, reflected a favourable trend. Campaigns remained the main driver of brand visibility, achieving a total recall of 53%, notably the personal loan campaign "You have everything to gain by not spreading it around", which recorded high levels of consumer appeal and had an impact on the expansion of this type of business. There was also an increase in brand awareness and spontaneous brand awareness, as a result of communication initiatives associated with sustainability and with social topics and topics of interest to society.

Regarding Image, Banco Montepio recorded an indicator of 65% in the first half of the year, reflecting a positive assessment of the brand by around two thirds of Customers when considering the pillars of values, reputation and relevance, and indicating a favourable overall perception of the Institution. Banco Montepio also recorded an appreciation in Brand Equity to 53% in the second quarter, benefiting from the positive impact of the campaigns, which contributed to this result with an effectiveness of 34% in strengthening the brand equity.

In terms of image associations, the Banco Montepio brand continues to stand out for the attributes of trust, proximity, solidity, ethics and simplicity, reflecting the consistency of the brand's positioning and its relevance to Customers and society.

AWARDS AND DISTINCTIONS

Banco Montepio distinguished 17 times as a Superbrand

Banco Montepio was distinguished as a Superbrand for the 17th year, a recognition that highlights the relevance and strength of the brand among Portuguese consumers.

The distinction is awarded by Superbrands, an independent international organisation dedicated to identifying and promoting brands of excellence, through an evaluation process involving consumers and experts.

This recognition reinforces Banco Montepio's position as one of the reference brands in the national financial sector, reflecting the relationship of trust established with Customers, Employees and other stakeholders. The distinction also highlights the consistency of the brand strategy and the Institution's commitment to creating sustainable value for People, Families, Businesses and Communities.



Banco Montepio distinguished for the 5th time in Mortgage Loans

Banco Montepio was distinguished, for the fifth consecutive year, as Consumer Choice in the Mortgage Loan category, within the awards granted by Consumer Choice for 2026.

This recognition, based on the direct assessment of Portuguese consumers, reflects the consistency and quality of Banco Montepio's offering in this segment, with particular emphasis on criteria such as credit analysis, security, transparency, reduced bureaucracy and the suitability of the amounts financed.

The distinction also recognises Banco Montepio's performance in the dimensions related to the Customer experience and proximity, reinforcing the Institution's historical position in the mortgage loan market in Portugal[2].



Bem Bom Competition recognised in Branded Content and Content Marketing awards

Banco Montepio was distinguished at the Branded Content Awards 2026 with the Bronze award in the category "TV Programs / Power of Storytelling TV Shows", through the "Bem Bom Competition" project. The "Bem Bom Competition" campaign was also distinguished at the SAPO Awards 2026, in the Content Marketing Campaign category, reinforcing the recognition of the quality and relevance of this communication initiative.

These recognitions demonstrate Banco Montepio's ability to develop differentiating communication projects, aligned with the objectives of enhancing the brand, proximity to its audiences and strengthening institutional awareness. The distinctions also reflect the Institution's commitment to content formats capable of promoting audience engagement and strengthening the connection to the brand[3].

Banco Montepio is once again recognized for its sustainability efforts

Banco Montepio's commitment to sustainability was once again recognised in 2026, for the fourth consecutive year, with the Five Stars Award in the Banking – Sustainability category.

This recognition, awarded based on the direct consumer assessment, reflects the work carried out by Banco Montepio in integrating ESG criteria into its activity and promoting practices aligned with sustainability principles. In the 2026 edition, Banco Montepio achieved an overall score of 7.74, standing out in the criteria of trial satisfaction, intention to recommend, brand trust and innovation.

The distinction is a further indicator of the recognition of the initiatives developed by Banco Montepio in this area and of its commitment to creating sustainable value for Customers, Communities and other stakeholders. This award was granted by Five Stars Consulting Portugal[4].



[2] [3] [4] Award under the sole responsibility of the entity that granted it.

CAMPAIGNS AND PARTNERSHIPS

Banco Montepio Personal Loan Competition



Banco Montepio ran a Personal Loan campaign, through which Customers who took out this product became eligible for a draw for a Renault 4 E-Tech Electric.

Based on the creative concept “You have everything to gain by not spreading it around”, the campaign used a humorous approach to publicise the initiative. Featuring the campaign ambassador, Cândido Costa, the initiative was publicised through a multimedia plan, contributing to the visibility of the Personal Loan offering and to strengthening its positioning in this business segment, in line with the defined strategy, with a favourable impact on brand awareness, visibility and appeal indicators.

Banco Montepio supports the Pirilampo Mágico 2026 Campaign

Banco Montepio once again joined the Pirilampo Mágico (Magic Firefly) Campaign, promoted by FENACERCI, reinforcing a partnership maintained since 2017 and its commitment to social inclusion.

The 2026 edition took place under the motto “Solidarity has firm roots” and aimed to raise societal awareness of the inclusion of people with intellectual disabilities and/or multiple disabilities, as well as to support the CERCI and other similar entities through fundraising.

During the campaign, the Pirilampo Mágico was available for purchase in Banco Montepio’s branch network, associating the Institution with a solidarity initiative that contributes to supporting projects and social responses aimed at people with disabilities and their families.



EVENTS, SUPPORT AND COMMITMENTS

On its 182nd anniversary, Banco Montepio leaves a mark on the future

In the year it celebrated 182 years of history, Banco Montepio launched peliForest, the Banco Montepio's agroforest, reinforcing its activity in the field of environmental sustainability. Developed in partnership with Biovilla – Cooperativa para o Desenvolvimento Sustentável, the project involves setting up a one-hectare area in the Arrábida Natural Park, dedicated to soil regeneration, strengthening biodiversity and preserving natural resources.

The initiative includes planting one seed for each person at Banco Montepio, marking the Institution's anniversary and symbolising collective involvement in this project.

This initiative is in line with Banco Montepio's sustainability strategy and contributes to enhancing natural capital and preserving ecosystems.



Banco Montepio at the ALF 2026 National Meeting

Banco Montepio took part in the National Meeting of the Portuguese Leasing, Factoring and Renting Association (ALF), under the theme "Investing in the Future: Leasing, Factoring and Renting", which brought together representatives from the financial, business and institutional sectors to discuss the challenges and opportunities of specialised financing.

During the meeting, topics related to business competitiveness, liquidity management and the role of financing solutions in investment support, risk management and business growth were addressed.

Banco Montepio's participation in this initiative is in line with its activity of engaging with the business community and promoting dialogue on topics relevant to financing the economy.

Banco Montepio reinforces accessibility with a video interpreting service in Portuguese Sign Language

Banco Montepio made available a video interpreting service in P**ortuguese** Sign Language (LGP), accessible through its branch network and customer service channels, reinforcing the accessibility measures available to its Customers.

Developed in partnership with SERViiN, this solution enables deaf Customers to communicate with the Bank in real time, helping to eliminate barriers to accessing financial services.

This initiative is part of Banco Montepio's accessibility and inclusion strategy, which has been promoting the continuous adaptation of its channels, services and customer service spaces, with the aim of ensuring increasingly simple, autonomous and equitable access to banking services.

25 years of ISEG's Postgraduate Programme in Real Estate Management and Valuation

Banco Montepio joined in the celebration of the 25th anniversary of ISEG's Postgraduate Programme in Real Estate Management and Valuation, a reference initiative in the training of professionals and specialists in the real estate sector in Portugal.

In partnership with ISEG, the Bank took part in a session of reflection and knowledge sharing on the evolution and future challenges of the real estate market, bringing together experts and representatives of the sector

in a roundtable dedicated to the future prospects of the real estate sector, with a particular focus on bank financing.

Banco Montepio attends the Voice Leadership programme ceremony

Banco Montepio attended the diploma award ceremony of the Voice Leadership programme, an initiative developed in partnership with NOVA SBE, of which it is a founding partner.

The Voice Leadership programme aims to strengthen the management and leadership skills of Portuguese small and medium-sized enterprises, promoting modernisation, sustainable growth and competitiveness. As a member of the Voice EcoSystem, Banco Montepio supported more than 65 client companies, enabling free access to this training.

This initiative is in line with Banco Montepio's role in supporting the qualification and capacity building of companies, as well as its participation in projects for the development of the business fabric.

The Trading Game powered by Banco Montepio | 7th Edition

In March, the 7th edition of the online competition The Trading Game powered by Banco Montepio took place, aimed at higher education students in Portugal.

Organised by JEEFEUC – Júnior Empresa de Estudantes da Faculdade de Economia da Universidade de Coimbra, in partnership with Banco Montepio, the initiative took place on the Montepio Trader Go platform, allowing participants to simulate transactions on the financial markets.

In addition to the competitive component, the project included a training strand dedicated to the financial markets, through training sessions and the use of a stock market simulator.

This initiative is in line with Banco Montepio's role in promoting financial literacy and developing knowledge of the financial markets among the academic community.

Banco Montepio was one of the sponsors of SINFO 33

Banco Montepio was one of the sponsors of the 33rd edition of Computer Science Week (SINFO 33), reinforcing its presence among the academic and technology community.

Recognised as one of the main technology events held in Portugal, SINFO brings together students, companies and other players in the technology sector every year, promoting knowledge sharing through conferences, workshops, presentations and initiatives connecting talent with the job market. Organised by students, the event is a space for disseminating and debating technological trends and challenges.

Throughout the event, Banco Montepio publicised its recruitment opportunities and its trainee programme, promoting contact with students and young professionals and in line with the Institution's strategy of attracting and developing talent.

Banco Montepio attended the 15th National Congress of the Misericórdias

Banco Montepio joined the 15th National Congress of the Misericórdias, an initiative promoted by the Portuguese Misericórdias Union (UMP) under the theme "The relevance of a secure evolution".

Held in Braga, the congress brought together representatives of institutions, experts, decision-makers and other players in the social sector to discuss topics related to qualification and digitalisation, ageing, the sustainability of the social sector, healthcare and the cultural heritage of the Misericórdias.

Banco Montepio's participation in this initiative is in line with its close relationship with the social sector and its presence in forums for reflection and debate on topics relevant to institutions operating in this area.

Banco Montepio took part in the convention "State Reform and the Social Economy"

Banco Montepio took part in the convention "State Reform and the Social Economy", an initiative that brought together policy makers, European representatives, financial institutions and Social Economy organisations to discuss the challenges and opportunities facing the development of the sector in Portugal.

As part of the event, the Bank took part in a panel dedicated to the financial system's view of the Social Economy, contributing to reflection on the role of financial institutions in the financing, capacity building and sustainability of organisations operating in this sector.

Participation in this initiative is in line with Banco Montepio's historical relationship with the Social Economy and its presence in forums for debate on topics relevant to the development of the sector.

Banco Montepio attends the EPIS Diploma Ceremony and the EPIS Volunteers Meeting 2026

As part of its activity in the social sustainability area, Banco Montepio attended the diploma award ceremony promoted by EPIS – Entrepreneurs for Social Inclusion, held in January, in Lisbon. In the 15th edition of the EPIS Scholarship Programme, Banco Montepio maintained its own category of scholarships, supporting six higher education students.

Banco Montepio joined this initiative as an institutional partner of EPIS, an entity it has supported since 2021, being part of a broad network of organisations committed to promoting academic success and reducing school dropout. This participation is in line with Banco Montepio's role in supporting social inclusion and equal opportunity initiatives, which include participation in the EPIS Volunteers Meeting 2026, at Monsanto Forest Park, an initiative that brought together 20 partner entities and 442 participants.

Banco Montepio supports Life and Peace Community

Banco Montepio joined the Life and Peace Community through a corporate volunteering initiative involving around 40 Employees to support the night-time rounds of the street-outreach teams, which travel four routes in Lisbon every day and support around 500 homeless people.

In addition to Banco Montepio's financial support, which ensured that these rounds took place throughout the month, several Employees joined the teams on the ground to see first-hand the impact of this essential work - which involves not only providing a meal, but also active listening, emotional support, distribution of essential goods and social referral.

This initiative helped to reinforce the continuity of a demanding daily service that involves significant operating costs, helping to improve the response provided to hundreds of people in vulnerable situations.

PEOPLE

During the first half of 2026, Banco Montepio continued to implement its people management policies, with a particular focus on attracting, developing and retaining talent, as well as on rejuvenating its human resources' structure. In this context, it maintained its commitment to the Trainee Programme, an initiative that continues to play a relevant role in the Institution's generational renewal and in preparing future managers, complemented by continued investment in qualification and skills development. In parallel, it strengthened the mechanisms for professional development and recognition of merit, in line with its strategy of sustainable value creation.

At the end of June 2026, the Banco Montepio Group had 3,045 Employees, an increase compared with December 2025 (+14) and with the same period of the previous year (+46). This change resulted mainly from the integration of trainees and the hiring of qualified professionals from the market, contributing to strengthening human capital and skills in strategic areas of the Institution.

Banco Montepio Group Workforce

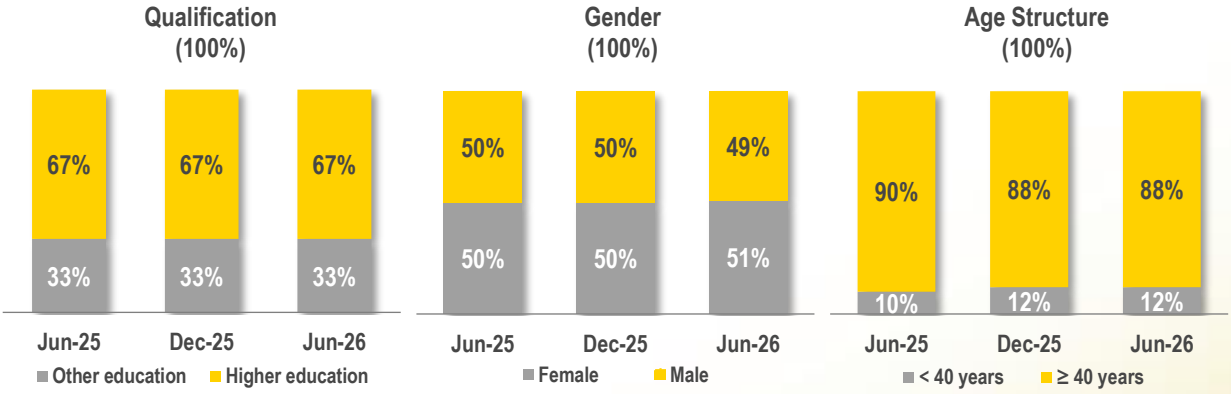
	Jun-25		Dec-25		Jun-26		Δ YoY		Δ YtD	
	No.	%	No.	%	No.	%	No.	%	No.	%
Banco Montepio [1]	2 871	95.7	2 897	95.6	2 901	95.3	30	1.0	4	0.1
Montepio Crédito	128	4.3	134	4.4	144	4.7	16	12.5	10	7.5
Total Grupo Banco Montepio	**2 999**	**100.0**	**3 031**	**100.0**	**3 045**	**100.0**	**46.0**	**1.5**	**14.0**	**0.5**

(1) Includes Employees from Representation Offices.

The qualification of Employees is one of Banco Montepio's main assets and a determining factor in achieving its strategic objectives. At the end of the first half of 2026, 67% of Employees had a higher education degree, reflecting the continued commitment to enhancing human capital and developing the skills needed to meet the challenges of the business.

In terms of diversity and workforce demographics, a gender-balanced composition was maintained, with Women representing 51% of total Employees and Men the remaining 49%. Compared to the same period last year, the age structure shows an increase, to 12%, in the proportion of employees under 40 years of age, reflecting the gradual generational renewal of the institution.

Distribution of Banco Montepio Employees



TRAINING, DEVELOPMENT AND TALENT MANAGEMENT

In a Bank committed to economic, social and environmental sustainability, people play a central role in achieving its strategic objectives. In this context, Banco Montepio pursues an integrated approach to human capital development, based on training, skills enhancement and the promotion of Employee well-being, through initiatives that combine professional development and organisational well-being.

Skills development

In the first six months of 2026, Montepio Academy increased its investment in training, with particular emphasis on initiatives aimed at the commercial area. The investment grew by 39.4% compared with the same period of the previous year, in line with the increase in the number of participants, aiming for greater breadth in the organisation and effectiveness of the training delivered. This development reflects the priority given to skills development in the commercial area and to strengthening the qualifications of the different functional levels of the Organisation.

Banco Montepio Training Indicators

	Jun-25	Dec-25	Jun-26	Δ YoY
Training hours	50 885	125 892	40 564	(20.3%)
Number of participants (1)	2 735	2 911	2 858	4.5%
Number of participations	16 933	41 502	21 676	28.0%
Investment in training (thousand euros)	391 950	414 000	546 507	39.4%

(1) Includes Employees who were no longer on the headcount at the end of the period.

With regard to the initiatives carried out, the commercial area received priority attention, seeking to involve the different functional levels of the Institution in this segment. In this context, the Commercial Excellence Programme stood out, involving 120 managers from all commercial networks (Individuals, Corporate and Social Economy). The programme aimed to strengthen communication skills, adopt consultative selling practices and develop the ability to respond to the different needs and profiles of Customers. In addition to in-person training, participants have a digital continuous development tool, aimed at strengthening the commercial skills required to perform their duties.

Alongside this initiative, and building on previous year's efforts, the commercial area maintained access to a set of training actions essential to the performance of their respective functions and compliance with applicable regulatory requirements.

Also among the initiatives carried out in the first six months of 2026, the Adoption Programme for M365 Copilot stands out, with the aim of promoting the sustained use of this tool by the Group's Employees. Following this initiative, the use of M365 Copilot grew by 236% in just 2 months and by 292% in cumulative terms, evidencing the progressive incorporation of this tool into Employees' working methods and processes.

In terms of qualifying and building the capabilities of its people, Banco Montepio promoted Accessibility training, which covered all Employees in the branch network with direct contact with Customers. This initiative was also joined by the operators of the Contact Centre, whose activity plays a relevant role in interaction with Customers and potential Customers, with an integrated view of the quality of service provided to the customer. This training stems from the European Accessibility Act, which establishes new obligations for financial institutions regarding inclusive service, accessibility of digital channels and the provision of documentation in accessible formats.

WELL-BEING, DIVERSITY, EQUALITY AND INCLUSION

Promoting Employee well-being continued to play a central role in Banco Montepio's people management strategy. In this context, and with a particular focus on the commercial network, several initiatives were carried out to strengthen support, the quality of the working environment and the support measures available to Employees.

PULSO – 1:1 Well-being Consultations

As part of this initiative, the plan defined for 2026 was fulfilled, with diagnostic interviews conducted in nine branches – six located in the Algarve and three in the Leiria and Marinha Grande regions – for a total of 24 interviews with Employees. In parallel, additional consultation actions were carried out with other units, in response to needs identified during the period.

Well-being 360 – Pilot Project

Developed in partnership between the People Management Division and the Safety and Occupational Health (SSO) area of Montepio Serviços, ACE, this project aims to assess the well-being levels of the commercial network. Covering a sample of around 100 Employees, at the end of the half-year the project was in the phase of conducting focus groups, after the completion of the questionnaire phase.

Strengthening Psychological Support

As part of the continuous improvement of the well-being measures available to Employees, and in coordination with SSO, the psychosocial support service was reinforced through the hiring of a new clinical psychologist. This measure made it possible to increase response capacity, extend opening hours – including the post-work period – and provide greater flexibility in access to the service, while maintaining support that is free, confidential and available to all Banco Montepio Employees.

In the field of diversity, equity and inclusion, the Diversity and Inclusion Policy was also reviewed and updated, reinforcing the Institution's commitment to promoting an increasingly inclusive, equitable and diversity-respecting working environment.

RECOGNITION OF MERIT AND BENEFITS

Following the positive results achieved by Banco Montepio in 2025, it was possible, during the first half of 2026, to renew the granting of variable remuneration in the form of bonuses, recognising Employees' contribution to the Institution's overall performance and to the achievement of the objectives set.

In the commercial activity, incentives were also awarded to recognise the performance and results achieved by the teams, reinforcing the alignment between individual and collective action and the Bank's strategic objectives, as well as promoting a culture geared towards sustainable value creation and excellence in the service provided to Customers.

The benefits policy continued to play a relevant role in Banco Montepio's value proposition as an employer, complementing the practices of professional development and recognition of its Employees. In this context, access to the Mortgage Loan line was strengthened, under the respective regulations provided for in the applicable Collective Labour Agreement, through an increase in the overall annual ceiling made available, covering applications submitted up to the end of 2025. This measure made it possible to extend the number of beneficiaries covered, reinforcing the set of benefits provided by the Institution.

TALENT ACQUISITION

The **peliCAN | Trainee Programme** of Banco Montepio is a strategic initiative to attract, develop and integrate young talent, contributing to strengthening internal skills and preparing future employees aligned with the Institution's culture, values and objectives.

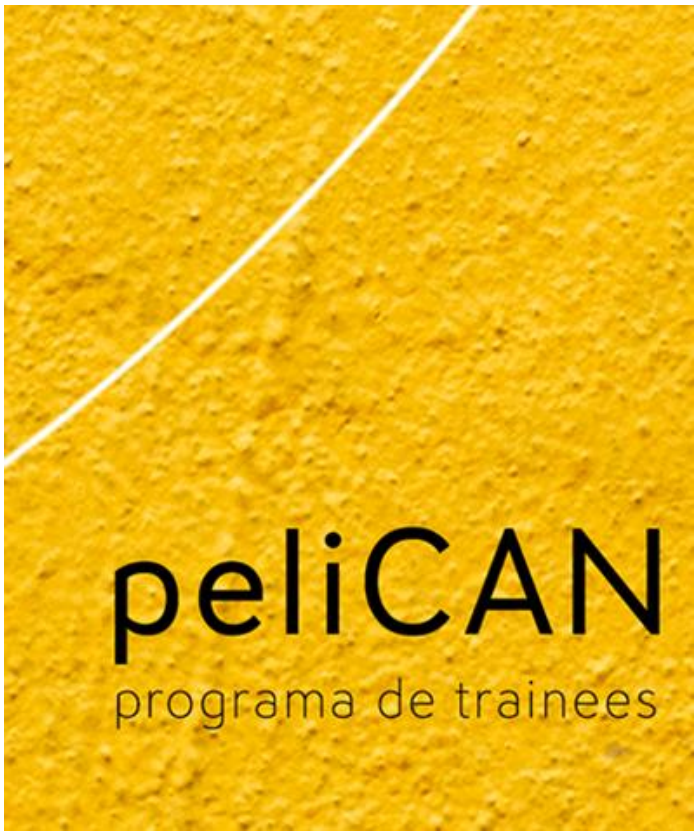
With the aim of enhancing the development of trainees and facilitating their integration into the organisational context, providing a comprehensive and enriching learning experience, various initiatives are promoted, of which the following stand out:

Guest Speaker

An initiative designed to promote direct contact with professionals of recognised experience, encouraging knowledge sharing, skills development and the broadening of participants' networks of contacts. In this edition, the guest was **Rita Piçarra, former CFO of Microsoft Portugal**, who addressed topics related to professional development, career planning and financial literacy, providing moments of reflection and learning relevant to the trainees' journey.

Photo of the Month

An initiative that invites trainees to record, each month, an image representative of their experience in the Programme. This exercise has made it possible to document the experiences, learnings and interactions developed throughout the internship, highlighting the spirit of collaboration and group dynamics among participants.



CHANNELS, NETWORKS AND CUSTOMER RELATIONS

CHANNELS AND NETWORKS

At 30 June 2026, Banco Montepio had a network of 222 branches in Portugal. It also had 5 representative offices (Frankfurt, Geneva, Paris, Newark and Toronto), ensuring Banco Montepio's presence among communities residing abroad and supporting the Portuguese diaspora.

Branches
(by districts and autonomous regions)



Representation Offices



Toronto Newark Paris Genebra Frankfurt

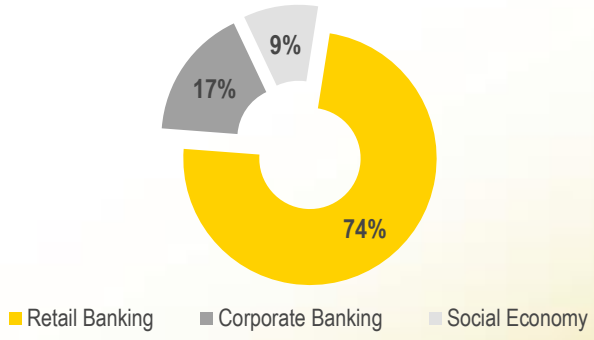
Banco Montepio also offers its individual Customers and Companies a series of channels of distribution of products and services being marketed and for Customer relations, namely "Serviço Montepio24" by telephone, web, SMS, app and the dedicated channel "Connect24", the internal network of "Chave24" automated tellers and regular automated teller machines (ATM).

In Retail Banking, Banco Montepio's Customer Manager network totalled 346 Employees at the end of June 2026, distributed among Retail Banking, Corporate Banking and Social Economy. Compared with the end of 2025, there was a reduction of 3 Managers, resulting from adjustments to the distribution models of the Commercial Network and the Corporate Network, with the distribution by segment remaining unchanged.

The breakdown of Managers by segment was as follows, reinforcing Banco Montepio's commitment to a highly close, personalised service adapted to the needs of its Customers:

- 129 assigned to Small Businesses;
- 51 assigned to Small and Medium-Sized Enterprises with turnover above €4 million;
- 33 assigned to Institutional and Social Economy Customers;
- 7 assigned to Large Companies (with turnover above €150 million); and
- 126 allocated to the Individuals segment.

Distribution of Customer Managers per Segment
30 June 2026



Growth and Relevance of Digital Channels

In the first half of 2026, Banco Montepio maintained consistent growth in the usage indicators of its digital channels, reinforcing the relevance of this offering for Customers. The Montepio24 service, which brings together the Bank's different digital channels and allows Customers to manage their accounts and their day-to-day finances online, has evolved continuously, with the aim of expanding the available operations and improving the user experience.

During the first half and compared with the same period of the previous year, Banco Montepio recorded growth of 2% in the number of active digital Customers[5], and of 4% in the number of transactions carried out through Montepio24. The mobile channel, based on the M24 App, also maintained a growth trajectory, establishing itself as the main digital access channel to bank accounts. The number of active digital Customers on this channel grew by 3% compared with the same period of the previous year, while the volume of transactions carried out increased by 9%.

Banco Montepio's Multibanco ATM network comprised a total of 970 machines. This network reached a market share of 7.9% in number of machines. Considering the volume of operations carried out, Banco Montepio's market share stood at 8.6%.

In 2025, Banco Montepio completed the renewal project of its Chave24 Network, the internal ATM network located in the Bank's branches, with 220 machines replaced over the past three years, as a result, the network is now fully based on next-generation machines (VTMs). This investment, together with the progressive availability of new operations on this service, enabled Banco Montepio to strengthen Customers' self-service capacity in branches and to leverage the technological features of this new generation of equipment.

SERVICE QUALITY MANAGEMENT

The Organisation and Quality Division has as its mission the implementation of quality management principles, pursuing a Customer-oriented policy and continuous improvement, with the aim of strengthening service excellence and achieving full Customer satisfaction. In this context, this organisational unit ensures the management of complaints, being responsible for receiving, handling and responding to the Complainant and/or Supervisory Entities, within the scope of the Banco Montepio Group. Complaints are thus viewed as an opportunity to improve service quality and deepen the relationship with Customers, with an action plan in place that promotes the continuous improvement of processes with a direct impact on the business and on the Customer.

In this spirit of focus on satisfaction, Banco Montepio was recognised as a Recommended Brand by Portal da Queixa (Complaints Portal) in the first half of 2026. This recognition, which results from direct consumer assessment and is the responsibility of the entity awarding the rating, is evidence of Banco Montepio's commitment to the satisfaction of its Customers, in particular in the area of complaints management.

In line with the above, the data published in Banco de Portugal's Conduct Supervision Report, for 2025, show Banco Montepio's overall positive performance in what regards its relationship with its Customers.

TECHNOLOGY AND INNOVATION

In the first half of 2026, Banco Montepio maintained its focus on the continuous improvement of its value proposition for Customers and on increasing operational efficiency. To this end, it strengthened the integration of innovation and quality management, adopting good practices in the areas of Customer experience, security, data management, digital accessibility and ESG. In this context, it continued to adapt its channels and services to the requirements of the European Accessibility Act, promoting a more inclusive and accessible experience for all Customers.

[5] *Login* within the last 90 days.

The Bank continued the automation and optimisation of processes, making progress in data collection, processing and governance. Improvements were also introduced to the service model, through the simplification of Customer journeys, the strengthening of cybersecurity and the implementation of measures that ensure compliance with the accessibility requirements defined by the applicable regulations, with the following standing out:

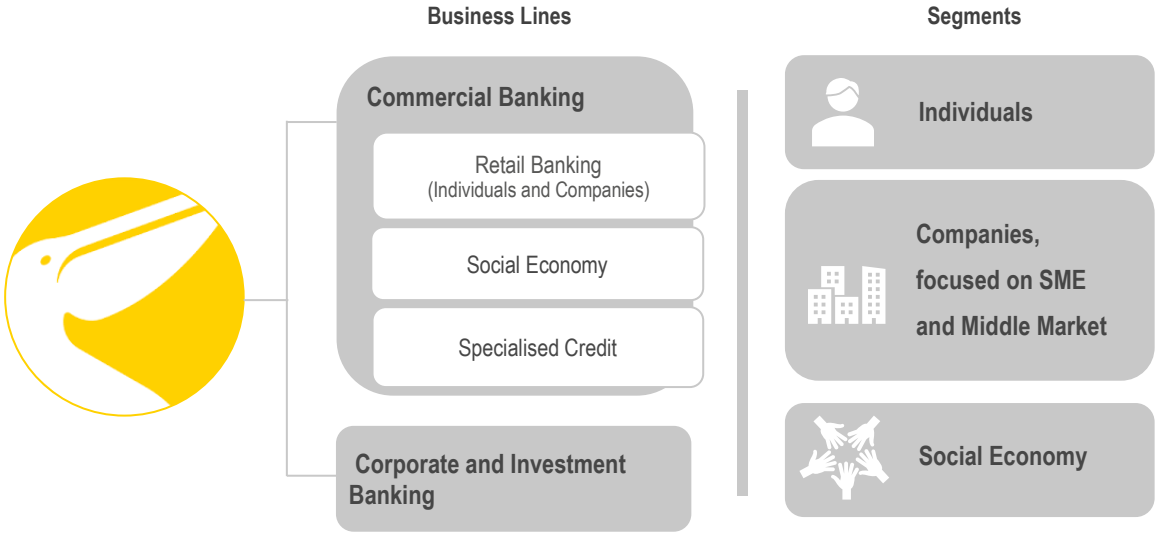
- **Evolution of the online Customer data maintenance journey**, using the Digital Mobile Key, which now allows Customers to update their data with Banco Montepio in less than 5 minutes, simply, securely and fully digitally, without the need to manually submit supporting documentation.
- **Launch of new versions of the Banco Montepio App,** which reflect the Bank's commitment to innovation and the continuous improvement of its Customers' experience. The new features introduced provide more intuitive navigation, greater simplicity in carrying out operations and faster access to the main banking services. These developments reinforce the accessibility and convenience of the digital channels, promoting a more inclusive and autonomous experience aligned with the needs of the different user profiles.
- **Launch of the SERVIIN service in customer support**, in partnership with the aforementioned entity, providing Customers with a free video call service with a Portuguese Sign Language interpreter. This initiative reinforces Banco Montepio's commitment to the inclusion and accessibility of its services.
- **New Banco Montepio investment journey**, which included the launch of the Investment Account and the extension of the partnership with Saxo Bank, providing simpler and more efficient access to the financial markets.
- In the digital wallets' ecosystem, one highlights the **launch of Samsung Pay**, expanding the range of mobile payment solutions available to Customers;
- **Implementation of new Push OTP capabilities**, strengthening the security and convenience of the authentication processes associated with the digitisation of payment cards;
- **Introduction of Redirect mechanisms in the authentication and digital activation flows**, enabling simpler and more secure integration between the different channels and participants in the card payment process;
- **Continuation of the branch refurbishment plan**, thus proceeding with the new generation of branches that are more inclusive, adapted for people with reduced mobility and allowing the entry of companion animals. These branches also offer the possibility of personalised service by appointment or self-service through Chave24 and reinforce the Bank's commitment to sustainability by incorporating national materials as key elements in their design.
- **Consolidation of the strategy centred on Artificial Intelligence (AI)**, with a strengthened corporate approach based on responsible innovation, operational efficiency, governance and control. The Bank continued to develop reusable AI capabilities, including generative AI platforms, specialised conversational assistants, document extraction solutions, lineage automation and data governance accelerators, aimed at improving productivity, reducing manual tasks, strengthening traceability and creating evidence for audit, reporting and compliance. The adoption of AI productivity tools, namely Microsoft Copilot, was accompanied by awareness-raising and training actions, promoting literacy, human validation of outputs, data protection and the safe use of information. In parallel, the Bank continued to operationalise its AI governance model, aligned with the Trusted AI framework and the AI Act, incorporating an inventory of AI systems, risk classification, definition of responsibilities, lifecycle monitoring and a risk and control matrix.

BUSINESS SEGMENTS

The Banco Montepio Group develops a range of banking and financial services activities with a focus on retail banking, currently operating solely in Portugal. The business segments reflect the organisational and internal management model, which encompasses Commercial Banking, comprising Retail Banking, the Social Economy and Consumer Credit – the latter being part of the business model centralised in Montepio Crédito – and Corporate and Investment Banking, as well as complementary services provided through SSAGIncentive, Sociedade de Serviços Auxiliares e de Gestão de Imóveis, S.A.

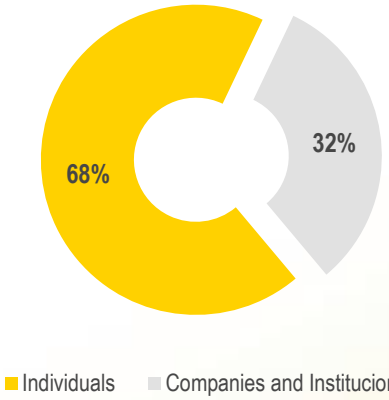
Segmentation is carried out, in the first instance, between Individuals and Companies, with emphasis on Small and Medium-sized Enterprises (SMEs), mid-corporate and the Social Economy. Banco Montepio's business model is Customer-focused, committed to improving the well-being of Families, supporting the Social Economy and meeting the needs of Small and Medium-sized Companies, and based on values of proximity, trust, solidity, transparency, tradition, innovation and inclusion. Banco Montepio offers a set of banking products and financial services that include the full range inherent to universal banking activity.

Universal Positioning

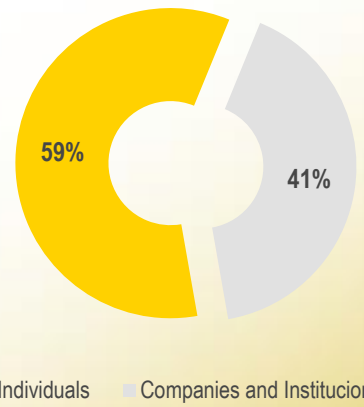


At 30 June 2026, Banco Montepio had a network of 222 branches operating in Portugal. Customer Deposits stood at €16.6 billion, reaching an all-time high, with Individual Customers representing 68% of this amount, and Loans to Customers (gross) amounted to €13.7 billion, divided between 59% Individual Customers and 41% Corporate and Institutional Customers.

Customer deposits breakdown
30 June 2026



Loans to Customers (Gross) breakdown
30 June 2026



The first half of 2026 was marked by strong dynamism in deposits, both due to the diversity of the offer across the entire banking sector and the particular evolution of markets and interest rates, which required active management of pricing and the overall offering.

With regard to term deposits, the diversified portfolio of solutions with different characteristics and maturities and the regular review of interest rates ensured the competitiveness of Banco Montepio's offer, which enabled the retention and acquisition of new Customers in the Individual, Corporate and Social sector segments. The dynamism of Banco Montepio's offer resulted, at the end of June 2026, in a 7,4%[6] growth of total deposits compared with the same period of the previous year, surpassing the banking sector, which recorded a 6.9%[6] growth rate.

This performance made it possible to strengthen market share, positioning Banco Montepio among the institutions with the best performance in this product, alongside balanced management of pricing conditions, which strengthened liquidity and contributed to overall net interest income.

MEANS OF PAYMENT

Banco Montepio's Means of Payment business recorded significant progress, marked by the strengthening of the value proposition for Customers, the modernisation of risk management processes and the acceleration of innovation in digital payments.

Point of Sale Terminals

At the end of June 2026, Banco Montepio's POS terminal network totalled 26,118 installed terminals. The Bank's market share in number of POS terminals stood at around 4.5% of the terminal network managed by the SIBS Global Network.

Debit and Credit Cards

As part of the commercial activation and the strengthening of card usage, several campaigns covering the debit and credit segments were implemented during the last quarter of 2025, contributing to consolidating Banco Montepio cards as customers' top-of-wallet choice and preparing for the growth in activity recorded in 2026.

With regard to debit cards, the following stand out:

- The "Perfect Getaway", campaign, aimed at the use of debit cards in everyday purchases;
- A campaign with an aspirational prize, which consisted of the winner attending the Brit Awards, an exclusive music event, in partnership with Mastercard, which strengthened brand awareness and preference for the Bank's means of payment;
- A campaign geared towards loyalty, offering as a prize an exclusive experience that included a double invitation to the UEFA Champions League Final, with tickets, travel and accommodation included.

In the credit segment, actions to encourage usage were also promoted:

- Cashback campaign on purchases: "*A credit card that pays you back in kind.*";
- Pilot campaign, with a refund of the fees charged on transactions made abroad, under the slogan "*Going on a trip? With our credit card, travelling pays off. By far.*". During the campaign period, the international usage volume of the Bank's credit cards grew by 3.1% compared with the previous year, exceeding by 5.4 percentage points the trend observed in the market..

[6] According to Banco de Portugal's Monetary and Financial Statistics for June 2026. Excludes the financial sector and the non-resident sector.





As part of the evolution of the credit card offering, a new solution was designed for individual Customers with current accounts linked to Other Credit Institutions, enabling the provision of means of payment appropriate to this Customer segment. This initiative made it possible to ensure broader coverage of its Customers' payment needs, while ensuring alignment with the applicable regulatory requirements.

In the area of risk management and fraud prevention, important improvements were introduced in control and monitoring processes, notably:

- The review of the rules for managing the Card Blacklist and the implementation of new rules for managing the Grey List, including mechanisms for integrating and processing information from SIBS;
- Optimisation of Mastercard's Stand-In Processing model, strengthening the ability to authorise transactions in situations of temporary unavailability of issuing systems.

These developments contributed to a smoother, more intuitive digital experience aligned with international best practices in means of payment.

Overall, the initiatives carried out contributed to reinforcing card usage, modernising the payment offering, increasing security levels and consolidating the Customers' digital experience, underpinning Banco Montepio's position as a benchmark in innovation and proximity to its Customers.

Transfers

The instant transfer service allows Banco Montepio Customers to make transfers in euros with funds made available to the beneficiary in just 10 seconds, 24 hours a day, 7 days a week. This means of payment has been assuming growing importance in the European market, reflecting the evolution of financial services usage habits and the demand for faster and more efficient payment solutions.

During the first half of 2026, the Bank recorded growth of around 40% in the number of instant transfers made compared with the same period of the previous year, confirming the growing adoption of this payment instrument by its Customers.

The Bank also followed the development of the European SEPA payments ecosystem, notably the work carried out in the context of implementing the Verification of Payee (VoP) service, a European initiative that makes it possible to validate the match between the beneficiary's name and the IBAN provided before a transfer is executed. This development contributes to the harmonisation of payment services at European level and to strengthening Customers' confidence in the use of electronic means of payment.

INDIVIDUAL CUSTOMERS

Banco Montepio's offering for the Individual Customers segment focuses on savings and credit products. True to its long-standing vocation as a savings institution, the Bank provides a diversified portfolio of solutions with different characteristics and maturities, tailored to Customers' objectives and needs.





With the aim of strengthening the acquisition of young Customers and deepening the commercial relationship with existing ones, a new campaign took place between 01 March and 30 June 2026. The initiative coincided with the Easter period and International Children's Day, promoting the iconic Banco Montepio Piggy Bank and the offering aimed at Customers aged under 18 years old.

STRUCTURED DEPOSITS

In the first half of 2026, Banco Montepio continued to strengthen its structured deposits offering, launching three issues during the first half, aimed at diversifying the offering to Customers in capital-guaranteed products:

- **Banco Montepio Technology Brands March 2026**



Structured deposit with a term of two years, not redeemable before maturity, in euros, with capital guaranteed at maturity and remuneration dependent on the performance of a basket of four shares of companies developing and providing solutions in the technology sector.

- **Energy April 2026**



Structured deposit with a term of two years, not redeemable before maturity, in euros, with capital guaranteed at maturity and remuneration dependent on the performance of a basket of four shares of companies operating in the energy sector.

- **Infrastructure June 2026**



Structured deposit with a term of 2 years, not redeemable early, in euros, with capital guaranteed at maturity and remuneration dependent on the performance of a basket of four shares of European multinational companies that develop and manage essential infrastructure.

INVESTMENT FUNDS

Following the execution of the Strategic Programme, in the first half of 2026 Banco Montepio expanded its offering to Customers in the type of investment funds, with the integration of Securities Investment Funds (Mutual Funds) into Montepio TraderGo and InvestorGo. Banco Montepio Customers now have access, on a single platform, to a wide selection of funds managed by international entities. This new offering, complementary to the funds managed by Montepio Gestão de Activos, allows Customers to invest in a more diversified way and aligned with the financial objectives of each investor, in global investment opportunities.

Banco Montepio maintained the distribution of 13 Securities Investment Funds, managed by Montepio Gestão de Activos, Sociedade Gestora de Organismos de Investimento Coletivo, S.A. (Montepio Gestão de Activos), and of 2 Real Estate Investment Funds – the Fundo Valor Prime and the Fundo VIP – managed,

respectively, by Montepio Gestão de Activos and by SILVIP – Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.

Montepio Gestão de Activos was distinguished with five awards at the 12th edition of the "Best Funds 2026" Awards promoted by APFIPP in partnership with Jornal de Negócios.

- **"Best US Equity Fund"**, awarded to the Fundo Montepio Ações EUA;
- **"Best Floating-Rate Bond Fund"**, awarded the Fundo Montepio Obrigações;
- **"Melhor Fundo de Curto Prazo"** (Best Short-Term Fund), award for the third consecutive year for the Fundo Montepio Tesouraria (Montepio Treasury Fund);
- **"Melhor Fundo de Ações"** (Best Equity Fund), award for the third consecutive year for the Fundo Euro Financial Services (Euro Financial Services Fund);
- Prize **"Melhor Fundo de Investimento Imobiliário"** (Best Real Estate Investment Fund), award for the fifth consecutive year for the Fundo de Investimento Imobiliário Valor Prime (Prime Value Real Estate Investment Fund).



RETIREMENT SAVINGS PLAN

Banco Montepio ensures the distribution of Retirement Savings Plans (PPR) and Equity Savings Plans (PPA) managed by Futuro – Sociedade Gestora de Fundos de Pensões, S.A.

In the first half of 2026, two awareness campaigns were carried out on the importance of strengthening supplementary retirement schemes, with the aim of encouraging savings discipline and regularity throughout the year, through new subscriptions by existing Customers and the acquisition of new Customers, especially the youngest, up to 35 years of age, through online subscriptions, as well as increasing the product's penetration in Banco Montepio's Customer base. In this context, the collective membership component, with benefits for their employees, was also promoted among corporate Customers.

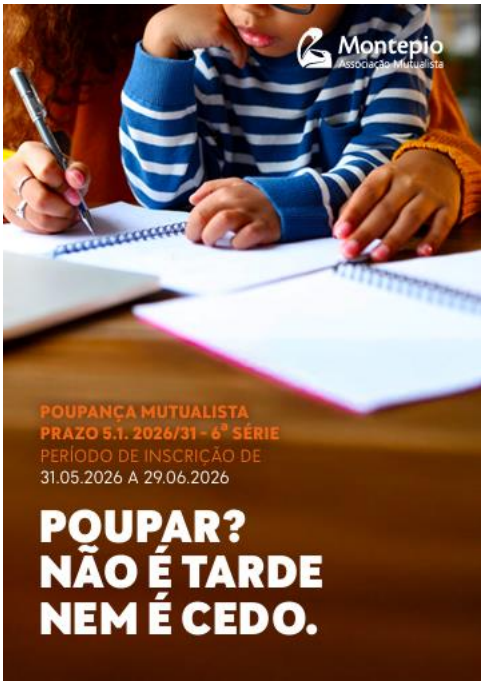




MUTUAL SAVINGS MODALITIES

Banco Montepio ensures the distribution of products of Montepio Geral – Associação Mutualista, a set of savings and/or protection solutions, whose mutualist nature is a distinctive factor in the market and forms part of the historical identity of the country's oldest financial institution. This offering reinforces a value proposition based on proximity and solidarity, of a mutualist nature.





PUBLIC SUBSCRIPTION OFFERS

During the first half of 2026, Banco Montepio, as Placing Entity, took part in two Public Subscription Offers and Bond Exchange Offers, namely those of Sport Lisboa e Benfica – Futebol, SAD (OPS/OPT Benfica SAD 2026-2031) and Mota-Engil, SGPS, SA (OPS/OPT Mota-Engil 2026-2031), providing Customers with diversification of their investments.

INSURANCE

Banco Montepio exclusively offers a set of Life and Non-Life insurance products, acting as distributor of Lusitania, Companhia de Seguros, S.A., and Lusitania Vida, Companhia de Seguros, S.A. Throughout the first half of 2026, within the scope of its Bancassurance activity, the Bank continued the process of simplifying services and processes, improving the insurance offering and developing new retention, up-selling and cross-selling strategies in partnership with the Montepio Group insurers – Lusitania, Companhia de Seguros, S.A., and Lusitania Vida, Companhia de Seguros, S.A. – with the aim of increasing efficiency between the parties and enhancing the Customer experience.

MORTGAGE LOANS

Mortgage Loans, complemented by the Multifunctional Loan offering, remain a strategic product for Banco Montepio, true to its origin and tradition, essential for the sustained development of the loan portfolio, for more efficient capital management and for strengthening lasting relationships with Customers.

Banco Montepio has shown a sustained strengthening of its position in this product, embodied in an increase in its market share, which reached 6,6%[7] in terms of new production, over the first half of the year (entirely new operations, excluding renegotiations). This figure reflects the Bank's strategy, focused on offering competitive, value-added conditions for the end Customer, while requiring constant market monitoring and careful management of consumer expectations, in a context of greater instability and volatility in interest rates.

This effort has been rewarded with important recognitions, among which stands out its election, for the 5th consecutive year, as **No. 1 "Consumer Choice" Brand in the Mortgage Loan category**.

Throughout the first half, Banco Montepio promoted several initiatives to attract and retain Customers, continuing a strategy already consolidated in recent years, but introducing adjustments and novelties that made it possible to adapt the offering to market needs:

- 2-year mixed-rate offer, with competitive rates always adjusted to market developments, with a refund of the spread during the 2-year rate fixing period;
- Offer for Young People: increased State guarantee and exemption from initial fees;
- Member Get Member campaign: award of €300 (up to a maximum of 5 cards, totalling €1,500) on a prepaid card to Customers who referred a Mortgage Loan, with the same amount awarded to the new Customers referred;
- Worten campaign: possibility of receiving 1% of the amount contracted in the form of a Worten prepaid card;
- Transfers from Other Credit Institutions Campaign: refund of 1.5% of the amount transferred, while maintaining the exemption from initial fees. The amount refunded is intended to cover documented costs associated with the transfer, such as early repayment fees, taxes, registration costs and official fees. If there is a remaining amount after these costs have been covered, this amount is transferred to the credit card of one of the borrowers.

In February 2026, another edition of the Bem Bom Competition came to an end, awarding 40 cars to its winners. This edition again reinforced Banco Montepio's inclusive nature, being open to both Customers and non-Customers, reaffirming the brand as close to and relevant for Portuguese families.

In addition, the Bank joined the Moratórias Kristin created to support the Portuguese families most affected by the consequences of this natural phenomenon. This adherence made it possible to provide temporary financial relief solutions, giving families affected by the situation increased conditions to reorganise their financial commitments and face this period of greater vulnerability with greater peace of mind.

PERSONAL LOANS

Banco Montepio maintained its commitment to supporting its Customers in achieving their personal projects, through a simple and flexible offering that enables the provision of the most suitable solutions for each need, with the following standing out:

- The Energy Transition Loan, whose scope was expanded to cover a wider range of sustainability-related solutions;
- The availability of specific credit lines aimed at Education, Training and Professional Development;

[7] According to Banco de Portugal's Monetary and Financial Statistics for June 2026.

- Specific offer to finance health purposes, designed to support Customers during moments of greater vulnerability;
- In the Personal Loan and Auto Loan categories, the project developed in partnership with Montepio Crédito continued during the first half of 2026, aimed at making this partner's financing solutions available in branches and through the Online channel. This partnership continues to show very positive results, leveraging intra-group synergies, enhancing Montepio Crédito's specialised know-how and enabling the Bank to respond more comprehensively, quickly and effectively to its Customers' needs.

  This initiative helped to increase the visibility of the offering and of the Group's positioning in this market, boost business acquisition and consolidate cooperation between the Group's different entities, reinforcing the commitment to provide Customers with competitive, simple and tailored financing solutions, both in the branch channel and in the Online channel.

COMPANIES

Banco Montepio's offering for the Corporate segment focuses on simplicity, consistency and ease of use, which are critical success factors for differentiation in this market. The commercial relationship model is based on specialisation and on the size of each Customer, ensuring close engagement and solutions tailored to the specific needs of every company.

CREDIT

In the first half of 2026, Banco Montepio maintained its focus on providing corporate financing solutions geared towards investment, innovation, internationalisation and sustainability, in an economic context marked by the persistence of geopolitical tensions, the volatility of energy and raw material costs and the growing need to strengthen the competitiveness and resilience of Portuguese companies.

In this context, the Bank pursued its strategy of supporting the business fabric by making available financial instruments promoted by national and European entities, notably Banco Português de Fomento (BPF), the European Investment Fund (EIF), Mutual Guarantee Societies and other public entities involved in financing the economy.

As part of the partnership with BPF, Banco Montepio maintained the marketing of the BPF InvestEU and BPF Invest Export Lines, providing financing solutions aimed at supporting investment, innovation, digitalisation, sustainability, internationalisation and working capital strengthening projects of companies, and also continued to promote the Pre-Approved Guarantees associated with these initiatives, reinforcing commercial proximity to eligible companies.

The Bank also strengthened its offering of Protocol Lines through the implementation of the Fomento IFIC Mais Line, aimed at supporting projects covered by the Financial Instrument for Innovation and Competitiveness (IFIC), as well as initiatives supported by Portugal 2030 and the Recovery and Resilience Plan (PRR), contributing to the modernisation and increased production capacity of national companies. The Portugal Energy Resilience Line was launched, aimed at supporting companies most exposed to rising energy and raw material costs, while promoting investments geared towards energy efficiency and the adoption of more sustainable production models.

Following the severe weather events that occurred in several regions of the country in early 2026, the Bank also began to offer the Reconstruction Support Line – Investment and the Reconstruction Support Line – Treasury, contributing to the recovery of the economic activity of the affected companies and to restoring the conditions necessary for the continuity of their businesses.

At the same time, Banco Montepio extended its impact financing offering through the availability of the FEI Microfinance Line, reinforcing support for microenterprises, microentrepreneurs and initiatives with high potential for job creation and financial inclusion.

The Protocol Lines continued to establish themselves as an important instrument for boosting commercial activity and differentiating Banco Montepio's value proposition in the corporate segment. In the first half of 2026, the Protocol Lines portfolio amounted to around €1 billion, reinforcing its relevance in the implementation of public instruments supporting the investment and competitiveness of Portuguese companies.

Alongside the Protocol Lines, Banco Montepio's **Factoring** business delivered a strong performance, recording a 23.3% increase in the volume of Loans purchased compared with the same period of the previous year. **Confirming** also maintained a positive trajectory, with Loans purchased rising by 11.8% relative to the corresponding period of the previous year, reflecting the strengthening of the Bank's value proposition for companies and the growing adoption of these treasury management solutions by customers.

The number of **International Business** transactions continues to show sustained growth compared with previous years, reflecting the growing adoption by companies of the financing and internationalisation support solutions made available by the Bank. At the same time, the loan portfolio associated with this activity recorded a 12% increase, demonstrating the ability to turn commercial production into recurring asset growth. This development has been supported by a strategy of strengthening proximity to the commercial network and to corporate Customers, by diversifying the range of trade finance solutions, and by developing new value propositions aimed at supporting the expansion of companies in foreign markets.

Through this set of solutions, Banco Montepio continued to play a relevant role in financing the national economy, supporting companies of different sizes and sectors of activity in their processes of growth, modernisation, internationalisation, energy transition and adaptation to the challenges of an economic context in permanent transformation.

STRUCTURING SUSTAINABLE FINANCIAL INSTRUMENTS

Banco Montepio advised NOS on the structuring of an issue of bonds linked to sustainability (Sustainability-Linked Bonds), in the amount of €30 million, and on the structuring of a Commercial Paper Programme in the form of Sustainability-Linked Commercial Paper, in the amount of €20 million. The terms of both sustainable financial instruments are indexed to sustainability targets related to the reduction of greenhouse gas emissions.

Banco Montepio also supported a company included in the PSI index in the structuring of a Commercial Paper Programme in the form of Sustainability-Linked Commercial Paper, in the maximum amount of €60 million, by private and direct placement. The terms of the Sustainability-Linked Commercial Paper 2026-2031 are indexed to sustainability targets related to the amount of CO_2 emissions, the share of certified wood purchased in the domestic market and the share of energy consumption from renewable sources.

In both cases, the sustainability targets were defined by the issuing entities in their respective sustainability-linked financing frameworks and comply with the conditions established in the "Sustainability-Linked Bond Principles", published by the International Capital Market Association, as confirmed by an independent, specialised external entity.

SOCIAL ECONOMY

The Social Economy, supported by various entities within the sector and encompassing diverse functions, engages with an increasingly broad spectrum of Portuguese society. It positions itself as a significant contributor to job creation and the enhancement of socio-economic conditions for families.

Assuming its nature as a third sector, the Social Economy finds its raison d'être in achieving social goals, thus complementing the work of the public and private sectors, and with a greater capacity to respond to new social and societal challenges, through innovation and the pooling of resources and wills, particularly in areas where the fight against inequalities, poverty and social exclusion requires solidarity responses from the community.

In fulfilling their mission, Social and Solidarity Economy Entities (EESS) rely on Banco Montepio as a strategic financial partner, with an integrated and personalised offer to meet their financial needs. At Banco Montepio, the Social and Solidarity Economy Entities are monitored by the Social Economy and Public Sector Commercial Division (DCESSP), a complementary area to the branch network, composed by a team from the north to the south of the country with specialised knowledge of the sector, its needs and different areas of activity.

As a result of the work carried out by the commercial teams, in the first half of 2026 Banco Montepio had a penetration rate of 27% in the Social and Solidarity Economy Customer segment (with a social purpose), continuing the strategy of specialised support for the Social Sector Customer base, defined as a key differentiating pillar.

To this end, it provides unique solutions, such as the ESocial Solution, an integrated solution of products, services and exclusive advantages for EESS, the Agreement Account, an overdraft facility (exclusive ceiling) for Private Institutions of Social Solidarity (IPSS) that facilitates treasury management, and Voluntary Insurance, personal accident insurance, illness and civil liability – mandatory for all institutions that rely on the collaboration of volunteers.

In credit lines, Banco Montepio entered into an accession agreement with the European Investment Fund (EIF), called the Social Entrepreneurship Credit Line, under which, since it began to be marketed at the end of 2024, more than €92 million has been financed. The financed projects are contributing significantly to expanding the network of facilities, increasing quality, and incorporating innovation and sustainability into the social responses of the EESS.

As a reference financial partner, the commercial relations between Banco Montepio and the EESSs allow the continuation of commercial protocols that make a difference in society and in the activity of these institutions, highlighting those with the representative structures of the Social and Solidarity Economy, which give access to a set of benefits and advantages in Banco Montepio products and services, examples of which are the protocols with the “União das Misericórdias Portuguesas” (UMP) (Union of the Portuguese Misericórdias), the “Confederação Nacional das Instituições de Solidariedade” (CNIS) (National Confederation of Solidarity Institutions), the “Federação Nacional de Cooperativas de Solidariedade Social” (Fenacerci) (National Federation of Social Solidarity Cooperatives) and the “Liga dos Bombeiros Portugueses” (LBP) (League of Portuguese Firefighters), among others.

Support to the Public Sector

Banco Montepio, through DCESSP, provides dedicated support to local public administrations that are closest to community life, such as Municipal Councils and Parish Councils. This activity includes active participation in public tenders, with successful awards and proposals for comprehensive engagement, these efforts are aligned with the strategy of strengthening customer loyalty, expanding the customer base and attracting resources from these entities.

Support to Entrepreneurship and Social Innovation

Support for entrepreneurship and social innovation is a key pillar in promoting sustainable development, social inclusion and the creation of innovative solutions to complex challenges. In this context, Banco

Montepio provides access to a set of 24 protocols and partnerships[8] with national, district and local entities recognised for their experience in the field of social entrepreneurship and for offering protocol-based financing lines.

Microcredit

In the first six months of the year, Banco Montepio made the following products available to Customers with an entrepreneurial spirit and the ambition to create their own business:

- **Entrepreneurship and Self-Employment Creation Support Line (LAECPE)** comprising the Microinvest and Invest+ lines, aimed at unemployed persons registered at employment centres and other eligible beneficiaries under the Programme for Support to Entrepreneurship and Self-Employment Creation. The line, framed by Banco Português de Fomento, with the participation of the Instituto do Emprego e Formação Profissional, I.P. (IEFP) and the Mutual Guarantee system, aims to support the creation of self-employment and new companies, contributing to combating economic and social exclusion and long-term unemployment. In terms of financing, Banco Montepio supported 50 projects, with funding totalling over €974,000, contributing to the creation of 84 jobs;
- **E.mpreendedor Solution**, aimed at new businesses with less than two years of activity, offering a selection of integrated products and services to support operations;
- **Empresário Solution** (Entrepreneur Solution), designed for companies in a growth phase, providing a set of integrated products and services to support business consolidation and expansion.

Banco Montepio's active participation in the topics of Social Economy, Microcredit and Social Entrepreneurship and Innovation resulted in several actions carried out in the first half, notably, among others, the corporate volunteering action with Comunidade Vida e Paz, the Pirilampo Mágico campaign, the 5th edition of ESG Week or the EPIS Volunteers Meeting 2026, all of which are presented in greater detail in the chapter 'The Banco Montepio Brand'.

[8] Namely, the Associação Comercial de Braga (ACB), the Associação Empresarial dos Concelhos de Vila Franca de Xira e Arruda dos Vinhos (ACIS), the Alto Comissariado para as Migrações (ACM), the Associação Empresarial do Baixo Ave (AEBA), the Associação Empresarial de Fafe, Cabeceiras de Basto e Celorico de Basto (AEFAFE), the Associação Empresarial de Penafiel (AEP), the Associação Empresarial da Região de Lisboa (AERLIS), the Associação Empresarial de Sintra (AESintra), Amadora Inova of the Câmara Municipal da Amadora, the Associação Nacional de Jovens Empresários (ANJE), the Business Advisors Association (B2A), the Associação de Desenvolvimento Beira Serra, the Centro Empresarial INOVAGAIA in Vila Nova de Gaia, DNA Cascais, Dolmen – Desenvolvimento Local e Regional, CRL, in Amarante, FISOOT – Formação, Integração Social e Ofertas de Oportunidades de Trabalho, the Lions Clube de Coimbra, the Associação Empresarial da Região de Santarém (NERSANT), Novos Percursos, CRL, Penha Empreende of the Junta de Freguesia da Penha de França, Querer Ser – Associação para o Desenvolvimento Social in Rio Tinto (Gondomar), Redojeris+, Sol do Ave – Associação para o Desenvolvimento Integrado do Vale do Ave, A Talentos – Associação Nacional de Formadores e Técnicos de Formação and the Associação de Microempresas Portuguesas.

REPORT AND ACCOUNTS

4

BUSINESS ENVIRONMENT

1ST HALF 2026

Banco Montepio

BUSINESS ENVIRONMENT

ECONOMY

World Economy

The first half of this year was marked by an environment of high economic and geopolitical uncertainty. Global growth remained moderate but came under pressure due to tensions in the Middle East, which caused volatility in energy prices, inflationary fears and greater caution among economic agents.

The start of the conflict in the Middle East, on 28 February, between the US and Israel against Iran led, notably, to the closure of the Strait of Hormuz, one of the most significant shipping routes in the Gulf – which accounts for around 20% of global oil trade – triggering a global energy crisis, with the price of a barrel of Brent reaching values in the order of $120/barrel in March and April, the highest since June 2022. In the meantime, in mid-June 2026, a memorandum of understanding was signed between the US and Iran with a view to reopening the strait and easing navigation constraints.

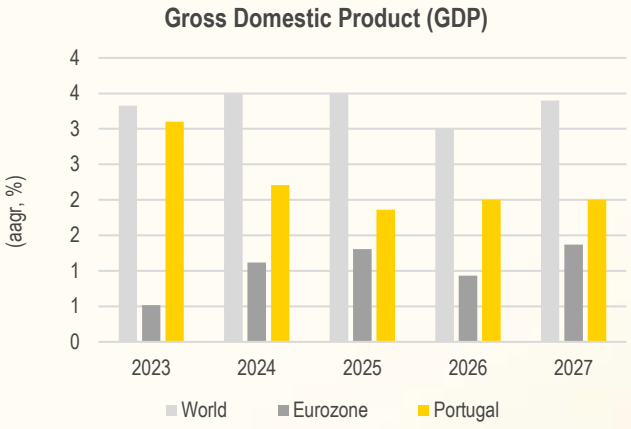
At the same time, concerns persisted regarding trade barriers, supply chains and high levels of public debt in several economies.

However, despite these challenges, the resilience of the labour market in many regions and strong investment in artificial intelligence (AI) continued to support economic activity and the outlook for long-term productivity.

In the update of the World Economic Outlook (WEO), on 9 July, the International Monetary Fund (IMF) revised downwards its global growth forecasts for this year, from 3.1% to 3.0% (+3.5% in 2025), due to the negative impact of the war in the Middle East on economic activity, although partly offset by the positive effect generated by AI.

However, the IMF stressed that the impact of the war in the Middle East varies significantly depending on each country's degree of exposure to the conflict and its position in the technology value chain. Thus, on the one hand, energy-exporting countries outside the conflict zone benefit from an improvement in the terms of trade, while economies integrated into the technology-led recovery record more robust activity, even when they are energy importers. On the other hand, and conversely, economic activity weakens in energy-importing countries with a limited share in the technology value chain.

Even so, the IMF's outlook for the global economy in 2027 is more positive, with the growth forecast for world GDP having been revised upwards, from 3.2% to 3.4%.



Source: IMF, Thomson Reuters and Banco Montepio (GEEF).

Among the main advanced economies, the IMF points to US GDP expansion of 2.3% in 2026 and 2.2% in 2027, practically unchanged from the previous April forecasts, anticipating that economic activity will continue to be supported by fiscal policy, favourable financial conditions and business investment associated with new technologies, as well as by increased productivity.

For the Eurozone, the IMF forecasts a decline in GDP growth to 0.9% in 2026 (+1.4% in 2025), 0.2 percentage points (p.p.) lower than in the last report, and then expects an increase of 1.2% in 2027, reiterating, in this case, the previous forecast. For the United Kingdom, it expects an expansion of 1.0% in 2026, a slowdown compared with the previous year (+1.4% in 2025), regaining pace in 2027 with 1.3%.

Among emerging economies, China stands out, for which the IMF projects a decline in GDP growth, from the 5.0% recorded in 2025 to 4.6% in 2026 and 4.1% in 2027 (revised by +0.2 p.p. and +0.1 p.p. respectively), with the slowdown of the economy reflecting the rise in world oil prices, combined with persistent uncertainty and adverse structural factors, which are expected to weigh on economic activity.

For India, the IMF now forecasts growth of 6.4% in 2026 and 6.7% in 2027 (revised by –0.1 p.p. and +0.2 p.p., respectively), maintaining expansions of 1.1% for Russia in 2026 and 2027 and, for Brazil, of 2.4% in 2026 and 2.2% in 2027 (upward revisions of +0.5 p.p. and +0.2 p.p. respectively).

In general terms, the IMF also points to a marked slowdown in world trade growth, from 5.0% in 2025 to 3.5% in 2026, which should then recover to 4.3% in 2027. According to the IMF, this development reflects, on the one hand, the earlier front-loading of trade flows and the impact of customs tariffs and, on the other, the gradual adaptation of trade relations and production chains, through the diversion and reconfiguration of trade routes, as well as strong growth in technology-related trade.

Regarding global inflation, the IMF revised upwards its forecasts for this year and next by around 0.3 p.p., estimating a level of 4.7% for 2026, an acceleration compared with the previous year (+4.1% in 2025), but with some deceleration in the following year to 3.9%. However, inflation continues to vary significantly between countries, reflecting differences in the pass-through of exchange rate changes to prices, in the persistence of services inflation, in labour market conditions and in the growing importance of factors specific to each economy.

Economy of the Eurozone

Economic activity in the region started 2026 with stabilisation quarter on quarter in the first quarter, negatively surprising the market, which had pointed to growth of 0.2%, reflecting the economic impact of the conflict in the Middle East. The very weak performance of the Irish economy stands out on the negative side, which contracted by 7.8% quarter on quarter, a natural adjustment to the strong increases in multinational sales at the end of 2024 and beginning of 2025. The region's economy returned to growth in the second quarter (+0.6%, reflecting, in particular, the correction of Irish GDP with growth of +10.2%), with further growth expected throughout the second half of the year, despite the still highly adverse global context, notably the prolongation of the situation in the Middle East.

For 2026, the Eurozone economy is expected to decelerate again, with economic growth at 0.9%, following an acceleration of economic activity in 2025, when growth reached 1.3%, compared with 1.0% in 2024.

The slowdown in economic activity was mainly due to the worsening of inflation throughout the first half of this year, reflecting, at first, the direct impact of soaring energy prices and, in a second phase, the emergence of some second-round effects on inflation. The first impacts were seen in some services: transport, logistics, tourism, restaurants and other services with significant energy costs tend to pass fuel price increases on to final prices, as well as in non-energy industrial goods, namely manufactured products whose production processes depend on electricity, gas or transport, and also in food products, as fertilisers, transport, refrigeration and food processing are heavily dependent on energy.

After inflation fell to 1.9% in 2025 and remained below the ECB's target in the first two months of the year, the start of the military conflict in Iran prompted an immediate rise in energy prices, leading to the beginning of an upward trajectory of inflation in March, which would take it to 3.2% in May, easing afterwards and closing the half-year at 2.8%. Consequently, in average annual terms, Banco Montepio's Economic and Financial Studies Office (GEFF) forecasts a rise in inflation in 2026, to 2.9%, whereas before the start of the war the forecasts were 2.0%, with this deterioration reflecting the sharp rise in natural gas and oil prices resulting from the military conflict in the Middle East. It should be noted that the upside risks to this projection persist, with the overall inflationary impact expected to depend on the duration of the conflict and, essentially, on the disruption of navigability of the Strait of Hormuz and the destruction of the productive capacity of countries in the region.

Given the context of a sharp worsening of inflation (headline and core), as expected, the ECB changed its monetary policy and began the cycle of increases in its key interest rates in June 2026, with an increase of

25 basis points (b.p.) and with the interest rate on the main refinancing operations (refi rate) and the deposit rate (deposit facility rate) closing the first half of 2026 at 2.40% and 2.25%, respectively, after having closed 2025 at 2.15% and 2.00%, with a further increase of 25 b.p. certain in September.

Portuguese economy

The Portuguese economy started 2026 with a quarter-on-quarter GDP rise of 0.1% in the first quarter, after the strong increase of 0.9% in the last quarter of 2025, contrary to market expectations and the indications given by most monthly activity data, with the economy affected by the storms in the first two months of the year. In the second quarter, despite the unfavourable impact of the military conflict in the Middle East, the economy accelerated its growth, to an expansion of 0.8%.

On average annual terms, a slight acceleration in the pace of expansion of the economy is expected in 2026 to 2.0%, above the forecasts of 1.6% by the Public Finance Council, published in April, of 1.7% by the IMF, of 1.8% by Banco de Portugal and of 1.8% by the OECD, all released in June, and of 1.7% by the European Commission in May, but in line with the 2.0% projection by the Government in April.

In terms of prices, there was also a worsening of inflation throughout the first half of this year, reflecting the aforementioned direct and second-order effects of higher energy prices on inflation. Thus, after closing 2025 at 2.4%, year-on-year inflation (HICP) fell in January to 1.9%, marginally below the ECB's medium-term objective (2.0%), but then accelerated again, starting in March an even more pronounced upward trajectory, which would take it to 3.3% in April and close the half-year at 3.1%. In average annual terms, an acceleration in inflation is projected from the 2.2% recorded in 2025 to 3.0% in 2026, noting that, before the start of the conflict, Banco Montepio forecast 2.0%, with the risks to the upside and with this deterioration reflecting the aforementioned impacts (direct and indirect) of the sharp rise in natural gas and oil prices resulting from the military conflict in the Middle East.

In the labour market, according to the monthly estimates of the National Statistics Institute (INE), a slight downward trend in the unemployment rate was observed to 5.6% in June, with a slight worsening expected throughout the second half of the year. In annual terms, an unemployment rate of 5.8% is expected, below the 6.0% recorded in 2025.

After the slight increase in the budget surplus in 2025, a deterioration to a budget deficit of 0.3% in 2026 is expected, which contrasts with the surplus of 0.1% presented by the Government in the State Budget for 2026, but is below the figure that the Finance Minister assumed, already in April, could be observed, when he said that the deficit should not exceed around 0.5% of GDP. This deterioration in the budget balance results, notably, from the costs of the storms and public support to mitigate the impact of the recent rise in energy prices on families and companies.

The household saving rate is expected to fall in 2026, to a value of around 11.7%, compared with 12.3% recorded in 2025, reflecting, namely, the slowdown in disposable income, but also the rise in inflation, although the saving rate is expected to remain at historically high levels.

FINANCIAL MARKETS

In the first half of 2026, sentiment in equity markets continued to be broadly positive. Contrary to expectations, markets demonstrated a remarkable capacity to adapt to geopolitical tensions in the Persian Gulf and the risks associated with the energy market, despite corrections observed at the end of the first quarter, with the subsequent recovery allowing the main international equity indices to end the half-year in positive territory.

The favourable performance of the equity market was strongly driven by the significant appreciation of technology sector companies linked to AI, which increased investors' concern about the existence of a bubble in the markets, whose market capitalisation is heavily concentrated in a small number of technology companies, the so-called 'mega caps', exposing valuations to risks regarding the profitability of investments in this sector.

On the geopolitical front, also noteworthy are the political situation in Venezuela, the threats by the US President to the sovereignty of Greenland and Canada and the resurgence of tensions in south-western Asia between China and Taiwan (with the involvement of the US and Japan). Less evident are the fears regarding the trade war triggered by the US President, in April 2025, through the announcement of customs tariffs. In Europe, the Ukraine-Russia war was marked by an intensification of confrontations, with US attempts to resolve the conflict through diplomatic means proving fruitless.

In this context, during the first half of the year, fears of a global recession persisted, due to increased inflationary pressures in both the Eurozone and the US, in response to the global energy crisis and the increase in Brent and natural gas prices. Despite fears, the first-quarter earnings season in the US exceeded expectations and many companies reported higher-than-expected profits.

Thus, the main global stock exchanges mostly performed favourably over the half-year as a whole, with globally positive changes in the US, Europe and Latin America, and mixed movements in Asia, with the MSCI World benchmark index (Morgan Stanley Capital International) rising 10.4%.

The main US **equity indices** recorded positive performance over the half-year, with the S&P 500 advancing 9.6%, reaching a new all-time high in early June. The Nasdaq recorded a larger rise, of 12.8%, driven by announcements from large technology companies, while the Dow Jones gained 8.9%, with both also reaching all-time highs in early June 2026.

In Europe, the upward performance was widespread across most of the main indices, with the Eurostoxx 50, the CAC 40 and the DAX rising 9.3%, 3.1% and 2.1%, respectively, while the Portuguese PSI index gained 10.5%.

In sectoral terms in Europe, as measured by the respective Stoxx 600 indices, the gains observed in technology (+25.5%), energy (+20.8%), basic resources (+16.1%), utilities (+14.8%), banking (+12.5%) and telecommunications (+11.4%) stand out, with the largest fall observed in the automotive sector (-18.4%).

In the first half of 2026, the ECB began a cycle of increases in its key interest rates with the aim of combating inflationary pressures arising from the direct impact of the military conflict in the Middle East on energy prices and the potential second-round effects on the prices of other goods and services. The evolution of **Euribor rates** reflects the expectations of key rate increases of at least 50 basis points (b.p.) this year, and they therefore followed an upward path over the half-year: +30 b.p. at the 3-month tenor, +46 b.p. at 6 months and +49 b.p. at 12 months, to levels of 2.324%, 2.568% and 2.728%, respectively, as at 30 June 2026.

European benchmark government debt yields showed upward movements at shorter maturities over the half-year, with 2-year yields in Germany advancing 41 b.p., to 2.528% (reflecting the anticipation and subsequent implementation of the ECB's 25 b.p. rate increase in June 2026, as well as expectations of a further rise by the end of the year), while 10-year yields recorded no significant changes, closing the half-year at 2.860%. In the US, there was likewise a flattening of the yield curve, with 2-year yields rising by 70 b.p., to 4.172%, while 10-year yields advanced 30 b.p., to 4.465%.

Credit spreads showed favourable movements in CDS (Credit Default Swaps) indices in investment grade segment (the Itraxx Cross-Over index fell 21 b.p., to 244.6 b.p., the Itraxx Financials stabilised at 54.4 b.p. and the Itraxx retreated 2 b.p., to 51.6 b.p.).

Meanwhile, the **spreads of the yields on 10-year government debt** of peripheral Eurozone countries showed some widening. The largest increases in yields were in Greece (+9 b.p., to 68 b.p.) and Portugal (+9 b.p., to 38 b.p.), followed by Italy (+7 b.p., to 77 b.p.) and Spain (+5 b.p., to 48 b.p.).

The general **commodity** indices recorded very positive movements, with the composite index CRBI (Commodity Research Bureau Index) rising 18.4% and the S&P GSCI (Goldman Sachs Commodity Index) 12.9% (after changes of +0.7% and -0.2%, respectively, observed in 2025), the latter being boosted, in particular, by the energy class (the class with the largest weight in the index, which showed an appreciation of 25.9%), in a context of a strong increase in the prices of Brent and WTI crude (West Texas Intermediate) of 19.8% and 21.0%, respectively, as well as European gas prices, by 54.3% (after falling 43.4% in 2025, but

rising 56.5% in 2024), livestock (+7.7%), base metals (+5.3%) and agricultural products (+2.3%), being penalised only by precious metals (-7.9%).

FINANCIAL SECTOR

According to the latest data provided by Banco de Portugal, the net income of Portuguese banks in the first half of 2026 decreased by 2.2% compared with the same period of the previous year, to €3,151 million, pressured by a 5.1% increase in operating costs, despite a 0.7% rise in operating income. Indeed, operating income growth was driven primarily by higher fees and commissions (+7.1%) and increased results from financial operations (+16.0%), in a context where net interest income declined by 0.8%, still affected by the repricing resulting from the previous interest rate cycle. Credit risk control also contributed favourably to banks' profitability, reflected in the decrease in provisions and impairments (-23.2%) compared with the same period of the previous year.

The return on assets (ROA) of the Portuguese banking system stood at 1.25% in the first half of 2026, a decrease of 0,11 p.p. compared with the same period of 2025. In the same period, return on equity (ROE) decreased by 1,33 p.p., to 13.55%. It should be noted that the net interest margin of Portuguese banks fell to 2.3% in the first half of 2026, compared to 2.4% in the same period of 2025, reflecting the time lag in the repricing of assets and liabilities relative to the stage in the interest rate cycle.

The NPL ratio in Portugal stood at 2.1% in the first half of 2026, a decrease of 0.2 p.p. compared with the same period of the previous year, reflecting movements in the same direction in the individuals and corporate segments. The NPL ratio for the individuals segment fell to 1.9% (-0.3 p.p.), within which mortgage loans have an NPL ratio of 0.8% (-0.3 p.p.) and consumer credit 5.8% (-0.3 p.p.). In non-financial corporations (NFCs), the NPL ratio also showed a downward trend to 3.6% (-0.4 p.p.), over the same period.

At the same time, NPL coverage by impairment provisions stood at 53.4% in the first half of 2026, decreasing from the 56.1% observed in the same period of the previous year. NPL coverage on loans to individuals increased from 51.6% to 54.3% over this time frame, benefiting from increases in coverage on mortgage loans, from 36.9% to 38.8%, and on consumer credit, from 61.3% to 62.4%. Conversely, NPL coverage on loans to NFCs decreased from 61.3% to 60.2% in the same period. As a result of controlled credit risk and the quality of origination, together with a benign macroeconomic context, notably with the unemployment rate at a historic low and growth in activity, the cost of credit risk remained at the minimum of 0.1% in the first half of 2026.

The CET1 ratio of the Portuguese banking system stood at 18.2% in the first half of 2026, at highs and above the 17.9% observed in the same period of the previous year. The weight of risk-weighted assets in total assets decreased to 41.0% (-0.8 p.p.). The leverage ratio increased from 7.5% to 7.6%, remaining well above the minimum regulatory requirement of 3.0%.

Liquidity indicators in Portugal remained comfortably above regulatory requirements, with the liquidity coverage ratio (LCR) standing at 248% in the first half of 2026, despite the strong growth in lending activity. The loan-to-deposit ratio is beginning to show an upward trajectory, with credit increasing at a faster pace than deposits, contrary to previous years, reaching a value of 77.1% at the end of the first half. The increase in system liquidity has been supported by the expansion of private sector deposits (individuals and non-financial corporations), which reached €284.4 billion in June 2026, the highest amount since December 1979. This figure corresponds to growth of 2.9% compared with the end of 2025, reflecting increases of 2.3% in deposits from individuals and 4.6% in deposits from non-financial corporations.

With regard to financing to the economy, the stock of credit to the private sector – including individuals and non-financial companies – recorded an increase of 5% between December 2025 and June 2026. Of this growth, 68% was driven by credit granted to individuals (+€7.5 billion), with particular emphasis on mortgage loans (+€5.9 billion).

Up to June 2026, the monthly average of net mortgage loan production amounted to €1.3 billion, 11% above the average observed in 2025. This development reflects, on the one hand, the 12% increase in the volume

of new contracts – excluding renegotiations – compared with the same period of the previous year and, on the other, the 5% reduction in the amount of early repayments in the same period.

It should also be noted that, between January and June 2026, mortgage loan contracts for primary and permanent residence under the State guarantee scheme (provided for in Decree-Law No. 44/2024 of 10 July, and regulated by Ordinance No. 236-A/2024/1 of 27 September) accounted for 32% of the total new contracts concluded in that period. In the same period, €3.2 billion was contracted in publicly guaranteed mortgage loans – corresponding to an increase of 63% compared with the amount recorded throughout 2025 –, with 56.3% of the total guarantee limit made available by the State under this scheme already having been used by the end of the first half of the year.

Corporate lending showed growth of 2.8% between December 2025 and June 2026 (+€3.5 billion), with small and medium-sized enterprises accounting for 48% of this increase. In sectoral terms, the aggregate "construction and real estate activities" stood out as the main driver of the increase in absolute terms, corresponding to 32% of total growth in corporate lending.

MAIN RISKS AND UNCERTAINTIES FOR THE SECOND HALF OF 2026

Economy

Throughout the second half of this year, the main economic and financial risks and uncertainties will continue to be associated with the evolution of inflation and interest rates, the slowdown in economic growth in the main world economies, the volatility of financial markets and geopolitical tensions that may continue to affect supply chains and energy prices. In addition, there are risks related to the high uncertainty regarding trade and fiscal policies, as well as the possibility of a deterioration in financing conditions for companies and households. These factors could constrain investment, consumption and the confidence of economic agents, influencing the economic and financial situation of companies and households.

In any case, in the aforementioned July WEO update, the IMF considered that the risks to the economic outlook are currently more balanced than at the time of its previous projections, made in April, but remain tilted to the downside for activity, with the most immediate risk to the institution's central scenario continuing to be the evolution of the situation in the Middle East. A worsening of geopolitical tensions would weigh on economic growth and aggravate inflationary pressures, whereas if the reopening of the Strait of Hormuz occurs faster than expected and commodity prices fall below the baseline scenario, the world economy could grow more than anticipated and inflation could be lower than currently projected.

Economic activity could also surprise positively in the short term if AI-related capital investment remains exceptionally strong or if financial conditions become more favourable, continuing to offset the adverse effects of geopolitical tensions, trade fragmentation and the limited room for manoeuvre of economic policies.

However, enthusiasm around AI and exuberance in financial markets could, at the same time, sow the seeds of macro-financial instability. The IMF also highlights the risk that trade tensions could reignite – especially if trade diversion or trade imbalances lead more economies to adopt tariff increases and non-tariff restrictions –, harming economic growth.

At the national level, the economy will also be constrained by the identified risks to the global economy, in addition to the pressure on the financial capacity of households to continue to support interest rate levels above those that prevailed until the last tightening cycle of economic policy, as well as the sustainability of prices in the housing market, which have more than doubled in the last ten years.

According to Banco de Portugal's analysis in its latest Economic Bulletin of June, the risks to the Portuguese economy are also tilted to the downside for activity and to the upside for inflation, considering that they are also mainly related to the impact of the conflict in the Middle East. According to this institution, a longer duration or escalation of the conflict would imply higher oil and other commodity prices than those assumed in the projection, greater disruption of supply chains and increased volatility in financial markets, with an impact on the confidence of economic agents. In this scenario, inflation would be higher and growth lower.

Other negative risks to activity include a reigniting of global trade tensions and, domestically, lower absorption of PRR funds than assumed.

There are also factors that could have a positive impact: *i*) ongoing investments in new technologies, including those related to artificial intelligence and the energy transition, in particular on exports; *ii*) the medium-term implementation of the Portugal Transformation, Recovery and Resilience plan (PTRR); and *iii*) increased investment in defence and infrastructure in the EU.

For inflation, the risks are predominantly to the upside and, in addition to a sharper or more persistent rise in commodity prices, reflect the continuation of high wage pressures in a context of labour market tightness.

Banco de Portugal also states that, in addition to the energy shock, the Portuguese economy faces challenges arising from trade tensions, demographic changes and the technological and climate transition. Thus, in this context, it suggests that economic policies should continue to contribute to strengthening resilience and promoting greater economic growth, through reducing energy and climate vulnerabilities, diversifying the pattern of trade and export destinations and increasing the competitiveness of companies.

Financial sector

The IMF published, at the end of June, a report with the results of the assessment of the Portuguese financial system (Financial Sector Assessment Program), concluding that it is resilient to shocks, with the contribution of substantial deleveraging after the Eurozone sovereign debt crisis. Consequently, despite the high global uncertainty, the risks to financial stability in Portugal remain moderate.

The IMF also highlights the resumption of credit growth in 2025, after the weak dynamics between 2010 and 2024 embodied in the reduction of its weight as a percentage of GDP, as well as the good levels of capitalisation and liquidity and the resilience of the banking system to severe adverse stress test scenarios, including shocks of a magnitude similar to those observed during the Eurozone sovereign debt crisis.

One vulnerability underlined by the IMF is the combination of high house price growth, the adoption of more permissive credit granting criteria and growing household indebtedness.

The IMF recalls that house prices have increased by around 170% since 2015, compared with 55% for the Eurozone average, with a more recent increase of 18% in the first nine months of 2025 standing out. Public policies supporting young people's access to the housing market contributed to this rise, while supply has not responded significantly to price increases, with productivity remaining low, skills shortages persisting and restrictive regulation and lengthy licensing processes posing challenges. Consequently, the number of homes built between 2014 and 2023 remained the lowest in the EU. Despite the evolution of house prices, the IMF considers that the risks to financial stability are currently contained, partly due to lower recourse to bank credit, with household indebtedness relative to disposable income falling significantly over the last two decades and standing below the Eurozone average since 2022.

In addition, the impact of a potential extreme correction in house prices on the banking sector is currently manageable, with the IMF concluding that the banking sector can absorb price corrections of up to 40% over a three-year period, due to robust capital levels and the improved risk profile of real estate loan portfolios, reflecting the macroprudential measures adopted and illustrated by the sharp decline in the overdue loans ratio. Nevertheless, the IMF warns of the possibility that banks' credit risk may rise if mortgage lending and household indebtedness expand significantly.

Therefore, the evolution of the real estate market, the resumption of credit growth and geopolitical risks warrant continued vigilance and a prudent approach, with the IMF recommending deeper monitoring of systemic risks, the adoption of effective policies by supervisors to attract and retain specialised resources, the strengthening of the legal framework for macroprudential policy and improvements in the areas of micro prudential supervision, cybersecurity and crisis management.

The IMF carried out stress testing exercises with a baseline scenario and two adverse scenarios, which assume a sharp global economic slowdown and a significant fall in Portuguese exports and tourism revenues:

- the first, recessionary scenario involves a synchronised global contraction, amplified by sovereign debt stress in the euro area, a widening of credit spreads, a loss of confidence that reduces aggregate demand and an accommodative monetary policy that helps to cushion this drop in demand;
- the second, geopolitical scenario involves an escalation of geopolitical conflict, with greater commodity price volatility and disruptions to global supply chains.

The results point to the resilience of Portuguese banks to severe adverse shocks, with banks maintaining adequate capital reserves in either scenario. Combined credit, market and interest rate risk shocks would not exhaust any bank's capital buffers, despite the deterioration of the aggregate CET1 ratio in the first year under the geopolitical and recessionary scenarios, respectively, with the ratio recovering by the end of the test horizon under the geopolitical scenario. The sector remains resilient even in a stress test based on default probabilities at historical highs, without depleting capital buffers.

Liquidity stress tests indicate that banks have robust buffers in each of the three scenarios considered: general risk aversion, sovereign market stress and severe idiosyncratic funding shocks, over various horizons ranging from one day to one year. The results show that, in the less severe scenarios, all banks would maintain positive liquidity positions over one year, while in the severe scenario, three banks would experience minimal shortfalls.

The direct exposure of EU banks to the Middle East is low. According to data from the "Risk Dashboard" of the European Banking Authority (EBA), for the first quarter of 2026, the direct exposures of EU banks to the Middle East correspond to approximately 0.5% of system assets, concentrated in a few internationally active banks and mainly in the United Arab Emirates, Saudi Arabia and Qatar. This exposure is predominantly credit exposure (financial institutions and companies), with lending to individuals being residual.

The European Supervisory Authorities (ESAs: EBA, EIOPA and ESMA) have also warned of developments in the non-bank financial institution (NBFI) sector, particularly in the private credit segment. Direct or indirect exposure to these institutions should be monitored, given that persistent geopolitical tensions, tighter financial conditions and current macroeconomic challenges may aggravate credit, market and liquidity risks, notably in NBFIs with more concentrated exposures to US technology equities or commercial real estate, or that depend on high leverage.

Interconnections with the private finance market, in a context of strong expansion of private equity and private credit, introduce complex and multifaceted risks, especially due to leverage at the different levels of the financing chains. Given the existing uncertainty, monitoring the quality of credit and collateral, especially residential and commercial real estate assets, is particularly relevant, together with a greater focus on generating operating income, in particular fee and commission income, and on efficient cost management, where the growing adoption of AI and cybersecurity are key considerations The strengthening of the solidity of Portuguese banking in recent years makes it possible to mitigate the potentially adverse consequences of the current geopolitical tensions and the risks mentioned.

REPORT AND ACCOUNTS

FINANCIAL INFORMATION

1ST HALF 2026

Banco Montepio

FINANCIAL INFORMATION

ACTIVITY BY SEGMENTS

In line with the strategy defined by the Group and with a focus on optimising and increasing the efficiency of the business structure, the commercial segmentation of Banco Montepio is distributed and organised internally as follows:

Retail Banking	North and Centre Commercial Division (DCNC) South and Islands Commercial Division (DCSI)	It includes Individual Customers, Sole Proprietors (ENI), Small and Medium-sized Enterprises (up to the annual turnover threshold of €4 million) and Microenterprises, all companies whose main activity is construction, and the local public sector in the islands only. This business is fundamentally originated through the branch network, electronic channels and the network of promoters.
Corporate and Investment Banking	Corporate Banking Division (DBE) Investment Banking and Specialized Business Division (DBINE)	It encompasses Large Companies, Small and medium enterprises (not covered by retail banking), and financial institutions, as well as the activity developed by the investment banking area.
Social Economy Local Public Sector	Social Economy and Public Sector Division (DCESSP)	It includes the Customers assigned to the Social Economy and local Public Sector business areas, closely monitoring and supporting IPSS (Private Social Solidarity Institutions), non-profit entities, Parish Councils and Municipalities on the Mainland.
Specialised Credit (Consumer and Automobile)	Montepio Crédito	It incorporates the consumer credit business developed essentially through the subsidiary Montepio Crédito. As part of the ongoing Triple A Programme, the strategic decision was taken to concentrate this business segment entirely in the Group's specialised entity.

RETAIL BANKING

The Retail Banking segment corresponds to the activity carried out by BM in attracting and managing Individual Customers, Sole Proprietors, and a sub-segment of Small and Medium-sized Enterprises with annual turnover equal to or below 4 million euros, with the exception of companies in the construction sector, which are followed by the Retail Network regardless of their size. It should be noted that allocation is carried out under the guiding principle of an integrated Economic Group perspective, applied transversally across all segments.

This business area is fundamentally originated through the branch network, electronic channels and the network of promoters.

The financial information of this segment therefore includes the traditional products and services of Retail Banking, among others, mortgage loans, consumer and other purpose loans and loans to retail companies, sight and term deposits and other savings products, retirement solution products, namely PPR, debit and credit cards, account and payment services management, placement services for investment funds and securities trading and custody, treasury and investment loans, leasing, factoring and renting, as well as the placement of insurance and non-financial services.

It should be noted that the pilot project to concentrate the Personal Loan and Auto Loan business within the subsidiary Montepio Crédito was launched during the first half of 2025, leveraging the expertise and experience of this specialised institution. As a result, Banco Montepio assumed the role of credit intermediary for these operations, with just over one year having elapsed since this organisational change was implemented.

Presented below is a summary of indicators for the Retail Banking segment, in accordance with segment reporting under IFRS 8 and as presented in the notes to the consolidated financial statements of this report.

Summary of indicators - Retail Banking (million euros)

	Jun-25	Dec-25	Jun-26	Δ YoY Amount	Δ YoY %
Income Statement					
Net interest income [1)]	154.1	292.4	122.4	(31.8)	(20.6)
Net fees and commissions	53.6	109.7	56.1	2.4	4.5
Total operating income	208.1	402.8	178.8	(29.3)	(14.1)
Operating costs [2)]	40.2	82.5	43.2	2.9	7.3
Operating income before impairment	167.9	320.3	135.6	(32.3)	(19.2)
Balance Sheet					
Loans to customers (gross)	8 299	8 719	9 191	892.2	10.8
Customer deposits	12 352	12 825	13 158	805.5	6.5

1) Net interest income including the liquidity premium and campaign neutralization.
2) Direct operating costs only.

CORPORATE AND INVESTMENT BANKING

The Corporate and Investment Banking segment focuses on attracting, managing and providing differentiated support to corporate customers, as well as other entities and groups, with an annual turnover exceeding €4 million, individually or on a consolidated basis, and within an integrated economic group framework.

Under the responsibility of the Corporate Banking Division (DBE) and through a dedicated commercial structure, this segment reflects the activity with institutional Customers, Central Government and Public Entities, and the business developed in the area of Investment Banking.

DBE's activities cater to the specific needs of the respective sub-segments: i) Companies with an annual turnover of more than €4 million and up to €150 million; ii) Large Companies with a turnover of more than €150 million; iii) Institutional entities, comprising Central Government and Public Entities belonging to the State Business Sector, excluding Parish Councils and Municipalities (managed by the Social Economy and Public Sector Commercial Division); investment fund management companies, investment funds, insurance companies, other sports and collective entities (excluding social support entities); and iv) the investee entities of the Montepio Group, held by Montepio Geral – Associação Mutualista.

The Corporate Banking area supports its Customers throughout all the stages of their business cycle, with specific solutions for every need. Among the products and services offered, those related to working capital and investment credit, commercial discounting and guarantees provided stand out.

The Investment Banking area – which incorporates the areas of Capital Markets, Structured Finance, International Business, Specialised Credit and Protocol Lines –, under the responsibility of the Investment Banking and Specialised Business Division (DBINE), operates with a complementary approach, supporting companies with restructuring solutions, capitalisation and strengthening, thus contributing to investment and the sustainable growth of the Portuguese private sector.

A summary of indicators of the Corporate and Investment Banking segment is presented below, in accordance with the segmental reporting indicated in IFRS 8 and presented in the notes to the consolidated financial statements of this report.

Summary of indicators - Corporate and Investment Banking

	Jun-25	Dec-25	Jun-26	Δ YoY Amount	Δ YoY %
Income Statement					
Net interest income [1]	38.2	73.7	33.1	(5.1)	(13.2)
Net fees and commissions	9.5	16.7	8.4	(1.1)	(10.7)
Total operating income	47.5	90.0	41.3	(6.2)	(13.2)
Operating costs [2]	4.7	9.3	5.0	0.3	5.8
Operating income before impairment	42.8	80.7	36.3	(6.5)	(15.3)
Balance Sheet					
Loans to customers (gross)	3 036	3 015	2 977	(58.8)	(1.9)
Customer deposits	1 454	1 599	1 701	246.5	17.0

1) Net interest income including the liquidity premium and campaign neutralization.
2) Direct operating costs only.

SOCIAL ECONOMY

The Social Economy segment embodies Banco Montepio's unique positioning with various stakeholders, as a benchmark player in this market niche, inherently incorporating ESG (Environmental, Social and Governance) principles, with a naturally strong social component.

As presented in greater detail in the 'Business Segments' subsection and reflecting the importance of this segment to the Group's values and principles, Social Economy entities are supported by a dedicated and specialised business unit – the Social Economy and Public Sector Commercial Division (DCESSP) – whose mission is to promote and strengthen Banco Montepio's role as a leading player in the Social Economy, Microcredit, Entrepreneurship and Social Entrepreneurship markets, and among the various stakeholders.

The key indicators of this segment are presented in the table below.

Summary of indicators - Social Economy

	Jun-25	Dec-25	Jun-26	Δ YoY Amount	Δ YoY %
Income Statement					
Net interest income [1]	7.5	14.5	6.3	(1.2)	(15.5)
Net fees and commissions	1.2	2.4	1.2	0.0	(0.2)
Total operating income	8.6	16.7	7.5	(1.1)	(13.2)
Operating costs [2]	1.6	3.3	1.9	0.3	14.0
Operating income before impairment	7.0	13.3	5.6	(1.4)	(19.6)
Balance Sheet					
Loans to customers (gross)	319	321	348	29.5	9.3
Customer deposits	1 099	1 150	1 224	125.4	11.4

1) Net interest income including the liquidity premium and campaign neutralization.
2) Direct operating costs only.

SUBSIDIARY COMPANIES

MONTEPIO CRÉDITO – INSTITUIÇÃO FINANCEIRA DE CRÉDITO, S.A.

Montepio Crédito – Instituição Financeira de Crédito, S.A. (Montepio Crédito), wholly owned by Banco Montepio through Montepio Holding, SGPS, S.A., provides specialised financing solutions, with a particular focus on the automotive, home and services, equipment and personal loan segments, complementing the Group's offering for individual and corporate Customers.

The strong relationship established with its Partners, combined with the experience accumulated throughout its activity and a team of specialised professionals, enables Montepio Crédito to provide a close and high value-added service, offering a diversified range that includes personal loans, auto loans, operating vehicle rental (renting) and equipment leasing.

Awards and distinctions

In 2026, Montepio Crédito was once again recognised by independent entities for the quality of its offering, the trust placed in it by its Customers and Partners, and the relevance of its financing solutions in the Portuguese market.

The following distinctions stand out:



Five Stars Award 2026, in the category of **Sustainable Financing,** awarded by Five Stars Consulting, **for the 3rd consecutive year**



No. 1 Brand Professionals' Choice 2026, in the category of **Consumer Credit Companies**, distinction awarded by Consumer Choice – Consumer Satisfaction Assessment Centre, **for the eighth consecutive year**



Recommended Brand 2026 by Portal da Queixa, recognition awarded by Consumers Trust

Main Activity and Results Indicators

The indicators presented reflect Montepio Crédito's individual accounts, in which securitisation operations of receivables are treated differently from the consolidated financial statements, with the notes held and the related accounting movements are shown in the individual accounts and are subject to adjustment in the consolidated accounts.

As at 30 June 2026, Montepio Crédito's net assets totalled €873.1 million, an increase of €207.6 million or +31.2% compared with the same period of the previous year, driven by business growth at a pace higher than historically observed and reflecting the new strategic cycle of the Banco Montepio Group, with a clear commitment to strengthening the consumer credit area. In this context, the Loans to Customers item, net of impairment, grew by 32.8% to €841.8 million, increasing the credit institution's balance sheet by around €207.9 million.

In parallel, reflecting the need to finance the growth of the business, a capital increase of €25 million was made in Montepio Crédito by the parent company in March 2026, reflected in the evolution of equity, which recorded a strengthening of €31.3 million compared with the same period of the previous year, with the remainder of the funding needs being met through an increase in liabilities, as a result of greater use of the lines with Banco Montepio. Equity stood at €105.6 million at 30 June 2026, positively impacted by the increase in Net income for the period attributable to the shareholder of €3.4 million, as well as the Other reserves and

retained earnings item of €3.3 million, mainly through the accumulation of the previous year's results (€3.2 million).

Operating income recorded strong growth in the first half of 2026, reaching €14.5 million, compared with €7.9 million in the same period of the previous year (an increase of €6.6 million). This improvement is supported, essentially, by the positive evolution of Net interest income, which increased by €6.2 million in the period, benefiting from both the price effect and the volume effect through business growth. Montepio Crédito's net interest margin benefited from the context of declining market interest rates, considering that most of the loan portfolio is contracted at a fixed rate, while Montepio Crédito's funding is largely at a variable rate. In turn, the increase in activity also had an impact on the growth of interest from the Loans to Customers portfolio compared with the same period of the previous year.

Net fee and commission income also contributed to the increase in Operating income, with an increase of €1.6 million compared with the same period of the previous year, reflecting the benefits of the new strategic cycle of commitment to the consumer credit business segment, as well as of the strengthening of the marketing of credit protection insurance. On the other hand, Net gains/(losses) from financial assets and liabilities at fair value through profit or loss, which reflect the amortisation effect of contracts associated with the Pelican Finance 2 securitisation operation, decreased by €0.7 million compared with the same period of 2025, with the impact being offset in accounting net interest income.

Operating costs amounted to €7.1 million at the end of June 2026, representing an increase of €0.6 million compared with the same period of the previous year (+9.6%), determined by the increase in General administrative expenses (+€0.3 million) and the growth in Staff costs (+€0.3 million), reflecting, on the one hand, greater business dynamism and the strengthening of technological initiatives and, on the other, salary updates and adjustments arising from the internal talent development and retention policy.

As a result of this evolution, Operating profit before impairment and provisions reached €7.4 million in the first half of 2026, an increase of €6.0 million compared with the first half of 2025. In turn, Impairment and provisions totalled €2.7 million in 2026, an increase of €2.2 million compared with the same period of the previous year, reflecting the increase in Credit impairment.

The strong commercial performance, reflected both in higher volumes of credit granted and in the increased profitability of the business undertaken, together with the context of falling interest rates and improved efficiency levels, evidenced by a cost to income ratio below 50%, enabled Montepio Crédito to achieve, in the first six months of 2026, a result higher than that recorded for the whole of 2025. Net income for the first half of 2026 amounted to €3.4 million, compared with a net income of €3.2 million for the full year of 2025 and €0.6 million in the same period of the previous year.

Activity and Results (million euros)

	Jun-25	Dec-25	Jun-26	Δ YoY	
				Amount	%
Total assets	665.4	753.8	873.1	207.6	31.2
Loans to customers (net)	633.9	725.9	841.8	207.9	32.8
Equity	74.3	77.1	105.6	31.3	42.1
Total operating income	7.9	19.8	14.5	6.6	84.3
Operating costs [1)]	6.5	13.6	7.1	0.6	9.6
Net operating income before impairment and provisions	1.4	6.2	7.4	6.0	>100
Net income	0.6	3.2	3.4	2.8	>100

1) Includes Staff costs, General and administrative expenses and Depreciation and amortisation.

MONTEPIO INVESTIMENTO, S.A.

Montepio Investimento, S.A., a bank 100% controlled by the Banco Montepio Group through Montepio Holding, SGPS, S.A., adopted in June 2019 the commercial designation Banco de Empresas Montepio (referred to in this report in abbreviated form as BEM), having at that time concentrated the Commercial and Investment Banking activities of the Banco Montepio Group. As part of the Group's simplification strategy, aimed at rationalising and maximising efficiency across several dimensions and aligned with market trends, it was decided, in August 2022, to reorganise and integrate BEM into Banco Montepio, as well as to carry out the carve-out of most of its activity to the parent company.

The integration of BEM's activity into Banco Montepio was carried out through a harmonium operation, via the participation of Montepio Holding, divided into several phases, which culminated, in July 2024, in the reduction of BEM's share capital by €150 million to the current amount of €35 million.

Thus, BEM's accounts as at 30 June 2026 reflected an institution with very limited activity, showing a balance sheet predominantly comprising liquidity investments and an income statement that reflects, on the one hand, the income generated by the respective liquidity investments and, on the other, the structural costs that remain until completion of the potential sale of the licence. In this context, its net assets amounted to €38,855 thousand, of which 99.7% related to deposits with Banco Montepio, with this liquidity being supported, almost entirely, by equity. Operating profit before impairment and provisions amounted to €124.6 thousand in the first half of 2026, resulting, on the one hand, from the decrease in Net interest income to €257.6 thousand (€307.0 thousand in the same period of the previous year), which reflects the interest on deposits held by BEM with Banco Montepio, and, on the other hand, from the evolution of Other operating results, which stood at –€2.9 thousand, compared with €222.2 thousand recorded in the first half of 2025, which had been determined by the capital gain obtained from the sale of a property and by the recognition of income related to the approval of the decision to refund the Additional Solidarity Contribution on the Banking Sector for the period 2022 to 2025.

On the other hand, Operating costs decreased to €129.3 thousand, compared with €186.9 thousand recorded in the first half of 2025, representing a change of –30.8%. Net income thus stood at €98.9 thousand, compared with €301.0 thousand in the same period of the previous year, reflecting the lower operating income in the period, in line with the residual nature of BEM's activity following the completion of the carve-out.

During the second half, in August 2026, it became known that the European Central Bank had decided to revoke BEM's authorisation due to the absence of activity, pursuant to Article 22(1)(d) of the Legal Framework of Credit Institutions and Financial Companies, and considering the existence of indications, in the ECB's understanding, that the planned sale could not be completed within the contractually established period for that purpose.

A summary of BEM's indicators is presented in the following table:

Activity and Results

	Jun-25	Dec-25	Jun-26	Δ YoY	
				Amount	%
Total assets	38.7	38.8	38.9	0.2	0.5
Equity	38.5	38.7	38.8	0.2	0.6
Total operating income	0.5	0.8	0.3	(0.3)	(52.0)
Operating costs [1)]	0.2	0.3	0.1	(0.1)	(30.8)
Net operating income before impairment and provisions	0.3	0.5	0.1	(0.2)	(63.5)
Net income	0.3	0.4	0.1	(0.2)	(67.2)

1) Includes Staff costs, General and administrative expenses and Depreciation and amortisation.

SSAGINCENTIVE - SOCIEDADE DE SERVIÇOS AUXILIARES E GESTÃO DE IMÓVEIS, S.A.

SSAGINCENTIVE – Sociedade de Serviços Auxiliares e de Gestão de Imóveis, S.A. (SSAGINCENTIVE) is 100% controlled by Banco Montepio through Montepio Holding SGPS, S.A., and its corporate purpose is the transaction and management of real estate properties. The evolution of this company's financial statements is closely linked to the execution of the Banco Montepio Group's Real Estate Reduction Plan, and therefore the main mission of this subsidiary is the completion of the sale of the properties held in its portfolio (with no new additions). Accordingly, the financial statements of this entity show a sustained deleveraging trajectory and the corresponding reduction in the Inventories line item on its Balance Sheet.

Aa at 30 June 2026, Ssagincentive's Total assets stood at €54.0 million, practically unchanged from the end of 2025 and recording an increase and €0.4 million (€53.5 million in the same period of the previous year), resulting from the increase in net equity.

Equity stood at €53.8 million at the end of the first half of 2026 (€53.5 million at 31 December 2025), with its variation determined by the Net income for the period and representing 99.6% of Total assets.

Net income in the first six months of 2026 was positive at €0.2 million, compared with €0.5 million in the same period of the previous year. This change was mainly due to reductions in Gross margin and Interest and similar income of €0.2 million, as well as the increase in External supplies and services (€0.1 million) and net impairment charges on inventories (€0.1 million).

A summary of Ssagincentive's indicators is presented in the following table:

Activity and Results (million euros)

	Jun-25	Dec-25	Jun-26	Δ YoY	
				Amount	%
Total assets	53.5	53.9	54.0	0.4	0.8
Inventories	5.0	3.9	3.3	(1.7)	(34.4)
Equity	53.3	53.5	53.8	0.5	0.9
Total operating income (before financing costs and taxes)	0.0	0.0	(0.2)	(0.2)	<(100)
Net income	0.5	0.7	0.2	(0.3)	(56.7)

THE GROUP'S FINANCIAL PERFORMANCE

The Group achieved consolidated net income of €58.4 million in the first half of 2026, driven by growth in commercial activity, the positive evolution of operating income, the maintenance of low risk levels and a solid capital and liquidity position. The net income reported compares with the €70.7 million recorded in the first six months of 2025, which had benefited from a number of exceptional effects, including the refund of the Additional Solidarity Contribution on the Banking Sector for the period 2020–2024, in the amount of €8.2 million, and the reversal of credit impairment in the amount of €8.0 million

The recurring positive profitability and the adequate level of capitalisation of the Bank, together with a robust funding and liquidity profile, support not only the maintenance of rating levels of Investment Grade for senior unsecured debt, assigned by the international agencies Moody's, Morningstar DBRS and Fitch, but also their strengthening, as most recently attested by the further upgrade of the rating assigned by Morningstar DBRS in May 2026, reflecting external and independent recognition of the good financial trajectory over recent years.

BALANCE SHEET ANALYSIS

Synthetic balance sheet as at 30 June 2026 and 2025 and 31 December 2025

(million euros)

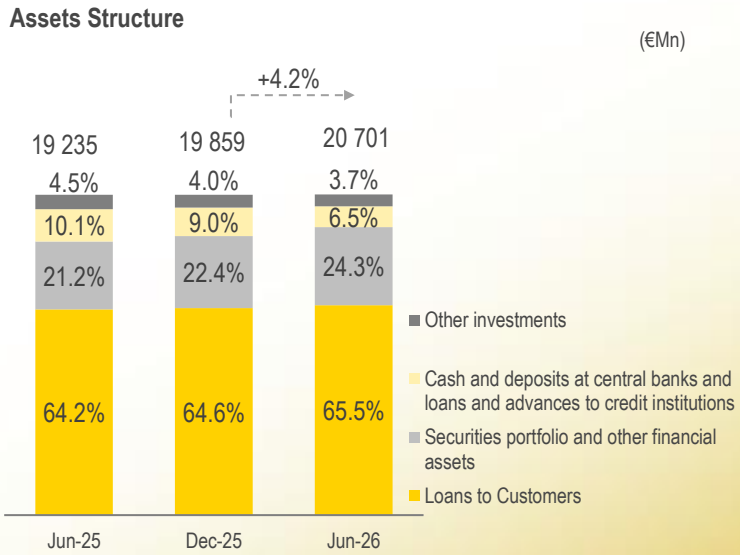
	Jun-25	Dec-25	Jun-26	Δ YoY		Δ YtD	
				Amount	%	Amount	%
Cash and deposits at central banks	1 691	1 256	989	(702)	(41.5)	(267)	(21.3)
Loans and deposits to credit institutions payable on demand and Other loans and advances to credit institutions	259	522	362	104	40.0	(160)	(30.7)
Loans to customers	12 349	12 837	13 566	1 218	9.9	730	5.7
Securities portfolio and other financial assets [a)]	4 071	4 454	5 038	967	23.7	583	13.1
Non current assets held for sale and investment properties	38	33	29	(9)	(24.5)	(4)	(11.9)
Current and deferred tax assets	307	262	246	(61)	(19.9)	(16)	(6.2)
Current tax assets	1	1	1	(0)	(9.2)	(0)	(31.9)
Deferred tax assets	307	262	246	(61)	(19.9)	(16)	(6.1)
Other	519	494	470	(49)	(9.4)	(24)	(4.8)
Total assets	**19 235**	**19 859**	**20 701**	**1 466**	**7.6**	**842**	**4.2**
Deposits from central banks and other credit institutions	588	757	720	133	22.6	(36)	(4.8)
Customer resources	15 590	16 064	16 563	973	6.2	499	3.1
Debt issued	972	958	1 263	291	30.0	305	31.8
Other	343	304	353	10	2.9	49	16.0
Total liabilities	**17 493**	**18 083**	**18 899**	**1 406**	**8.0**	**816**	**4.5**
Share capital*	1 210	1 215	1 215	5	0.4	0	0.0
Reserves, results and other	532	561	587	55	10.2	26	4.6
Total equity	**1 742**	**1 776**	**1 802**	**59**	**3.4**	**26**	**1.5**
Total liabilities and equity	**19 235**	**19 859**	**20 701**	**1 466**	**7.6**	**842**	**4.2**

a) Includes instruments at fair value through profit or loss, namely credits that do not meet the SPPI tests (Solely Payments of Principal and Interest).

ASSETS

Reflecting the new growth cycle under way, at 30 June 2026, the Banco Montepio Group's Total assets stood at €20,701 million, a change of +4.2% since the end of 2025, corresponding to an additional €842 million.

This development results fundamentally from the granting of Loans to Customers, which recorded an increase of €730 million, as well as the strengthening of the investment of €583 million in the Securities portfolio, as a strategy for the active and efficient management of surplus liquidity. Conversely, there was a reduction in liquidity items (Cash and deposits at central banks), with the reallocation of resources to higher-yielding assets. There was also a reduction in deferred tax assets and other asset items, reflecting the favourable evolution of profitability and the optimisation of the balance sheet structure.



The structure of Assets reflects the conservative stance of a commercial bank, with Loans to Customers accounting for 65.5% and the Securities portfolio for 24.3%, in the context of a loan-to-deposit ratio of around 82%, while around 10% corresponds to Liquidity and Other assets.

Cash, Central Banks and Loans and advances to Other Credit Institutions

As part of liquidity management and the optimisation of asset profitability, the Bank continued to reallocate resources to higher-return investments. In this context, at the end of the first half of 2026, the aggregate of Deposits and Loans and advances to credit institutions recorded a reduction of €160 million compared with December 2025, standing at €362 million.

In line with this strategy, the Cash and deposits at central banks item, which includes the amount required to meet minimum reserve requirements with central banks, stood at €989 million at the end of the first half of 2026, reflecting a reduction of 21.3% compared with the end of 2025.

Loans to Customers

Loans to Customers (gross) totalled €13,744 million as at 30 June 2026, showing an increase of €730 million (+5.6%) compared with 31 December 2025. The strong growth in lending activity essentially reflected the dynamics of the Individuals segment, notably in Mortgage Loans, which remains the anchor product for loyalty and relationships with Customers, and in which Banco Montepio, true to its tradition, has been playing a central role in supporting Families and Young People. The Bank maintained its commitment to the youngest segment, following the measures implemented by the Government to facilitate access to housing, namely through the applicable State public guarantee mechanisms.

Aligned with the objectives of these initiatives, Banco Montepio maintained financing solutions tailored to the needs of this segment, helping to reduce barriers to entry into the housing market and to support the purchase of their first home, namely through the exemption from initial fees upon contracting. It should be noted that loans contracted with State guarantee accounted for around 19% of the total amount contracted in the mortgage loan modalities for individuals in the first half of 2026. As regards the total contracted balance of Youth Mortgage Loans with public guarantees, this exceeded €342 million up to June 2026, corresponding to 1,619 contracts.

In this context, the Individuals segment recorded an increase of €577 million (+7.7%) in the first six months of 2026, with mortgage loans (including supplementary financing secured by the respective property) growing by €506 million in the year (+7.5%), reinforcing the Bank's position in this market.

On a comparable basis, Banco Montepio's Mortgage Loan portfolio, based on information provided by Banco de Portugal [9], grew above the sector, resulting in an increase in market share to 5.8%. It is also worth noting that, year to date, the volume of new Mortgage Loan operations (excluding renegotiations) increased by 54.1% compared with the same period of the previous year, well above the sector, which grew by 12,0% in the same period. This performance was supported by commercial initiatives aimed at attracting and retaining Customers, including the granting of financial benefits associated with financing, namely through gift cards such as the Worten Card, the campaign for transfers from Other credit institutions, the Member Get Member action or the "Bem Bom" Competition, which concluded its second edition in February 2026.

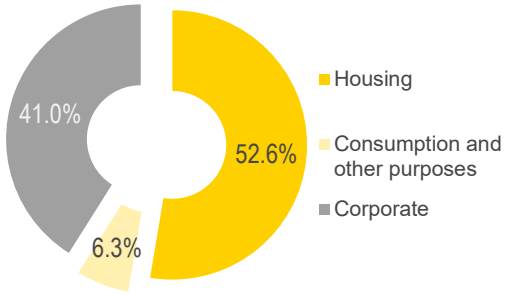
In the Corporate segment, Banco Montepio recorded credit growth of €153 million compared with the end of the previous year (+2.8%). With a view to fostering support for the economy and the growth of the business fabric, Banco Montepio strengthened its activity through initiatives aimed at accelerating credit origination, attracting new Customers and providing solutions tailored to the reality of each company, notably participation in the BPF InvestEU and BPF Invest Export Lines and the implementation of the Fomento IFIC Mais and Portugal Energy Resilience Lines, the promotion of specialised credit (Factoring and Confirming), as well as financing and internationalisation support solutions.

[9] According to Banco de Portugal's Monetary and Financial Statistics for June 2026.

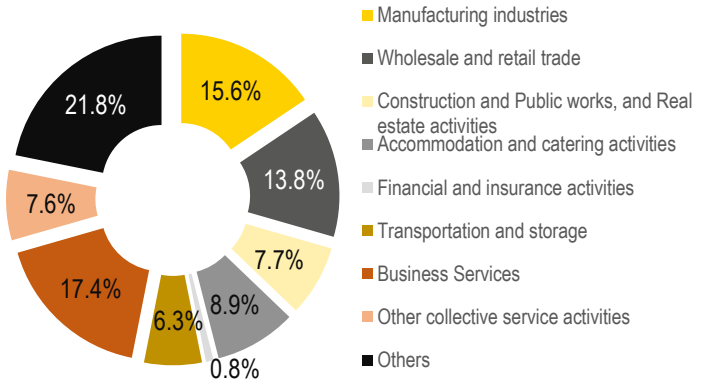
In the first half of this year, Banco Montepio reinforced its commitment to sustainable financing, continuing to play an active role as an agent of positive change. Through the structuring and placement of financial instruments aligned with environmental and social principles, Banco Montepio has demonstrated how financial institutions can be strategic partners in the transition to a more sustainable economy. Thus, in this period, Banco Montepio advised on and structured bond issues and commercial paper programmes linked to sustainability, namely Sustainability-Linked Bonds and Sustainability-Linked Commercial Paper, for national companies, totalling around €110 million, compared with approximately €17 million in the same period of the previous year.

Loan portfolio (gross) – 30 de June 2026

Loan portfolio structure



Loans to companies (by activity sector)



Customer credit by activity sector

(million euros)

	Jun-25	Dec-25	Jun-26	Δ YoY		Δ YtD	
				Amount	%	Amount	%
Individuals	**7 067**	**7 527**	**8 104**	**1 038**	**14.7**	**577**	**7.7**
Housing loans [1)]	6 308	6 730	7 235	928	14.7	506	7.5
Others	759	798	869	110	14.5	72	9.0
Corporate	**5 476**	**5 487**	**5 639**	**163**	**3.0**	**153**	**2.8**
Manufacturing industries	986	926	880	(107)	(10.8)	(46)	(5.0)
Wholesale and retail trade	779	742	781	2	0.3	39	5.2
Construction and Public works, and Real estate activities	806	845	435	(372)	(46.1)	(410)	(48.5)
Accommodation and catering activities	527	513	500	(27)	(5.1)	(14)	(2.7)
Financial and insurance activities	382	453	47	(335)	(87.7)	(406)	(89.6)
Transportation and storage	337	324	353	16	4.7	29	9.0
Business Services	572	627	983	412	72.0	356	56.8
Other collective service activities	383	387	430	47	12.3	43	11.1
Others	705	670	1 231	526	74.6	561	83.7
Gross loans	**12 543**	**13 014**	**13 744**	**1 201**	**9.6**	**730**	**5.6**
Impairment for credit risk	**194**	**177**	**177**	**(17)**	**(8.8)**	**0**	**0.0**
Net loans	**12 349**	**12 837**	**13 566**	**1 218**	**9.9**	**730**	**5.7**

In the context of exceptional measures adopted to mitigate short-term impacts on Customers located in municipalities affected by situations of calamity, the Bank supported the implementation of the legal moratorium associated with Storm Kristin, applicable to eligible individual and corporate Customers, allowing the temporary suspension of credit instalment payments, for a legally defined period, without giving rise to situations of default. These measures, exceptional and temporary in nature, contributed to mitigating short-term risks in the loan portfolio, supporting the preservation of asset quality and the prudent management of risk, within a framework of close monitoring of the most sensitive exposures. Within the same framework, the BPF Reconstruction Support – Investment and Reconstruction Support – Treasury Lines were also made

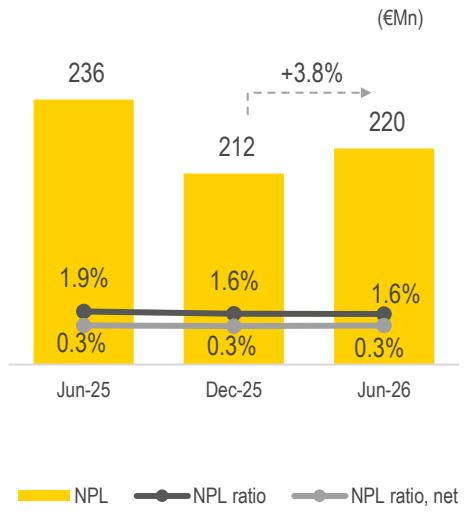
available, aimed at supporting the recovery of affected companies, complementing the support instruments for the business fabric in the territories concerned.

At the end of the first half of 2026, Banco Montepio remained one of the banks with the lowest NPL ratios, at only 1.6%, significantly below the sector average in Portugal, which stood at 2.1% according to Banco de Portugal data[10]. The NPL ratio remained stable compared with the end of 2025, reflecting the continuation of rigorous discipline in risk-taking and effective credit monitoring and recovery.

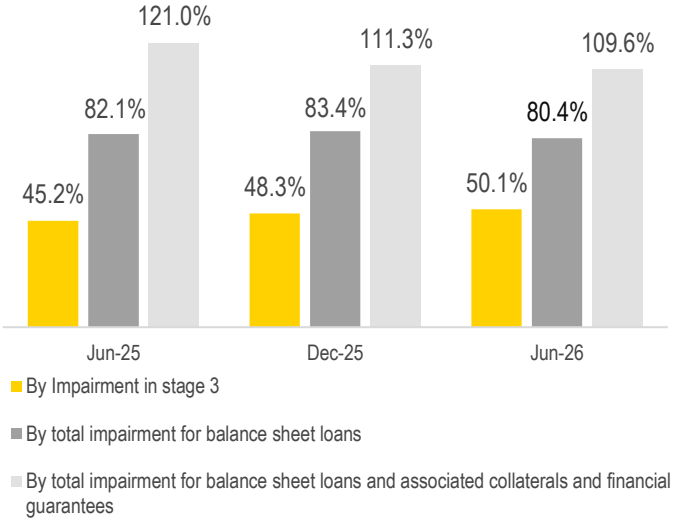
Thus, the maintenance of the high quality of the balance sheet was supported by more effective and integrated management of non-performing exposures, prioritising recovery through alternatives to the entry of real estate assets onto the balance sheet, with the use of corporate finance solutions, in particular the restructuring of the debt of economically viable Customers.

The conservative management of credit risk is particularly visible in the very low value of the NPL ratio net of impairments, which measures effective risk exposure and has remained at 0.3% since June 2025. This level of coverage strengthens the solidity of Banco Montepio's credit risk management and highlights its prudence in provisioning for impairments.

Non-performing loans (NPL)(1)



NPL Coverage (1)



(1) NPL classification according to EBA criteria and considering the total accounting item 'Loans to Customers' (which includes securitised credit, such as commercial paper and bond loans).

Furthermore, at this date, NPL coverage by specific stage 3 impairment has again been strengthened, standing at 50.1% at the end of the half-year (compared with 45.2% in June 2025), remaining above the average of European Union Member States, which stood at 41.3%, according to EBA data[11].

In turn, NPL coverage by total impairment for on-balance sheet credit was 80.4% in June 2026, compared with 82.1% in the same period of the previous year, in the context of an increase in the weight of Mortgage Loans in Total Credit, a low-risk business segment secured by mortgage (real collateral), and it should be noted that total NPL coverage by impairment and associated collateral and financial guarantees remains above 100%, reaching 109.6% at the end of the first half of 2026.

Securities Portfolio and Other Financial Assets

Under the asset structure rebalancing strategy already mentioned, the Bank continued, in the first half of the year, to identify and implement a set of measures aimed at improving liquidity levels and actively managing the Securities portfolio and other instruments, ensuring compliance with the risk appetite approved by the Board of Directors.

[10] As published by the Banco de Portugal (Portuguese banking system: recent developments, 2nd quarter 2026).
[11] According to the "EBA Risk Dashboard Q2 2026" (weighted average).

As at 30 June 2026, the Securities portfolio and other instruments totalled €5,038 million, compared with €4,454 million recorded at 31 December 2025, showing an increase of €583 million (+13.1%), aimed at maximising net interest income, through the investment of the liquidity surplus generated by the growing commercial gap, with €573 million relating to Other financial assets at amortised cost.

Securities Portfolio and Other Instruments

(million euros)

	Jun-25	Dec-25	Jun-26	Δ YoY		Δ YtD	
				Amount	%	Amount	%
Financial assets held for trading	38	14	26	(12)	(31)	13	90.5
Financial assets at fair value through other comprehensive income	344	506	502	158	46	(3)	(0.6)
Other financial assets at amortised cost	3 588	3 836	4 409	821	23	573	14.9
Financial assets not held for trading mandatorily at fair value through profit or loss [1)]	101	99	100	(1)	(1)	1	0.7
Total Securities portfolio and other financial assets	**4 071**	**4 454**	**5 038**	**967**	**24**	**583**	**13.1**

1) Includes instruments at fair value through profit or loss, namely credits that do not meet the SPPI tests (Solely Payments of Principal and Interest).

As regards the business model, the portfolio was predominantly constituted on a Hold to Collect basis, with the respective accounting treatment carried out at amortised cost, and, to a large extent, managed as an economic hedge of liabilities, namely deposits from Corporate and Institutional Customers. At the end of June 2026, its total value amounted to €4,409 million, representing 87.5% of the total value of the Securities portfolio and other instruments.

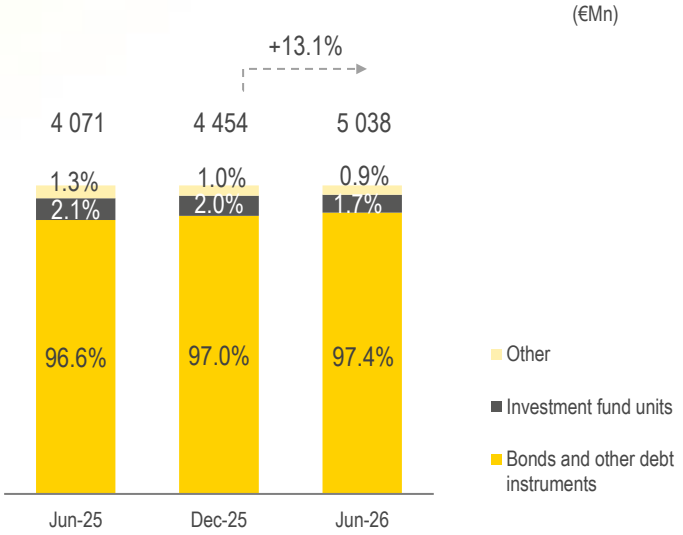
In the analysis of the securities portfolio by type of instrument, compared with the end of 2025, there was an increase of €582 million in Bonds and other debt instruments, which was the only type of financial instrument to record a materially relevant positive change. Overall, at 30 June 2026, the securities portfolio was composed of 87.7% government debt securities.

Securities portfolio by instrument type

(million euros)

	Jun-25	Dec-25	Jun-26	Δ YoY		Δ YtD	
				Amount	%	Amount	%
Bonds and other debt instruments	3 934	4 323	4 904	971	24.7	582	13.5
Shares	33	28	31	(2)	(7.0)	3	9.1
Investment fund units	86	88	87	1	1.1	(1)	(0.8)
Trading derivatives	7	5	5	(1)	(20.6)	0	2.2
Loans to customers at fair value	11	10	10	(1)	(10.8)	(0)	(3.2)
Total securities portfolio and other financial assets	**4 071**	**4 454**	**5 038**	**967**	**23.7**	**583**	**13.1**

Structure of the securities portfolio and other instruments



At 30 June 2026, the structure of the Securities portfolio remained predominantly concentrated in Bonds and other debt instruments, whose weight amounted to 97.4% of the total portfolio, compared with 96.6% in the same period of the previous year. This composition reflects a judicious and prudent financial asset allocation policy, consistent with the strategy outlined by the Bank in terms of profitability and investment of the liquidity surplus.

Non-current assets held for sale and Investment properties

The evolution of these categories was impacted in the past by the reclassification of Non-current assets held for sale relating to owned real estate to the category of Other assets, but without any change in terms of the strategy for reducing exposure to real estate risk. The analysis of the evolution of exposure to real estate assets is thus presented from a management perspective, in an aggregated manner, despite being recorded in separate accounting lines, with the purpose of sale prevailing, regardless of whether they are properties that entered the balance sheet through debt recovery or are part of the portfolio of a real estate investment fund consolidated by the Group.

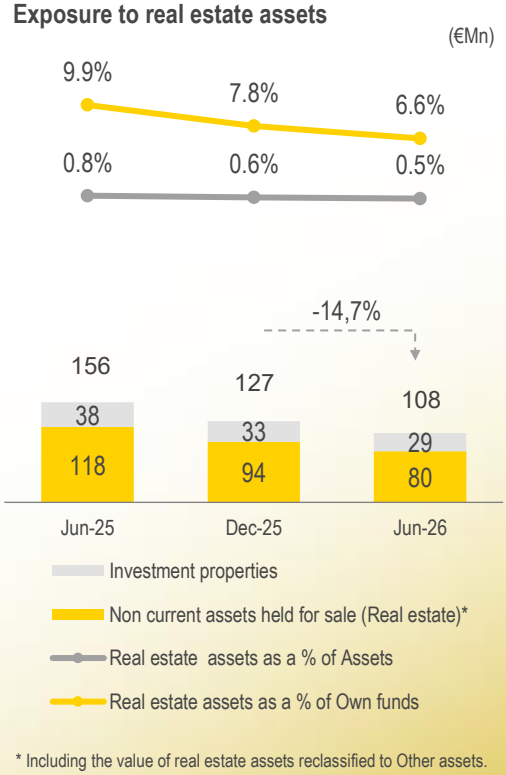
Banco Montepio continues to pursue its objective of reducing exposure to these non-performing assets to immaterial values, having again recorded a fall of 14.7% compared with the end of the previous year, with the net book value falling to €108 million. The Real estate item contributes €80 million (74%) and Investment Properties €29 million (26%).

The weight of real estate in the Bank's Total assets is increasingly immaterial, having reached a value of only 0.5% at the end of June 2026, compared with 0.8% in the same period of the previous year.

This development reflects, on the one hand, real estate sales carried out and, on the other, the strategic management of NPA (Non-Performing Assets) reduction plans, which favour other credit recovery options, minimising the entry of real estate onto the balance sheet, namely through the active management of real estate assets arising from debt-for-property arrangements.

The plan to reduce exposure to real estate risk has been successfully implemented over the years, as reflected in the decreasing weight of real estate assets in total net assets, which

Exposure to real estate assets



* Including the value of real estate assets reclassified to Other assets.

reached a historic low, as well as in relation to own funds, with a significant reduction of 3.3 p.p., from 9.9% in June 2025 to 6.6% a year later.

Current and deferred tax assets

At the end of the first half of 2026, Current and deferred tax assets totalled €246 million, a reduction of 6.2% compared with the end of the previous year, which arises, almost entirely, from the evolution of the Deferred tax assets item, which recorded a decrease of €15.9 million.

According to the respective accounting policy, deferred tax is calculated based on the tax rates that are expected to be in force on the date of the reversal of the temporary differences, which correspond to the rates approved or substantially approved on the reporting date.

Other assets

Within the Assets of the synthetic accounting balance sheet, the Other aggregate includes the items Assets with repurchase agreements, Hedging derivatives, Other tangible assets, Intangible assets, Investments in associates and Other assets.

At the end of June 2026, this aggregate totalled €470 million, showing a reduction of €24 million (–4.8%) compared with 2025, to which the evolution of the Hedging derivatives item (–€22 million) contributed and which essentially relate to interest rate risk hedging operations associated with bonds issued at a fixed rate and debt instruments recognised in the Other financial assets at amortised cost portfolio.

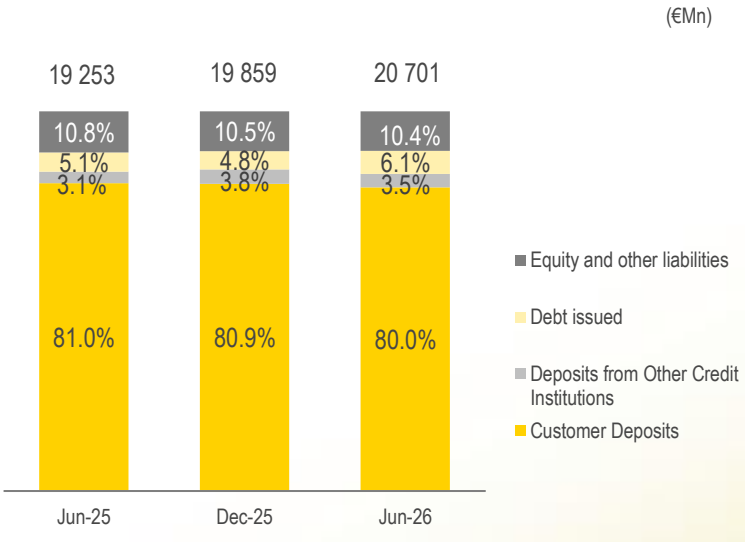
The evolution of this item also reflects the disposal of the 20% holding that Banco Montepio held in the share capital of HTA – Hotéis, Turismo e Animação dos Açores, S.A., which took place in May 2026, resulting in a reduction of €5.2 million in the value of Investments in associates recorded at the end of 2025.

LIABILITIES

At the end of June 2026, total Liabilities stood at €18,899 million, reflecting an increase of €1,406 million (+8.0%) compared with the same period of the previous year and an increase of 4.5% compared with the end of 2025.

This increase compared with the same period was determined significantly by the Customer Resources item, which recorded an increase of €973 million (+6.2%). There was also an increase in Resources from Other Credit Institutions (+€133 million) and in Debt Issued (+€291 million), to which the issuance of €350 million in senior preferred debt, categorised as a Green Bond, in June 2026 contributed, partially offset by the €17 million amortisation of the Pelican Finance No. 2 securitisation operation.

Liabilities and equity structure



In terms of funding structure, Customers' Deposits remained the main source of funding for Banco Montepio's balance sheet, representing 80.0% of total Liabilities and Equity (80.9%, by the end of 2025). Resources from Other Credit Institutions represented 3.5% of total Liabilities and Equity, while Debt Issued corresponded to 6.1%, compared with 4.8% at 31 December 2025.

Resources From Central Banks and Other Credit Institutions

At the end of the first half of 2026, the funding obtained from Central Banks and Other Credit Institutions totalled €720 million, relating entirely to Resources from Other Credit Institutions, which reflects the strategy implemented by Banco Montepio of diversifying funding sources and greater activity in market issues, capitalising on Banco Montepio's recognition as Investment Grade, unanimously, by the three international rating agencies that assess Banco Montepio.

The reduction in Resources from Other Credit Institutions of €36 million compared with the end of 2025 reflects, above all, the dynamics of contracting and maturities of repos and reverse repos during the period, as part of efficient liquidity management.

Customer Resources

From a holistic perspective, the Total Customer Resources, which include Customer Deposits and off-balance sheet resources (such as mutual funds, real estate investment funds, pension funds and capitalisation insurance products), increased to €18,613 million at the end of the first half, corresponding to a change of +3.4% since the end of 2025 and a flow of €618 million.

As a result of the falling interest rate environment experienced during much of the first six months of 2026, Individual Customers continued to be encouraged to diversify further, in terms of demand for alternative investments, with growth of 6.2% in off-balance sheet resources, compared with the value recorded at 31 December 2025.

Accordingly, the weight of off-balance sheet resources in the overall value of Customer Resources increased from 9.8% in June 2025 to 11.0% in June 2026. When measured in terms of flow during this period, investment in off-balance sheet products by Customers accounted for 26.8% of the total variation in resources.

Total Customer resources

(million euros)

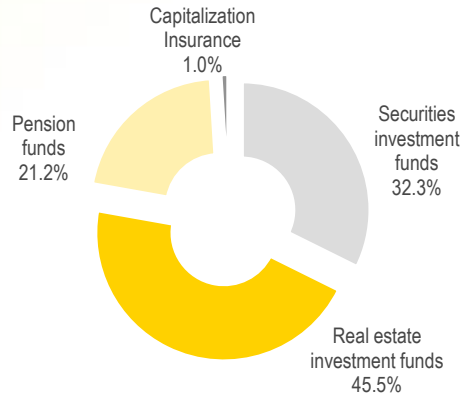
	Jun-25	Dec-25	Jun-26	Δ YoY		Δ YtD	
				Amount	%	Amount	%
Customer deposits	**15 590**	**16 064**	**16 563**	**973**	**6.2**	**499**	**3.1**
Sight deposits	6 349	6 413	6 699	350	5.5	286	4.5
Term deposits	9 241	9 651	9 864	622	6.7	213	2.2
Off-balance sheet resources[(1)]	**1 694**	**1 931**	**2 050**	**356**	**21.0**	**119**	**6.2**
Total customer resources	**17 284**	**17 994**	**18 613**	**1 328**	**7.7**	**618**	**3.4**

(1) Includes securities and real estate investment funds (excluding proprietary portfolio), pension funds and capitalisation insurance..

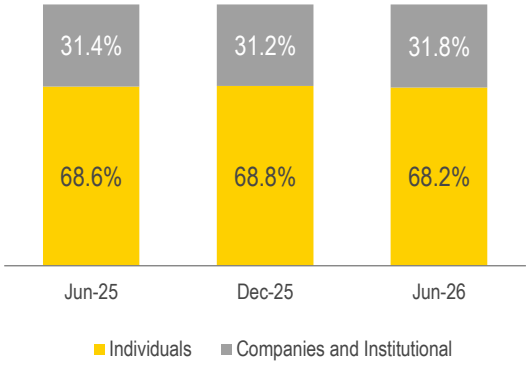
At the end of June 2026, Customer Deposits reached a new all-time high of €16,563 million, showing an increase of €499 million compared with the amount recorded at 31 December 2025, with broad-based growth in the Individual Customers and Corporate and Institutional segments. Indeed, this performance was supported by an increase of €258 million in deposits from Corporate and Institutional Customers (+5.1%) and €241 million in deposits from Individual Customers (+2.2%), reflecting a relatively balanced contribution from the two segments in terms of volume, which was reflected in the increase in the share of Corporate and Institutional Customers to 31.8%, compared with 31.2% at the end of the previous year.

The mix of the Demand Deposits vs. Term Deposits portfolio maintained the structure presented at the end of 2025, with Demand Deposits recording an increase of €286 million (+4.5%) and Term Deposits also increasing by €213 million (+2.2%). Thus, at the end of the first half, the structure remained at 40% / 60% between Demand Deposits and Term Deposits, respectively.

Off-balance sheet resources



Customer deposits structure



Banco Montepio's performance in the deposit portfolio, above the sector average[12], was reflected in the strengthening of its market share in both the Individuals and Corporate segments. In both cases, the year-on-year growth, recorded was above that observed in the Portuguese banking sector, with positive differentials of +1.1 p.p. and +1.9 p.p. compared with the market average, respectively. This dynamic contributed to continuing the strengthening of Banco Montepio's liquidity position.

Debt issued

At the end of the first half of 2026, the amount of Debt Issued [13] by Banco Montepio stood at €1,263 million, representing an increase of €305 million (+31.8%) compared with the end of 2025.

This development was essentially determined by a new issue of senior preferred debt carried out in June 2026, with a nominal value of €350 million and categorised as a Green Bond under Banco Montepio's Green Social and Sustainability Bond Framework.

With a maturity of 5 years, callable after 4 years, demand exceeded the nominal value of the issue by four times, with the issue spread being set at the lowest level of all Banco Montepio's senior preferred debt issues (around 90 basis points above the swap curve, at the reference date), indicating that investors once again recognised the positive trajectory of the main indicators and the improvement in the Institution's risk profile.

This issue contributed to increasing the stock of eligible liabilities, under the MREL requirement, to €950 million, reflecting a prudent approach with regard to the evolution of the requirement and the maintenance of an adequate buffer in relation to it. Following this debt issue, the nominal value of debt issued under the EMTN programme increased to €1,200 million (including €250 million of Tier 2 debt issued in 2024).

In addition, the amortisation of the Pelican Finance No. 2 securitisation operation by €17 million also contributed to the change recorded in the Debt Issued item.

[12] According to the Monetary and Financial Statistics for June 2026 (Banco de Portugal). Excludes the financial sector and the non-resident sector.

[13] Debt Issued includes the balance sheet items Liabilities represented by securities and Subordinated liabilities.

Other liabilities

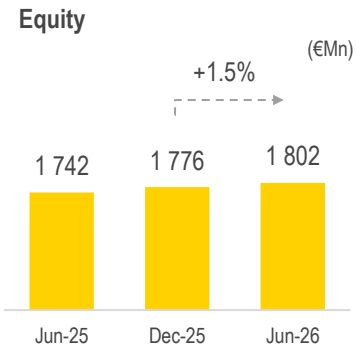
The aggregate Other, presented in the synthetic balance sheet, incorporates the headings of Financial liabilities held for trading, Hedge derivatives, Provisions, Current tax liabilities and Other liabilities.

As at 30 June 2026, the Other liabilities aggregate amounted to €353 million, reflecting an increase of €49 million compared with 31 December 2025, essentially due to the increase in the value of Hedging derivatives (+€4 million), Current tax liabilities (+€6 million) and the Other liabilities accounting item (+€39 million).

EQUITY

Equity amounted to €1,802 million at 30 June 2026, reflecting an increase of €59 million compared with the same period of the previous year and €26 million compared with the end of the previous year (+1.5%).

This development reflects the positive impact of the half-year net income of €58 million, the distribution of dividends of €36 million and the recognition of positive actuarial deviations of €5 million following the actuarial study prepared at 30 June 2026.



INCOME STATEMENT ANALYSIS

Consolidated net income amounted to €58.4 million in the first six months of 2026, compared with €70.7 million recorded in the same period of 2025. Excluding the exceptional effects recorded in the first half of 2025 related to the extraordinary reversal of credit impairment and the refund of the Additional Solidarity Contribution on the Banking Sector for the period 2020–2024, the final profitability shows an upward trajectory. Indeed, Banco Montepio's operating performance shows a positive evolution compared with the same period of the previous year, notably the 7.8% growth in core operating income, supported by the growth in commercial activity, together with the quality of origination, which has enabled the cost of risk to remain at historically low levels.

Synthetic income statement

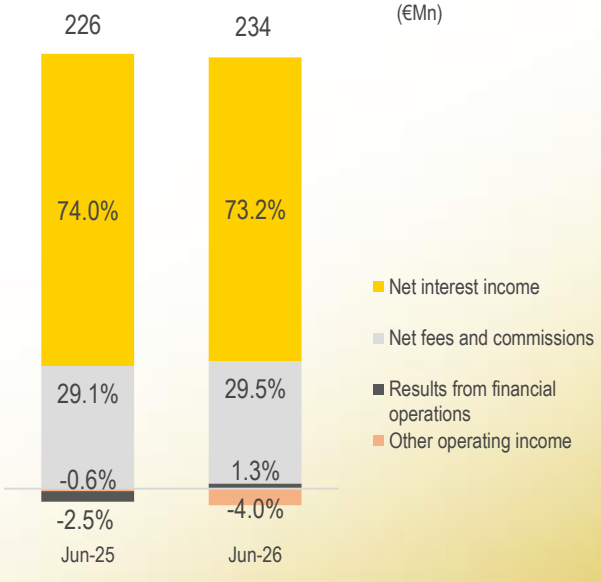
(million euros)

	Jun-25	Jun-26	Δ YoY Amount	Δ YoY %
Net interest income	167.2	171.6	4.5	2.7
Net fees and commissions	65.8	69.1	3.3	5.1
Core total operating income	**232.9**	**240.7**	**7.8**	**3.3**
Income from equity instruments	0.6	1.2	0.7	>100
Results from financial operations	(5.7)	2.9	8.7	>100
Other operating income	(1.8)	(10.5)	(8.7)	<(100)
Total operating income	**226.0**	**234.4**	**8.4**	**3.7**
Staff Costs	79.8	82.0	2.1	2.7
General and administrative expenses	37.7	38.8	1.1	2.8
Depreciation and amortization	25.4	25.6	0.2	0.8
Operating costs	**143.0**	**146.4**	**3.4**	**2.4**
Operating costs, excluding specific impacts [(a)]	**143.1**	**146.1**	**3.0**	**2.1**
Net operating income before provisions and impairments	**83.0**	**88.0**	**5.1**	**6.1**
Net provisions and impairments	(2.6)	5.2	7.7	>100
Share of profit (losses) booked under the equity method	(0.3)	(0.4)	(0.1)	(16.0)
Net income before income tax	**85.2**	**82.5**	**(2.7)**	**(3.2)**
Income tax	14.5	24.0	9.5	65.7
Net Income	**70.7**	**58.4**	**(12.2)**	**(17.3)**

(a) Excludes one-off costs associated with staff costs of -€0.1 million in June 2025, €0.7 million in December 2025 and €0.2 million in June 2026, related to early retirements and terminations by mutual agreement.

The evolution of profitability in the first half of the year reflects, on the one hand, the change in the macroeconomic environment, with the downward interest rate cycle, which still prevailed throughout almost the entire half-year, feeding through to a downward repricing of the loan portfolio, although this was more than offset by the decrease in interest on customer resources and the increase in interest from investments in securities. On the other hand, it also reflects the low cost of risk recorded in the period, following the net reversal of impairment and provisions recorded in the first six months of 2025.

Operating income breakdown



In this context, there was an increase of €8.4 million in Operating income, which reached €234.4 million at the end of June 2026, essentially driven by the positive evolution of Net Interest Income, Fees and Commissions and Results from Financial Operations, which was partially offset by increases in Operating costs, Impairment and provisions and the tax effect.

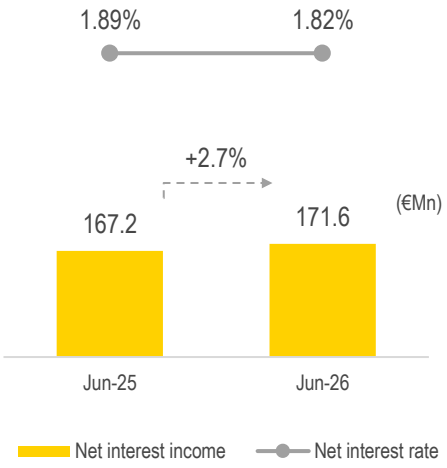
Net Interest Income

Net Interest Income amounted to €171.6 million in the first six months of 2026, showing growth of 2.7% compared with the same period of 2025, corresponding to an increase of €4.5 million in the contribution to Operating income. The analysis of the breakdown of net interest income shows that this development was determined, predominantly, by the volume effect (+€10.6 million), which more than offset the negative impact of the price effect (–€7.8 million), given the period of rate reductions that prevailed throughout most of the first half.

On the asset side, there was a negative effect on interest from Loans to Customers (-€22.7 million), reflecting the reduction in the interest rates applied (price effect of -€44.1 million), only partially offset by the growth in volumes (+€21.4 million), in a context of increased commercial activity. The Cash and deposits item also made a negative contribution (–€9.3 million), mainly through the volume effect, as a result of dynamic liquidity management and the transfer to higher-yielding assets. Conversely, the securities portfolio presented a positive contribution (+€13.3 million), benefiting both from the increase in average balances and from the improvement in associated rates, playing a relevant role in mitigating margin compression.

Regarding liabilities, the evolution contributed overall positively to net interest income, reflecting

Net interest income



the reduction in the average cost of funding. In particular, customers' deposits, despite the growth in volumes (volume effect of +€6.3 million), recorded a decrease in interest paid (–€16.2 million), reflecting the effect of lower remuneration rates and contributing positively to the margin. Likewise, the cost of senior debt had a favourable impact on Net Interest Income through the price effect (–€7.3 million), notwithstanding the strengthening of the volume effect (+€4.0 million), reflecting the reduction in the cost of market refinancing by Banco Montepio.

In terms of implicit rates, the average rate on interest-earning assets decreased from 3.40% in the first half of 2025 to 3.00% at 30 June 2026 (–0.40 p.p.), while the average rate on interest-bearing liabilities decreased from 1.61% to 1.26% (–0.34 p.p.), showing a balanced impact of the downward interest rate cycle on both sides of the balance sheet.

In this context, the Net interest margin rate remained almost unchanged, moving from 1.89% to 1.82% (–0.07 p.p.), reflecting the predominance of the volume effect over the price effect during the first half of 2026, as a result of the expansion of commercial activity, active liquidity management and the optimisation of the funding structure.

Breakdown of net interest income by interest-bearing assets and liabilities

(million euros)

	1st half of 2025			1st half of 2026		
	Avg. amount	Avg. rate (%) [a]	Interest	Avg. amount	Avg. rate (%) [a]	Interest
Assets						
Cash and deposits	1 473	2.18	15.9	938	1.41	6.6
Loans and advances to OCI	182	2.96	2.7	271	2.98	4.0
Loans to customers	12 271	4.24	257.9	13 289	3.57	235.2
Securities portfolio	3 916	1.09	21.1	4 549	1.52	34.4
Other	n.a.	n.a.	3.1	n.a.	n.a.	3.1
subtotal	17 841	3.40	300.6	19 047	3.00	283.3
Liabilities						
Resources from central banks	0	0.00	0.0	1	2.07	0.0
Resources from OCI	670	1.39	4.6	612	1.30	4.0
Customer deposits	15 224	1.29	97.0	16 217	1.00	80.8
Senior debt	576	5.91	16.9	712	3.85	13.6
Subordinated debt	260	8.30	10.7	257	8.39	10.7
Other	n.a.	n.a.	4.2	n.a.	n.a.	2.6
subtotal	16 730	1.61	133.4	17 799	1.26	111.6
Net interest margin		**1.89**	**167.2**		**1.82**	**171.6**

(a) Average rate: implicit interest rate, i.e. it corresponds to the quotient between the accounting interest and the average balances at the end of the month.

Detailed evolution of net interest income between the first half of 2025 and the first half of 2026

(million euros)

	Volume effect	Price effect	Residual effect	Total
Assets				
Cash and deposits	(5.8)	(3.6)	0.0	(9.3)
Loans and advances to OCI	1.3	0.0	0.0	1.3
Loans to customers	21.4	(44.1)	0.0	(22.7)
Securities portfolio	3.4	9.9	0.0	13.3
Other	n.a.	n.a.	0.1	0.1
subtotal	20.3	(37.8)	0.1	(17.4)
Liabilities				
Resources from central banks	0.0	0.0	0.0	0.0
Resources from OCI	(0.4)	(0.3)	0.0	(0.7)
Customer deposits	6.3	(22.6)	0.0	(16.2)
Senior debt	4.0	(7.3)	0.0	(3.3)
Subordinated debt	(0.1)	0.1	(0.0)	(0.0)
Other	n.a.	n.a.	(1.6)	(1.6)
subtotal	9.8	(30.0)	(1.6)	(21.8)
Change in net interest income	**10.6**	**(7.8)**	**1.7**	**4.5**

Net Fees and Commissions

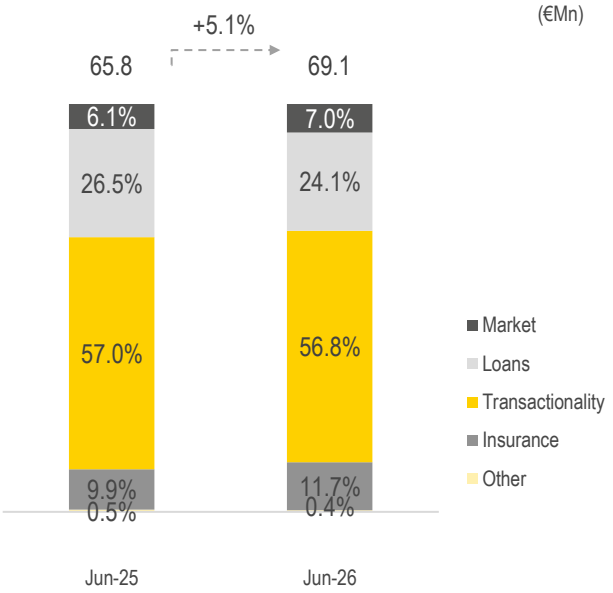
Net Fees and Commissions amounted to €69.1 million in the first six months of 2026, corresponding to an increase of €3.3 million compared with the same period of 2025 (+5.1%). This development was determined, essentially, by the increases recorded in transactional commissions, which include integrated solutions, means of payment and account maintenance, commissions associated with insurance intermediation and market commissions, and reflects the dynamism of commercial activity and the increase in business volumes. In a context in which there were no material changes to the price list applied, this performance shows Banco Montepio's ability to strengthen the recurring generation of commission income as activity expanded.

Indeed, transactional commissions recorded strong growth of €1.8 million (+4.7%), reflecting, on the one hand, the increase in commissions associated with integrated solutions and credit and prepaid cards and, on the other, the reduction in account maintenance commissions and services associated with cheques, ATMs and POS terminals.

In turn, commissions associated with insurance intermediation grew by €1.6 million (+23.7%), driven by both life and non-life lines, showing the contribution of the strategy of diversifying the offering and strengthening the bancassurance component.

Regarding market-related commissions, these contributed with an increase of €0.8 million (+19.5%), reflecting higher activity in securities operations and in asset management and distribution.

Net fees and commissions breakdown



Finally, credit commissions amounted to €16.7 million, reflecting a slight decrease of €0.8 million (–4.4%), while Other commissions remained at €0.3 million, in line with the amount recorded in the same period of the previous year.

In terms of structure, the transactional component has the largest share, representing 56.8% of the total value at the end of the first half of 2026. Next come credit commissions with 24.1%, showing a slight reduction in their weight in favour of insurance and market commissions, which account for 11.7% and 7.0%, respectively. This composition reflects the structural relevance of revenues associated with the Customer base and the use of banking services, alongside the progressive growth of components more closely linked to investment and protection products.

Income from Equity Instruments

The Income from equity instruments item includes income associated with variable-income securities, namely shares, which currently represent a very small amount following the sale of non-strategic assets. The amount recorded in the first half of 2026 was €1.2 million, compared with €0.6 million in the same period of the previous year, to which the dividends received from UNICRE and SIBS contributed, above all.

Results from Financial Operations

Results from Financial Operations recorded in the first six months of 2026 reached €2.9 million, showing an increase of €8.7 million, compared with –€5.7 million recorded in the same period of 2025. This performance was mainly driven by the favourable performance of the Securities portfolio of €5.5 million, notably the results obtained on foreign government debt, other debt instruments and fund units, as well as the positive evolution of foreign exchange revaluation results of €0.9 million, representing an improvement of €2.2 million compared with the amount recorded in the same period of the previous year.

Results from financial operations

(million euros)

	Jun-25	Jun-26	Δ YoY Amount	Δ YoY %
Net gains / (losses) from finacial assets and liabilities at fair value through profit or loss	(5.2)	0.7	5.9	>100
Net gains / (losses) from financial assets at fair value through other comprehensive income	0.7	1.3	0.6	81.4
Net gains / (losses) from foreign exchange differences	(1.3)	0.9	2.2	>100
Results from financial operations	**(5.7)**	**2.9**	**8.7**	**>100**

Other Net Operating Income

This aggregate incorporates the Results from the disposal of other assets and Other operating results, which include, among others, the unrealised gains/losses from the revaluation of investment properties, income from the provision of services and from the reimbursement of expenses, as well as the costs of the sector-specific banking contributions or taxes (IFRIC 21), namely for the two Resolution Funds (the national one and, at European level, the Single Resolution Fund), for the Deposit Guarantee Fund and, in the period relating to the first half of 2025, the income from the refund of the Additional Solidarity Contribution on the Banking Sector.

Thus, in the first six months of 2026, the Other Results aggregate was negative, reaching –€10.5 million, showing a change of –€8.7 million compared with the same period of 2025, which had been positively affected by the €8.2 million impact relating to the refund of the Additional Solidarity Contribution on the Banking Sector for the period 2020–2024, following the 2025 rulings of the Constitutional Court, which declared that tax unconstitutional.

Noteworthy is the sale of the 20% holding that Banco Montepio held in the share capital of HTA – Hotéis, Turismo e Animação dos Açores, S.A., as part of the pursuit of the non-core asset sale strategy, which resulted in a capital gain of €3.1 million recorded under other results, generated by the disposal of assets.

Operating Costs

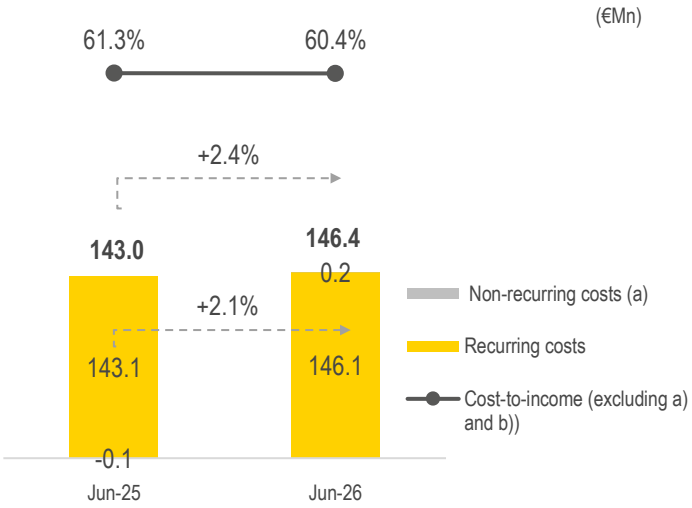
Operating costs totalled €146.4 million in the first six months of 2026, a change of 2.4% compared with the same period of 2025, reflecting controlled cost evolution in a context of growing activity, and in line with the evolution of inflation.

Staff costs stood at €82.0 million, reflecting an increase of 2.7% compared with the €79.8 million recorded in the same period of the previous year. This development mainly reflects the updating of the remuneration structure in a context of inflation, and taking into account the applicable Collective Labour Agreement (ACT) regime in its various components, as well as talent development, attraction and retention initiatives, with Banco Montepio pursuing a human resources management policy geared towards strengthening the skills and capabilities required to implement its transformation and growth strategy.

General administrative expenses stood at €38.8 million, an increase of 2.8% compared with the same period of 2025, reflecting the effect of the higher level of inflation, which has led to increases in the cost of services contracted in the context of digital transformation and also of developments in information systems, with an impact on expenses for IT, Marketing and advertising and Database services, which were partially offset by the decrease observed in Consulting.

Depreciation and amortisation totalled €25.6 million in the first six months of 2026, representing a 0.8% increase, compared with €25.4 million recorded in the same period of 2025, reflecting the maintenance of a consistent policy of investment in information systems and data analysis and governance capabilities, supporting the execution of Banco Montepio's sustainable growth strategy, contributing to increased operational efficiency and to improving the Customer and Employee experiences.

Operating Costs



a) Impact arising from non-recurring costs related to early retirement and mutually agreed terminations.
(b) Results from financial operations and other results (results from the disposal of other assets and other operating results).

Operating Costs

(million euros)

	Jun-25	Jun-26	Δ YoY Amount	Δ YoY %
Staff Costs	79.8	82.0	2.1	2.7
General and administrative expenses	37.7	38.8	1.1	2.8
Depreciation and amortisation	25.4	25.6	0.2	0.8
Operating costs	**143.0**	**146.4**	**3.4**	**2.4**
Operating costs, excluding specific impacts [(a)]	**143.1**	**146.1**	**3.0**	**2.1**
Efficiency ratios				
Cost-to-income (Operating costs / Total operating income) [(b)]	60.9%	60.8%	(0.1 p.p.)	
Cost-to-income, excluding specific impacts [(a) (c)]	61.3%	60.4%	(0.9 p.p.)	

(a) Excluding one-off costs associated with staff costs of -€0.1 million in June 2025, €0.7 million in December 2025 and €0.2 million in June 2026, related to early retirements and terminations by mutual agreement.
(b) Pursuant to Banco de Portugal Instruction No. 16/2004, in its current version.
(c) Excluding results from financial operations and Other income (proceeds from the sale of other assets and other operating income).

Of note is the improvement in efficiency, measured by the recurring Cost-to-income ratio (without specific impacts), excluding Results from Financial Operations and Other Results, which moved from 61.3% to 60.4% in the first half of 2026, reflecting growth in Operating income outpacing that of Operating costs.

This level of efficiency must be viewed in the light of Banco Montepio's size, as its smaller scale, compared with the sector average in Portugal, and structure geared towards a model of proximity to Customers – with a strategic focus on the Individuals and Corporate segments, with particular attention to Small and Medium-sized Enterprises (SMEs) and Social Economy Entities – constrain the dilution of operating costs over operating income, including particularly significant regulatory charges. Banco Montepio maintains a continued commitment to operational efficiency, seeking to mitigate these effects through rigorous and disciplined cost management, while preserving appropriate recognition of human capital.

Impairment and Provisions

The Impairment and provisions aggregate totalled, at the end of the first six months of 2026, a net charge of €5.2 million, compared with the net reversal of €2.6 million recorded in the first half of 2025, reflecting, above all, the €4.6 million increase in impairment on other assets, which includes charges related to trading properties, although still €2.2 million lower than the charge recorded in the same period of the previous year.

The Impairment of loans and advances to customers and to credit institutions showed, at the end of the first half of 2026, a net charge of €1.0 million, compared with a reversal of €8.0 million in the same period of 2025, which reflects close management of the risk of the loan portfolio and effectiveness in recovering non-performing loans, with the favourable resolution of significant cases, resulting in the release of impairment, in line with the conservative provisioning policy.

It should be noted that the rigorous credit risk management criteria, combined with careful analysis at origination and an effective credit recovery dynamic, contributed to maintaining the good quality of the loan portfolio, reflected in an NPL (Non Performing Loans) ratio of only 1.6%, on a path of normalisation of the cost of credit risk, which stood at 0.02% in the first half of 2026. It should also be noted that the credit impairment stock remained stable at €177 million since the end of 2025, demonstrating the robustness of the risk profile and the resilience of the loan portfolio, while maintaining solid coverage levels.

In turn, Impairment on other financial assets totalled €0.5 million in the first six months of 2026, compared with €0.1 million recorded in the same period of 2025, reflecting the investments made in the Securities portfolio.

Impairment and Provisions

(million euros)

	Jun-25	Jun-26	Δ YoY Amount	Δ YoY %
Impairment of loans and advances to customers and to credit institutions	(8.0)	1.0	9.0	>100
Impairment of other financial assets	0.1	0.5	0.4	>100
Impairment of other assets	6.8	4.6	(2.2)	(32.2)
Other provisions	(1.5)	(1.0)	0.5	31.7
Total net impairments and provisions	**(2.6)**	**5.2**	**7.7**	**>100**

Income tax

At the end of the first half of 2026, current and deferred taxes amounted to €24.0 million, an increase of €9.5 million compared with the same period of the previous year, to which contributed, among other tax effects, the recognition, in the same period of 2025, of the SIFIDE tax benefit (Business Research and Development Tax Incentive System) of €4.0 million, due to investments made in research and development, essentially in the technology component.

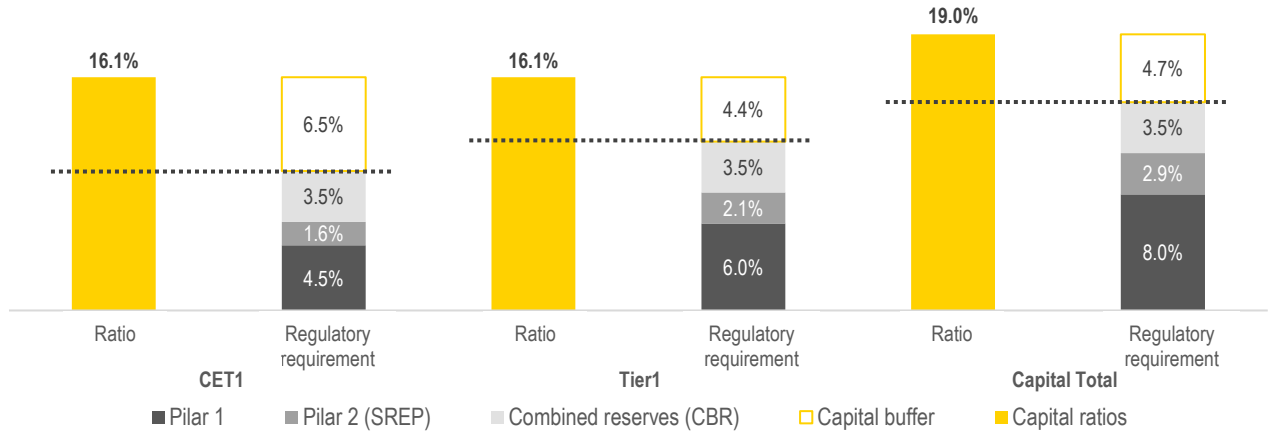
Deferred tax assets arise from the fact that the accounting treatment diverges from the tax framework, thereby determining the recognition of deferred tax assets associated with temporary differences or tax losses, as well as other non-tax-deductible costs, whose recognition, reduction or utilisation movements have their offsetting entry in the income statement.

SOLVENCY AND LIQUIDITY ANALYSIS

SOLVENCY

At the end of June 2026, Banco Montepio's Common Equity Tier 1 (CET1) ratio on a consolidated basis stood at 16.1%, showing a significant buffer of 6.5 p.p. above the minimum regulatory requirement set by the supervisory authority (9.60%). In parallel, the Total Capital ratio reached 19.0%, similarly reflecting a buffer of 4.7 p.p. above the minimum regulatory requirement (14.35%).

Capital ratios[1], requirements and capital buffers (30 June 2026)



(1) The ratios include the accumulated net income for the period, net of the dividends to be distributed.

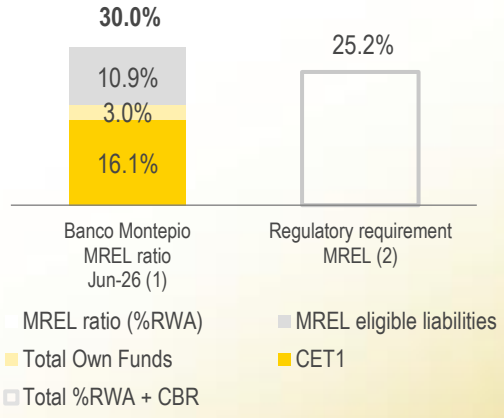
The MREL TREA Ratio, determined on the total risk exposure amount (acronyms: MREL – Minimum Requirement for own funds and Eligible Liabilities and TREA – Total Risk Exposure Amount), i.e., corresponding to a percentage of total risk-weighted assets (RWA – Risk Weighted Assets) stood at 30.0% at the end of the first half, following the €350 million issue carried out in the market, with an adequate buffer above the minimum requirement in force communicated by Banco de Portugal (25.2%, including the combined capital buffer requirement). In turn, the MREL LRE Ratio, calculated on the basis of the total leverage ratio exposure (LRE – Leverage Ratio Exposure), stood at 12.2% at 30 June 2026, also comfortably above the minimum requirement (5.3%).

Banco Montepio is not subject to subordination requirements and has a particularly robust MREL position, supported by €1,651 million of Own Funds and €950 million of eligible liabilities, which totalled €2,601 million at the end of June 2026, €371 million above the €2,224 million recorded at the end of 2025.

The strengthening of eligible liabilities arising from the issue carried out in June 2026 contributed to the increase in the MREL ratio, increasing the margin above regulatory requirements and the Institution's capacity to accommodate future prudential requirements in a context of sustained growth in activity and enhanced financial resilience.

The capital headroom achieved reflects Banco Montepio's growing financial strength, reaching historic levels in line with market benchmarks, reinforcing its capacity to face challenges in different contexts.

MREL ratio and requirements



(1) Pro forma ratios calculated including the accumulated net income for the period, after deducting estimated distributions of profits. As at 30 June 2026, the MREL ratio (%RWA) not including net income for the period after deduction of expected dividends is 29.5%. (2) Includes the combined capital buffer requirement of 2.77 p.p. at 30 June 2025, 2.78 p.p. at 31 December 2025 and 3.50 p.p. at 30 June 2026.

The strong performance at this level, in particular the high level of capital ratios, show the solidity of the path followed and reinforce investor confidence, as recognised by the three rating agencies – Moody's, Morningstar DBRS and Fitch – which, in 2025, rated Banco Montepio's senior unsecured debt as Investment Grade, with this status being maintained in the first half of 2026, thereby consolidating that position.

Within the scope of its multi-year Funding Plan, Banco Montepio intends to maintain a balanced MREL surplus, as well as an adequate capital structure at the various levels, consistent with its strategy and risk profile, through a sustainable combination of debt issuance, organic capital generation and balance sheet optimisation, balanced by prudent management of the net interest margin. Currently, Banco Montepio has three outstanding MREL debt issuances with a total value of €950 million, fully placed in the market with a diversified group of investors, having maintained an active presence in the market in recent years through several debt operations.

Outstanding senior preferred issuances eligible for MREL

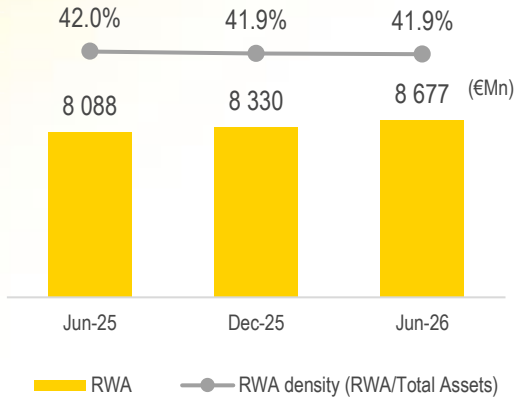
• Amount	250 million euros	350 million euros	350 million euros
• Date of issuance	29 May 2024	25 June 2025	22 June 2026
• Interest rate (fixed until early redemption option date)	5,625%	3,5%	3,625%
• Early repayment option date	At the end of the 3rd year	At the end of the 3rd year	At the end of the 4th year

The flexibility provided by these buffers, both at the level of total capital and other eligible liabilities, allows Banco Montepio to leverage the growth and innovation opportunities foreseen in the Strategic Programme in force, strengthening its long-term sustainability and competitiveness. The analysis of the evolution of capital ratios highlights the growth of Banco Montepio's core business and the upward trajectory of profitability, reflected in the organic capital generation to support the development of activity.

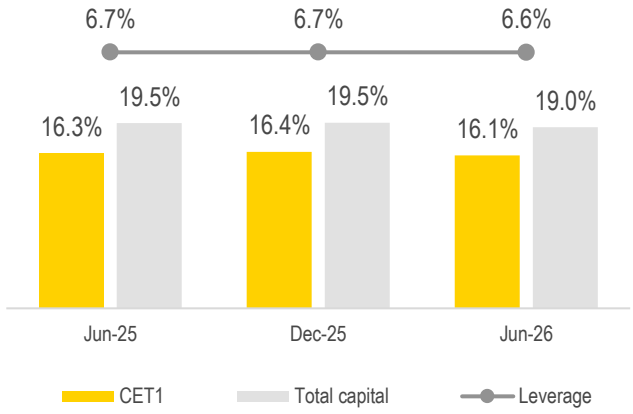
On the numerator side, the continued increase in own funds is evident, which amounted to €1,651 million in June 2026, an increase of €26 million compared with the end of the previous year, and of €77 million compared with June 2025, essentially reflecting the positive evolution of results, net of the dividend distribution considered for prudential purposes.

With regard to risk-weighted assets, there was an increase of 4.2% in the first half of 2026, to €8,677 million, essentially reflecting the growth of the loan portfolio in the period and the investment of excess liquidity in securities. The RWA density (measured by the ratio between RWA and net assets) remained at 41.9%, the same as at 31 December 2025, compared with 42.0% in the same period of 2025, demonstrating the efficiency of capital management in investment decision-making and credit granting, with a particular focus on mortgage lending, which has lower associated capital consumption and benefits from the new Basel rules, given the reduced risk profile of Banco Montepio's mortgage loan portfolio (residential credit with low Loan-to-Value ratios).

Risk-weighted assets



Capital and leverage ratios



Note: The ratios include the accumulated net income for the period, net of the dividends to be distributed.

The evolution of the capital ratios shows Banco Montepio's ability to balance growth, profitability and capital discipline, through recurring generation of results and active management of risks and balance sheet resources. In this context, capital levels remained solid and comfortably above regulatory requirements, making it possible to accommodate the increase in risk-weighted assets arising from the expansion of activity, without compromising the Institution's financial robustness or its strategic flexibility.

Capital ratios

(million euros)

	Jun-25	Dec-25	Jun-26	Δ YoY		Δ YtD	
				Amount	%	Amount	%
Total own funds							
Common Equity Tier 1	1 317	1 368	1 394	77	5.9	26	1.9
Tier 1	1 317	1 368	1 394	77	5.9	26	1.9
Total Capital	1 573	1 624	1 651	78	4.9	27	1.6
Risk-weighted assets	**8 088**	**8 330**	**8 677**	**589**	**7.3**	**347**	**4.2**
Fully implemented ratios							
Common Equity Tier 1	16.3%	16.4%	16.1%	(0.2) p.p.		(0.3) p.p.	
Tier 1	16.3%	16.4%	16.1%	(0.2) p.p.		(0.3) p.p.	
Total Capital	19.5%	19.5%	19.0%	(0.5) p.p.		(0.5) p.p.	
Leverage ratios							
Fully implemented	6.7%	6.7%	6.6%	(0.1) p.p.		(0.1) p.p.	

Note: The ratios include the accumulated net income for the period, net of dividends to be distributed.

LIQUIDITY

Reflecting the execution of the multi-year funding and liquidity management plan, Banco Montepio maintained zero financing from the ECB, maintaining a surplus position since the first quarter of 2024, with it being noteworthy that, at the end of the first half of 2026, deposits with the Central Bank amounted to €850 million.

Also at that date, the value of the pool of eligible collateral for Eurosystem operations and of the pool dedicated to providing guarantees to the Interbank Clearing System (SICOI) amounted to €5,042 million, an increase of €890 million compared with the same period of the previous year, mainly resulting from the growth of the banking book. The collateral pool consisted mostly of High-Quality Liquid Assets (HQLA), particularly public debt securities from European countries, whose valuation at market prices, net of the haircuts applied by the ECB, corresponded to €4,464 million. It also included non-tradable assets, such as credit claims, relating to loans granted to non-financial Corporates and Public sector entities that meet specific eligibility

criteria, valued at €115 million, in accordance with the methodology defined for the discounting of assets in Eurosystem operations.

The eligible collateral provided for the ECONS Guarantee (guarantee for critical or very critical payments in a contingency system) and the Interbank Clearing System (SICOI) amounted to €92 million at 30 June 2026. The liquidity buffer[14] was thus €5,800 million at 30 June 2026, an increase of €131 million compared with the same period of the previous year, reflecting a solid liquidity position.

Pool of eligible assets for refinancing operations with the ECB

(million euros)

	Jun-25	Dec-25	Jun-26	Δ YoY		Δ YtD	
				Amount	%	Amount	%
Pool of eligible assets	4 152	4 813	5 042	890	21.4	229	4.8
Use of the pool	31	85	92	61	>100	7	8.2
Pool of available assets	**4 121**	**4 728**	**4 950**	**829**	**20.1**	**222**	**4.7**

As part of the diversification of funding sources, the Bank has had an active presence in the collateralised money market (Repo), which provided €533 million in funding at the end of June 2026.

With regard to debt issued, the Bank has maintained regularity in placing new instruments. As already mentioned, in June 2026, Banco Montepio carried out a new issue of senior preferred debt with a nominal value of €350 million and categorised as a Green Bond under Banco Montepio's Green Social and Sustainability Bond Framework, which contributed to increasing the stock of eligible liabilities, under the MREL requirement, to €950 million, reflecting a prudent approach to the evolution of the requirement and the maintenance of an adequate buffer above it.

Following this issue, the nominal value of debt issued under the EMTN programme increased to €1,200 million, while the overall amount of wholesale funding was around €2,000 million at the end of the first half of 2026, with the remaining funding being provided by a broad and growing base of Customer deposits.

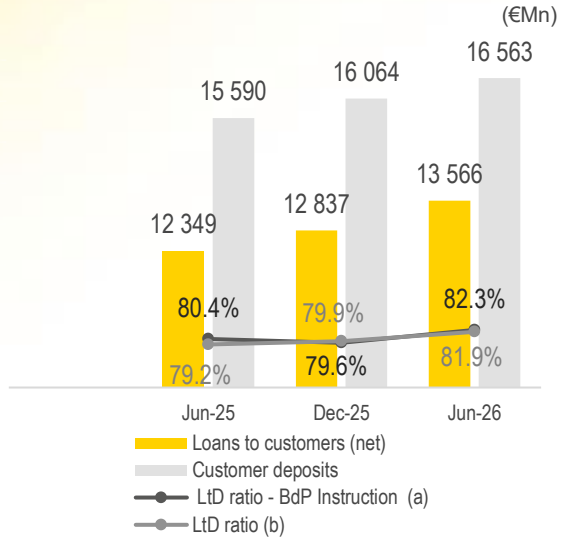
The growth in Loans to Customers above that in Customer Deposits led to the loan-to-deposit ratio increasing to 81.9% at the end of June 2026, compared with 79.9% recorded at the end of 2025 and 79.2% in the same period of the previous year. This commercial performance resulted in a reduction of the commercial gap by €231 million, which went from €3,227 million at 31 December 2025 to €2,996 million at 30 June 2026.

As a reflection of commercial dynamics, Banco Montepio continued to stand out in the evolution of deposits, setting new all-time highs by reaching €16,563 million and showing an increase of 3.1% since the end of 2025, corresponding to a rise of €499 million.

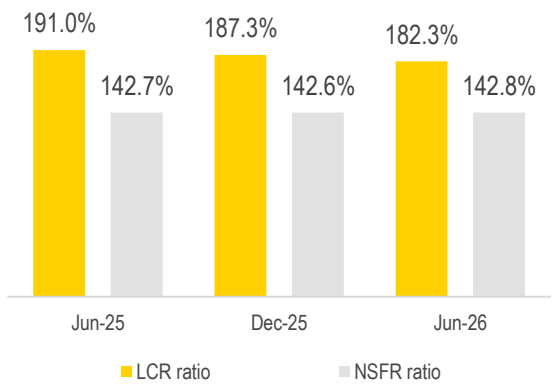
In this context, Banco Montepio maintained stable and comfortable liquidity levels, aligned with the defined strategic objectives and risk appetite, with the LCR and NSFR ratios standing at 182.3% and 142.8%, respectively, at the end of the first half of this year.

[14] Liquidity Buffer = €850 million of Deposits with the BdP + €4,627 million of ECB pool + €415 million of eligible securities outside the pool – €42 million of SICOI Guarantee – €50 million allocated to ECONS.

Loan-to-deposits ratios



Liquidity ratios

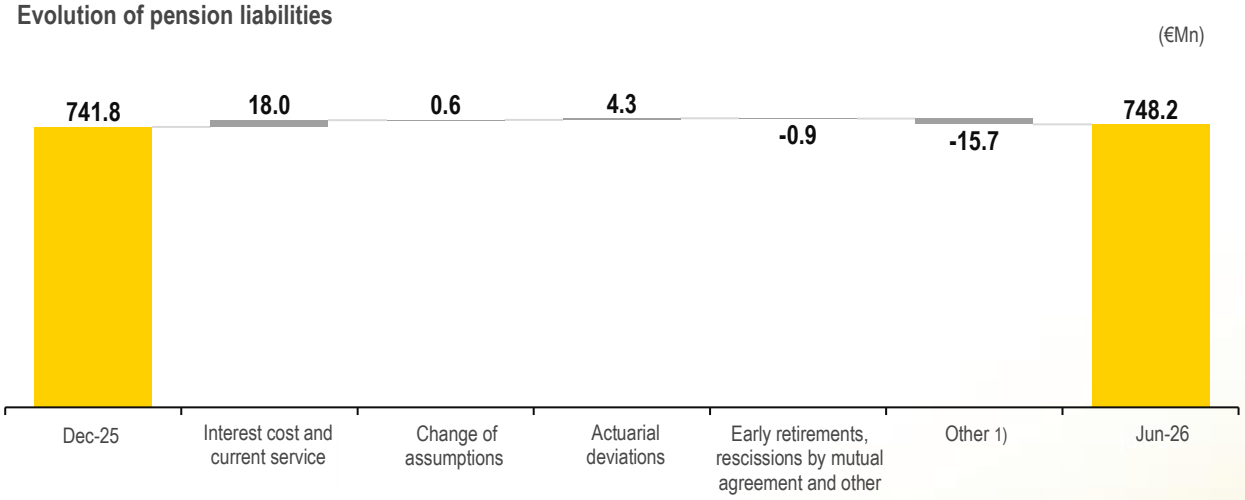


(a) Loans and advances to non-financial corporations and individuals, and deposits from non-financial corporations and individuals, pursuant to Banco de Portugal Instruction No. 16/2004, as currently in force (Instruction 17/2025). (b) Net loans to Customers and Customer deposits on the Balance sheet.

PENSION FUND

Post-employment and long-term Employee benefit obligations totalled €748.2 million at the end of June 2026, showing an increase of €6.4 million compared with year-end. In a detailed analysis, the evolution of pension liabilities was determined by increases in Interest cost and current service cost, of €18.0 million, and Actuarial deviations, of €4.3 million, partially offset by the reduction in the Other component, which includes Pensions paid by the Fund, Pensions paid by Banco Montepio, Participants' contributions and Other, amounting to €15.7 million, as illustrated in the following figure.

Evolution of pension liabilities



(1) Includes Pensions paid by the Fund, Pensions paid by Banco Montepio, Contribution from participants and others.

The value of the Pension Fund's assets stood at €825.8 million as at 30 June 2026, compared with €813.8 million recorded at the end of 2025. This development resulted from the positive performance of the Fund's assets, reflected in financial income and gains, which more than offset the impact of pension payments made during the half-year, reinforcing the solidity of the funding level of the liabilities assumed by Banco Montepio.

Banco Montepio's total liabilities were fully funded, showing a coverage ratio of 110.9% at the end of June 2026, an improvement of 0.7 p.p. compared with year-end, which constitutes a relevant buffer to absorb future adverse actuarial impacts on the pension fund, arising from a context of interest rate uncertainty.

Pension Fund

(million euros)

	Dec-25	Jun-26	Δ YoY Amount	Δ YoY %
Total liabilities	741.8	748.2	6.4	0.9
Minimum liabilities to be financed	711.8	716.8	5.0	0.7
Value of the Pension Fund's assets	813.8	825.8	12.0	1.5
Coverage:				
Minimum liabilities [1]	114.9%	115.8%	0.9 p.p.	
Total liabilities [1]	110.2%	110.9%	0.7 p.p.	

(1) Also considering the component directly financed by Banco Montepio referring to employees who are temporarily suspended from employment contracts and the contribution to Social Welfare Services (defined contribution).

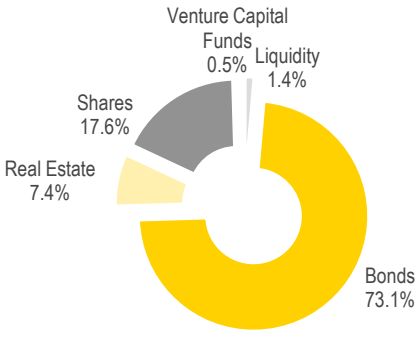
Following the approval of the new Investment Policy in September 2024, and with the aim of reducing risk exposure, particularly relevant for the Pension Fund, in a context of heightened geopolitical risks, namely those associated with the conflict in the Middle East, and upward pressures on interest rates, the duration of the debt portfolio was increased to achieve greater convergence with the duration of the liabilities (i.e. the pension fund obligations), contributing to a natural hedge against interest rate risk.

As at 30 June 2026, the average duration of the bond portfolio stood at 10.4 years, with the differential between the average duration of the Pension Fund's total liabilities and the average duration of the portfolio's assets at 3.6 years, remaining within the limit defined in the Investment Policy, which establishes a maximum differential of 5 years.

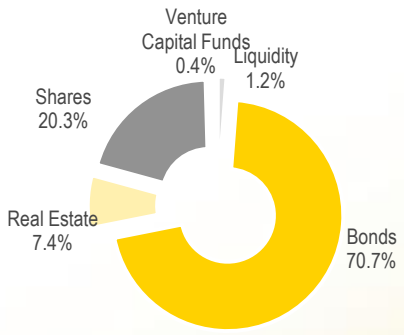
The Pension Fund's assets maintained a conservative allocation profile, with 70.7% of these assets invested in Bonds (73.1% at 31 December 2025), in line with the investment policy and in compliance with the legal prudential diversification and dispersion requirements and limits, and 20.3% invested in Equities and equity investment funds (17.6% at the end of 2025), with this relative increase being primarily attributable to the higher allocation to market-listed equity investment funds.

Breakdown of the Pension fund portfolio

31 December 2025



30 June 2026



In accordance with Banco Montepio's accounting policy, and following the assessment carried out on the adequacy of the actuarial assumptions, these remained unchanged from those considered in the actuarial study at the end of 2025.

REPORT AND ACCOUNTS

STRATEGY

1ST HALF 2026

Banco Montepio

STRATEGY

In the first half of 2026, Banco Montepio continued the execution of the strategic cycle launched through the Triple A Programme, reinforcing the materialisation of the five main thrusts approved at the General Meeting, which frame the period 2025–2027:



Following a 2025 financial year marked by the structuring of the Bank's key transformation fronts, the first half of 2026 showed greater momentum in execution in critical areas to the Bank's competitiveness. In particular, notable developments included the continued growth momentum in mortgage lending, the consolidation of the new personal loan distribution model through Montepio Crédito, the strengthening of origination and decision-making capacity in corporate credit, the functional evolution of the new Banco Montepio App and the preparation of the final stage of the technological migration of the Individual Customers' digital channels. In parallel, initiatives continued in operational simplification, commercial capacity building, technological modernisation and strengthening the ESG agenda, creating conditions to accelerate transformation in the second half of 2026 and sustain value creation in the following years.

Main highlights

Mortgage lending continued to establish itself as one of the main growth levers, on a path of expansion already evidenced in 2025, maintaining a competitive offering and offer visibility through the continuation of the second edition of the **Bem Bom** campaign and, in February 2026, with the launch of a new initiative for Mortgage Loan transfers. At the same time, progress was made in commercial and digital journeys and in the simplification of the contracting process through the new mortgage loan workflow.

The first half of 2026 was also marked by the **consolidation of the new personal loan distribution model via Montepio Crédito**, by the Group's specialised entity. This model, launched in 2025 in the Personal Loan with no specific purpose and Auto Loan strands and subsequently extended to Consolidation Loans, made it possible to strengthen specialisation, increase origination capacity and concentrate commercial execution in a dedicated structure. The intensification of this business front included the launch of a communication campaign, structured as a competition, anchored in a multichannel media strategy and aimed at acquiring new customers and strengthening awareness of the offering. Fully digital transaction contracting was made available, making it possible to complete the entire approval and formalisation process through remote channels, without the customer needing to travel to the branch.

In the **corporate segment**, the Bank strengthened its **credit origination, structuring and decision-making capacity, combining greater commercial specialisation with the evolution of limit analysis and management models**. This effort translated into the deepening of specialised credit and international business capabilities, the launch of new protocol lines and the strengthening of support from specialised teams to the commercial networks and corporate customers. The transformation of credit decision models also continued, through the development and testing of new approaches to limit setting and management, adapted to the characteristics of each segment. In this context, a maximum exposure limits methodology for large companies was piloted, a conditional limits model applied to short-term credit operations aimed at acquiring new Customers was made available and a strategy for the automatic assignment of limits for the Small Business segment was developed, whose implementation will take place throughout the second half of 2026. The set of these measures aims to increase commercial responsiveness, simplify decision processes, assure the alignment with the target risk/return profile and create the conditions for more scalable

and sustainable growth. The Bank made available new tools to support prospecting, meeting preparation and identification of business opportunities powered by artificial intelligence.

Digital transformation and omnichannel experience remained one of the Bank's main strategic pillars. The launch of the **new Banco Montepio App for the Individuals segment**, based on a new-generation technology architecture, will make it possible to accelerate the functional evolution of digital channels, improve the user experience and create a more robust basis for the future development of new digital journeys. The first half of 2026 was marked by the **incremental launch of new features** for account and payment management, transfers and MB WAY operations, card and limit management, as well as new capabilities for digital Customer autonomy. The period was also marked by the implementation of several improvements in performance, stability and user experience, to strengthen the robustness and reliability of digital channels. The second half will be marked by the completion of the technological migration of the Individuals digital channels through the launch of the new Homebanking and the progressive discontinuation of the current platforms, creating a single, modern and scalable technological base.

The **transformation of the technological infrastructure of the Contact Centre** carried out in 2025 created the basis for strengthening efficiency, operational monitoring capacity and integration with the omnichannel ecosystem. In 2026, this front focused on stabilising operations on the new system and on technological and operational improvements.

In the dimension of **efficiency and operational simplification, work** continued on the **front-to-back transformation**, with a focus on freeing up commercial capacity in front office teams, through the simplification of processes and the centralisation of operational activities in back-office units. In parallel, a programme of measures to transform the back-office was launched, providing for task automation, simplification of procedures and the use of artificial intelligence. The Bank will continue to implement structuring initiatives to simplify and centralise highly complex processes, alongside the evolution of Customer journeys and the strengthening of digital capabilities. These measures will contribute to a simpler and more integrated experience, greater operational efficiency and the release of commercial network capacity for higher value-added activities.

Sustainability for long-term value creation was also a cross-cutting dimension of the Bank's strategy, reflected in the Corporate Sustainability Strategy 2024–2026 and the respective Master Plans, with relevant deliverables in the first half of the year, including the consolidation of decarbonisation action plans, deeper integration of ESG criteria into credit granting, risk assessment and investment decision-making processes, as well as the strengthening of monitoring and reporting mechanisms. The trajectory defined for climate and environmental commitments was maintained, aiming to progressively achieve net-zero emissions by 2045, in line with the national commitment, with scope 2 emissions, calculated according to the market-based approach, already reaching zero, supported by the consumption of certified renewable electricity. In parallel, the dissemination of the ESG culture across the organisation's different areas continued. It is in this context that the social impact measurement work carried out by the Bank fits, systematised in the Social Impact Report, the first report in the Portuguese banking sector exclusively dedicated to recording, measuring and communicating the social impact generated by the activity of a banking institution, reporting the performance achieved in 2025.

Outlook for the second half of 2026

The second half of 2026 is expected to be marked by the continued execution of the initiatives with the greatest potential impact on growth, Customer experience and operational efficiency. In a context of renewal of the management team, the Bank will also carry out a critical assessment of the ongoing strategic portfolio, with the aim of ensuring the permanent alignment of priorities with market challenges, strengthening the focus on the initiatives with the greatest impact and maximising value creation for Customers, Employees, Shareholders and other Stakeholders.

REPORT AND ACCOUNTS

SUSTAINABILITY

1ST HALF 2026

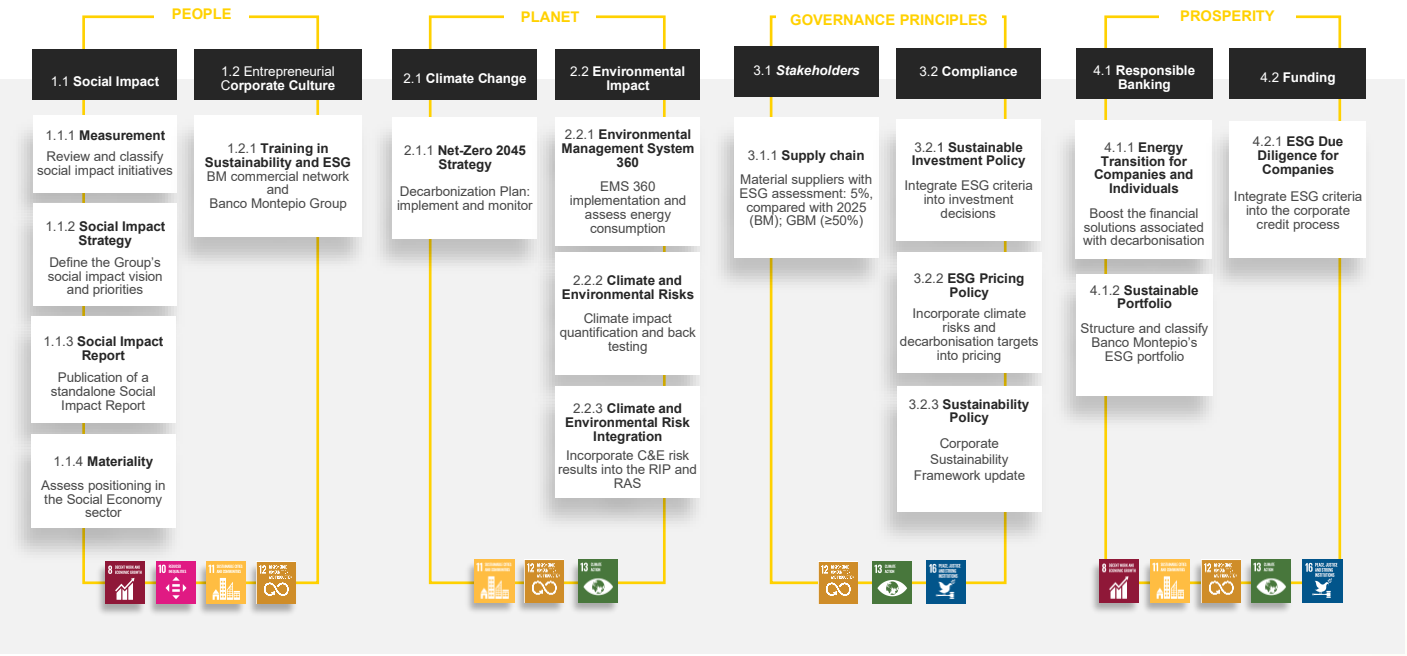
Banco Montepio

SUSTAINABILITY

Banco Montepio maintains the implementation of the **Sustainability Strategy 2024–2026**, which establishes the framework for integrating the environmental, social and governance (ESG) dimensions into its activity, ensuring the articulation between sustainable development commitments, the evolution of the regulatory framework and the business strategy. Structured around the pillars **Governance Principles, Planet, People and Prosperity**, this strategy guides long-term sustainable value creation, while strengthening the capacity to respond to the climate, social and economic challenges that impact the financial sector.

In line with this strategic vision, Banco Montepio continues the execution of the **Sustainability Master Plan 2026**, an instrument for operationalising the ESG commitments of the Banco Montepio Group. Organised according to the four strategic pillars previously mentioned, the Master Plan brings together a set of initiatives and targets aimed at strengthening the integration of sustainability into internal processes, relationships with Customers and suppliers, people management, the reduction of environmental impacts and the generation of value for society. Regular monitoring of its execution makes it possible to track the objectives defined and to adapt to regulatory requirements and market best practices.

2026 SUSTAINABILITY MASTER PLAN



The delivery of these priorities is also integrated into the Triple A strategic programme, which frames the Group's transformation for the period 2025–2027. Under the Sustainability Pillar, two structuring initiatives stand out. **Initiative 24 – Net Zero Targets** aims to implement the Bank's decarbonisation trajectory, promoting the progressive reduction of greenhouse gas emissions and the incorporation of climate transition objectives in the different areas of activity. In addition, **Initiative 25 – ESG Dissemination in the Organisation** promotes the cross-cutting integration of ESG factors into decision-making processes, credit granting, the offering of products and services, operational processes and team development. These initiatives are a central element of the ongoing transformation, helping to consolidate an organisational culture increasingly geared towards sustainability.

The first half of 2026 was marked by a number of relevant developments that reinforce the maturity of Banco Montepio's sustainability agenda and demonstrate the progress in the integration of ESG factors into its strategy and activity.

Among the main milestones, the evolution of the sustainability governance model stands out, which now has a corporate scope covering the companies of the Banco Montepio Group, as formalised in the update to the organic statute of the Sustainability Office in May 2026. In this context, the review of the Sustainability Policy is particularly noteworthy, consolidating the progress of the last three years in integrating ESG factors into the Group's strategy, business and governance. Structured around the four pillars of People, Planet, Governance Principles and Prosperity, the Policy reinforces sustainable value creation in the medium and long term and deepens, in particular, climate matters, including decarbonisation, the management of environmental and climate risks and support for the sustainable transition of the economy, as well as the social impact dimension, through financial inclusion, support for communities, diversity and equity and the promotion of the social and solidarity economy. The Policy is subsequently broken down into specific statements and commitments on matters such as human rights, the environment, diversity and inclusion, suppliers and stakeholders, ensuring consistency between the defined ESG ambition and its operational implementation.

The review also formalises a more robust governance model, which strengthens corporate coordination of sustainability and clarifies the articulation between oversight, execution, control and reporting. Strategic oversight is the responsibility of the Board of Directors and its committees, with the Executive Committee, supported by the Sustainability and ESG Committee, responsible for decision-making on and monitoring of execution. Corporate coordination is ensured by the Sustainability Office, in liaison with the business, planning and risk areas, ensuring the incorporation of ESG factors into the targets, policies and decisions of the Banco Montepio Group. This model also frames the management of the Decarbonisation Plan, whose operational coordination is centralised in the Sustainability Office. The control functions are responsible for ensuring the integration of the plan into risk management processes and the applicable regulatory framework, namely the CSRD/ESRS, CRD VI, the EBA guidelines and the ISSB standards, validating its consistency with the Bank's strategy and the economic and budgetary viability of the initiatives.

Also noteworthy is the publication of the first **Social Impact Report**, a pioneering exercise in measuring and reporting the social value generated by Banco Montepio's activity, structured according to the Theory of Change and aligned with leading international frameworks. Banco Montepio became the first Portuguese bank to sign up to the Taskforce on Inequality and Social-related Financial Disclosures (TISFD), an international initiative that structures the reporting of risks, opportunities and impacts associated with inequality and social factors around four pillars – Governance, Strategy, Risk Management and Metrics & Targets. The report also adopts, in a pioneering way in the national banking sector, the IRIS+ taxonomy of the Global Impact Investing Network (GIIN), which makes it possible to align the Bank's social impact indicators with international impact investing practices and ensure their global comparability. This approach shows Banco Montepio's contribution to the social and economic development of the communities in which it operates, highlighting support for 3,760 Social and Solidarity Economy entities, resulting in an estimated impact on more than 465 thousand beneficiaries. The results achieved through microcredit activity are also reported, with 133 projects supported that contributed to the creation or preservation of 185 jobs, alongside support for initiatives promoting academic success that reached more than 10,000 students. By systematically distinguishing between activities, outputs and outcomes, the report reinforces the transparency and methodological rigour of social impact reporting, positioning Banco Montepio at the forefront of ESG disclosure practices in the Portuguese financial sector.



The **Banco Montepio Decarbonisation Plan** was also defined, which sets out the emissions reduction trajectory required to achieve carbon neutrality by 2045, covering own and financed emissions. The plan sets targets and trajectories for scopes 1, 2 and 3, aligned with internationally recognised scientific frameworks, and includes specific objectives for five relevant sectors of the loan portfolio, reinforcing the integration of the climate transition into business and risk management. Governance, monitoring and reporting mechanisms are associated with the plan, during a period in which progress was made in reducing the operational carbon footprint, with a 25% reduction in Scope 1 and 2 emissions and the achievement of carbon neutrality for Scope 2 through the use of electricity from renewable sources. This work, which gave rise to the first Climate Transition and Decarbonisation Report, represents a milestone in strengthening the transparency and credibility of the Bank's climate strategy among its stakeholders.

Also during the first half of 2026, Banco Montepio published its **Green, Social and Sustainability Bond Framework**, establishing a framework of reference for future sustainable finance issuances. The framework sets out the guiding principles for future issuances of green, social and sustainability instruments and is aligned with the ICMA Green Bond Principles 2025, Social Bond Principles 2025 and Sustainability Bond Guidelines. The document defines the eligible categories for the allocation of funds, covering environmental areas such as green buildings, energy efficiency and renewable energy, and social areas, such as affordable housing, employment promotion and access to essential services, contributing to the transition to a more sustainable, inclusive and socially responsible economy. The framework also obtained a Second Party Opinion from DNV Business Assurance Spain, S.L.U., validating alignment with international market best practices.

Falling within this framework, the inaugural €350 million Green Bond issuance in June 2026, in addition to contributing to the diversification of funding sources and strengthening loss-absorption capacity and the margin of compliance with MREL requirements, as previously mentioned, marked the Bank's commitment to channelling resources into projects with a positive environmental impact. The transaction is an important step in the execution of the Bank's sustainability strategy and confirmed investors' interest in instruments aligned with the Institution's ESG objectives.

The progress achieved during the first half of 2026 demonstrates the consistent evolution of Banco Montepio's sustainability agenda, translating into greater transparency, a stronger capacity to manage environmental and social impacts, the integration of ESG factors into the business and the alignment of the Bank's activity with the challenges of the sustainable transition.

Other relevant initiatives in the first half of 2026

Negócios Sustentabilidade 20|30

As part of the initiative promoted by Jornal de Negócios, Banco Montepio took part in several discussions on sustainability and social impact. In January, it took part in a debate dedicated to the evolution of the ESG agenda, which analysed the challenges associated with growing regulatory demands, climate risks and the geopolitical context, as well as the role of the financial sector in promoting the sustainable transition.



Subsequently, in May, it took part in the initiative's Grand Final Conference, joining the panel "How is adaptation to the thousand and one changes financed?", where the relevance of sustainable financing was highlighted and the Bank's recently published Social Impact Report was presented. On the same day, the National Sustainability Award ceremony was held, an initiative promoted under the High Patronage of the Presidency of the Republic. Banco Montepio supported five Customer applications in the Environment, Social and Governance categories. Among these, the application by Moldamargem, LDA stood out, winner in the Circular Economy (SME) category with the "Recria" project, an initiative that transforms industrial waste into innovative and sustainable solutions.

Banco Montepio organised the talk "The Future of Social Impact in Portugal" to discuss topics such as social innovation, financing, impact measurement and collaboration between the public, private and social sectors. These moments reinforced Banco Montepio's commitment to integrating sustainability into its strategy and to promoting solutions that generate a positive impact on society.

European Coalition for Energy Efficiency

As part of its membership of the European Coalition for Energy Efficiency, promoted by the European Commission, Banco Montepio took part in the initiative's Second Roundtable in Brussels in February. The work focused on mobilising private capital for energy efficiency, highlighting the efficient use of public funds, the development of structured investment projects and the stimulation of demand for energy efficiency solutions.

On 5 May, Banco Montepio took part in the Second General Assembly of the European Coalition for Energy Efficiency, which brought together representatives of financial institutions, industry, Member States and European institutions to discuss ways of accelerating the adoption of clean and efficient technologies. Among the main topics under discussion were the importance of partnerships between the public sector, the financial sector and industry to drive investment in energy efficiency, the mobilisation of financing for the renovation of the European housing stock and the strategies needed to anticipate energy efficiency gains and support the European Union's energy and climate objectives.

Sustainability Week 2026 | 2 to 4 March

Banco Montepio attended Sustainability Week 2026, organised by The Economist, in London. Considered one of the leading international forums on corporate sustainability, the event brought together global leaders to discuss strategies that reconcile economic growth and positive environmental impact. Under the motto "Profit and the planet: you can have both", topics such as artificial intelligence applied to sustainability, carbon neutrality, biodiversity, carbon capture, waste management and responsible supply chains were discussed. Participation in the CSO Leaders Club, a restricted-access, invitation-only initiative for European sustainability leaders, also allowed the sharing of good practices among leading professionals in the sector.

Task Force Blue Decarbonisation | 25 June

Banco Montepio took part in the presentation of the results of the first phase of the Blue Decarbonisation Task Force, promoted by the UN Global Compact Network Portugal, and participated in the panel "Investing in the Blue Transition: Innovative Financing Solutions", dedicated to the challenges of financing the decarbonisation of the maritime and port sector. As the only bank involved in the initiative since its launch, Banco Montepio strengthened its active role in supporting the climate transition of the blue economy.

ESG Week | 22 and 23 April

Banco Montepio was once again Main Sponsor of ESG Week, an initiative of the Portuguese Business Ethics Association (APEE) at Fórum Picoas – MEO, in Lisbon. The event brought together experts to discuss the major sustainability topics in the ESG domains – Environment, Social and Governance.

At the 5th edition of the initiative, Banco Montepio promoted two discussion panels: "Social Economy and Environment: the invisible axis for a just transition" and "Energy transition: inclusion, competitiveness and investment". In parallel, Banco Montepio also took part in the panel promoted by APEE, under the theme "Sustainability and Competitiveness: aligning economic growth and value creation".



WELL in Lisbon | 13 May

Banco Montepio took part in the first edition of WELL in Lisbon, an event promoted by the Portuguese Academy of Neuroarchitecture, the International WELL Building Institute and GreenLab, dedicated to discussing how the design of physical spaces can directly influence people's health, comfort and productivity. Banco Montepio took part in the panel "Investing in Health Pays Back / ROI of WELL", which analysed data and concrete cases on the financial return of investments in buildings certified under the WELL Building Standard, namely through reduced absenteeism, increased talent retention and improved organisational well-being indicators. Banco Montepio's participation in this panel reinforced the Institution's positioning in linking well-being, productivity and economic value, showing how the social dimension of ESG can be tangibly incorporated into sustainable investment decisions, going beyond rhetoric and presenting metrics and evidence that support this integration.

10th ESBG Sustainable Finance Committee

Banco Montepio took part in the 10th Sustainable Finance Committee of the European Savings and Retail Banking Group (ESBG), in Paris. The work focused on topics such as the review of the European Taxonomy, the Sustainable Finance Disclosure Regulation – SFDR, ESG risks and energy efficiency financing. During the meeting, the perspective on the challenges faced by SMEs in the energy transition was shared, reinforcing the commitment to European best practices in sustainable finance.

WSBI-ESBG Statutory Meetings | 23 and 24 June

Banco Montepio hosted in Lisbon the 69th Presidents' Committee and the 49th Board of Directors of the European Savings and Retail Banking Group (ESBG), the European arm of the World Savings and Retail Banking Institute (WSBI), bringing together leaders of leading financial institutions from more than ten European countries. As the only Portuguese member of the ESBG and a member of its Board of Directors for the 2024–2027 term, the Bank simultaneously took on the role of host and statutory member, with the occasion also marking the institutional presentation of the new executive leadership to the main representatives of European savings and retail banking. The event reinforced Banco Montepio's role as an active interlocutor in defining the sector's European priorities, aligned with the sustainability, financial inclusion and real-economy financing agenda that characterises the ESBG/WSBI model, of which the Bank is a member through its participation in the Social Responsibility and Sustainable Development (CSR-SD) and Sustainable Finance (SFC) committees. This positioning is also supported by the Bank's participation in the WSBI-ESBG Coordination Committee and the Social and Philanthropic Council, structures that link the organisation's European strategy to the social and philanthropic action of its members.

REPORT AND ACCOUNTS

RISK

1ST HALF 2026

Banco Montepio

RISK

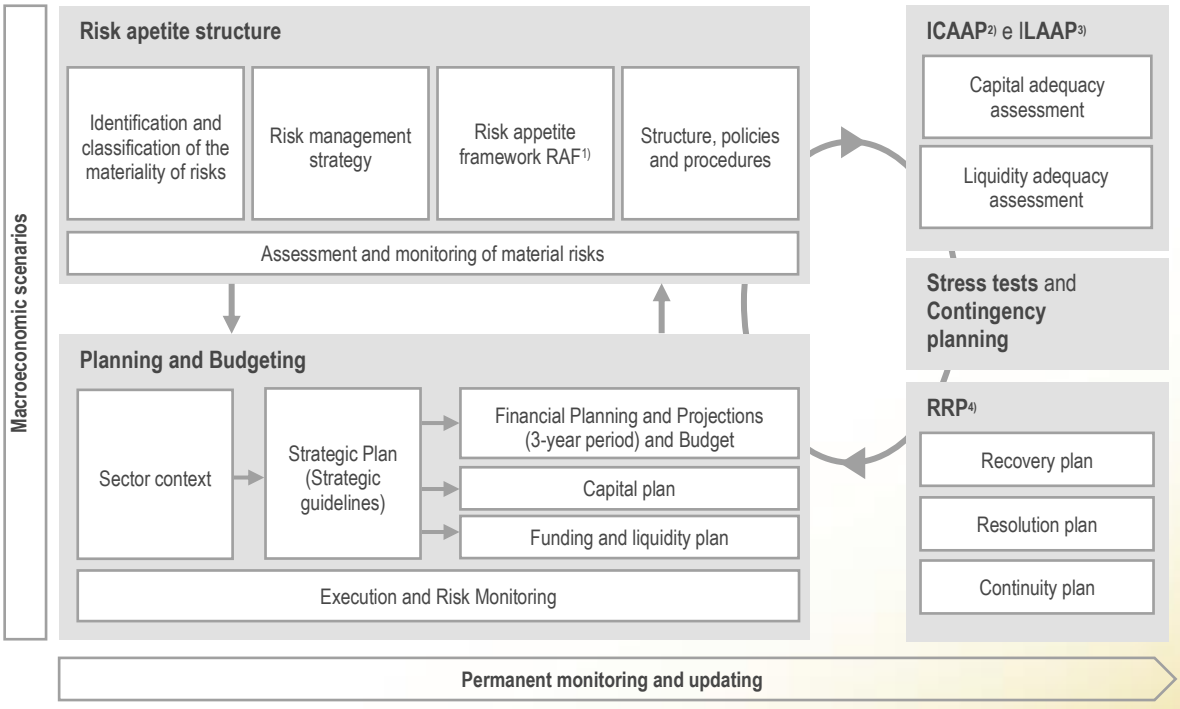
RISK MANAGEMENT

The Banco Montepio Group's risk management framework includes a set of policies, procedures, limits and controls that enable it, in an appropriate and integrated manner, to identify, measure or evaluate, monitor, mitigate and report the risks posed by the activities carried out in the various business lines and entities.

Main elements supporting Banco Montepio Group's risk management framework

- Identification and classification of the materiality of risks;
- RAF – Risk Appetite Framework;
- Risk management strategy;
- Structure, policies and procedures;
- Assessment and monitoring of material risks;
- Planning and management of economic capital and liquidity;
- Monitoring and overall reporting of risk and internal capital;
- Stress tests;
- Contingency planning.

The figure below illustrates the main elements that support the Banco Montepio Group's risk-management framework, and the articulation and integration with other organisational components (business strategy and global vectors of the risk strategy), and with the Planning and Budgeting exercises, Internal Capital Adequacy Self-Assessment Process (ICAAP), Internal Liquidity Adequacy Self-Assessment Process (ILAAP) and Recovery Plan.



1) RAF– Risk Appetite Framework; 2) ICAAP – Internal Capital Adequacy Assessment Process; 3) ILAAP – Internal Liquidity Adequacy Assessment Process; 4) RRP – Recovery and Resolution Planning.

INTERNAL CONTROL SYSTEM

In line with Notice No. 3/2020 (amended by Notice No. 2/2025) of Banco de Portugal and other provisions, the Banco Montepio Group's internal control system integrates a set of strategies, policies, procedures, systems and controls aimed at ensuring that the following objectives are achieved:

- Profitable and sustainable performance: ensure compliance with the objectives established in strategic planning, the efficiency of operations, the efficient use of resources, the safeguarding of assets and, consequently, the sustainability of the business in the medium and long term;
- Prudent risk management: an adequate identification, assessment, monitoring and control of the risks to which the Group is or may be exposed;
- Quality information and sound accounting procedures: the existence of timely, objective, complete and reliable accounting, financial and management information, and of mechanisms for the independent reporting of that information to management and oversight bodies and to internal control functions;
- Normative compliance: adherence to legal and regulatory provisions, whether prudential and/or behavioural in nature, including compliance with the internal regulations of the Banco Montepio Group itself and the professional and ethical standards and practices to which it adheres.

The government adopted the three lines of defence model.

Three lines of defence model



In line with legal and regulatory requirements and market practices, GBM's governance and internal-control system is based on five principles:

- **Control Environment**: based on the development of the organisational culture, the implementation of clear methodologies for risk management and internal control aimed, among other objectives, at ensuring a robust control environment, involving and assigning responsibility to all employees. In particular, the Board of Directors, the Executive Committee and the Directors of each Group entity play a fundamental role in creating the conditions that allow for the development of an effective control environment that enables the Group to achieve its objectives. This role is based, first and foremost, on the adoption of conduct and commitment to integrity and ethical values reflected in the Code of Ethics and Conduct, with their behaviour serving as an example for all employees.

- **Risk Management System:** composed of a set of strategies, policies, processes, systems and procedures aimed at identifying, assessing, monitoring and controlling all risks that may influence the strategy and objectives defined for the institution, ensuring their effective fulfilment and enabling the necessary actions to be taken to respond adequately and promptly to undesired deviations. The risk management system is defined in the "Banco Montepio Group Risk Appetite" Policy, and the process and governance model for the Group's risk management is defined in the "Banco Montepio Group Risk Management" Policy.
- **Control Procedures**: the internal control system is based on the use of controls as a means to mitigate risk or reduce the occurrence of certain risk events whose impact could jeopardise the Group's activity, particularly those that exceed the defined risk appetite. To operationalise the internal control model, a framework is defined that identifies all procedures intended to promote efficient and effective management of the internal control system, namely the procedures to be followed by the various areas in identifying and managing internal control deficiencies, monitoring the respective action plans, as well as the role of the Internal Control Department, part of the Organisation and Quality Division of Banco Montepio, in systematising information to ensure the effectiveness of the internal control system.
- **Information and Communication**: mechanisms are implemented for capturing and processing information to support management, decision making and compliance with obligations towards the Supervisory Authorities. Information and communication are governed by the principles of substance, timeliness, comprehensibility, consistency, materiality, completeness, promptness and reliability.
- **Independent assessment**: the internal audit function carries out audit activities to independently assess the adequacy and effectiveness of internal governance, risk management and controls, as well as of the first and second lines of defence. For all audit actions carried out, reports are issued with the results of the assessment performed, the deficiencies identified, their classification, risk category, recommendations and the action plans agreed with the audited area, as well as the expected date for the implementation of the action plans.

The process for monitoring the internal control system considers the set of actions and control assessments carried out by the Institution to ensure the adequacy and effectiveness of the Institution's organisational culture and governance systems in this area:

- All Banco Montepio Employees, at the most varied hierarchical levels, participate in control actions, namely through the execution of procedures to review the tasks performed and in the fulfilment of their daily responsibilities;
- Monitoring is carried out through control actions and assessments implemented by the risk management and compliance functions within the scope of their activities;
- The internal audit function carries out autonomous and periodic assessments, with its own resources or through subcontracting, with a view to ensuring the alignment, throughout the Group, of internal auditing practices, compliance with professional and regulatory requirements;
- The Board of Directors also carries out control actions, although focused on organisational culture, the internal governance structure, the main business and support areas, and the evolution of the Institution's overall objectives, as well as internal and external changes that may compromise the execution of the defined strategy and objectives;
- The Internal Control Committee monitors matters related to GBM's internal control system in a transversal and integrated manner and seeks to enhance the effectiveness of the process for monitoring deficiencies and measures of the internal control system and their follow-up;
- The Audit Committee, supported by the control functions, carries out control actions within its legal and regulatory competences, monitoring the internal control system and, in particular, the process for remedying the respective deficiencies, including situations involving extensions of implementation deadlines;

- All internal control deficiencies identified through the various actions and assessments are recorded, documented and permanently updated in a single deficiencies database, including the respective mitigating measures and implementation deadlines, this process is coordinated by the Internal Control Department, which centralises the follow-up of these deficiencies, promotes the execution of action plans and ensures reliable information to support decision making by the management and supervisory bodies.

INTERNAL CONTROL FUNCTIONS

The Banco Montepio Group has a risk management system which is one of the pillars of the internal control system, and which consists of a set of processes to identify, assess, monitor and control the material risks to which the institution is or may be exposed, both internally and externally, ensuring that they are correctly understood and kept within the levels previously defined by the management body. The key functions on which Banco Montepio's internal control system is based: risk, compliance and internal audit, form the core of the three lines of defence model established by the EBA guidelines on best internal governance practices.

The risk management strategy is established in conformity with the Banco Montepio Group's risk appetite statement, considering aspects of solvency, liquidity, profitability and asset quality, as well as other financial and non-financial risks.

The risk management function (FGR) is performed at Banco Montepio by the Risk Division (DRI) and the Resilience Division (DRE), with the Head of DRI serving as the Director directly responsible for the effective implementation of the risk management system. Acting at the second line of defence level, the (FGR) ensures the existence of an appropriate risk management system aimed at obtaining a comprehensive view of the Institution’s overall risk profile, while challenging and supporting the business lines in the implementation of first-line control processes.

Among their main responsibilities, these organisational units are responsible for implementing and ensuring, on an ongoing basis, the effective operation of a risk management system, promoting the implementation of risk strategies and policies and ensuring the adequate identification of the risks underlying the activity of the entities that make up the Banco Montepio Group, with a view to their assessment and measurement and guaranteeing effective monitoring and control.

Key developments within the risk management function in the first half of 2026

- Continued to strengthen and improve the risk management information system and the reports produced, including the strengthening of the processes for reporting capital and liquidity risk and for calculating and reporting interest rate risk.
- Continuation of the self-assessment of the gaps in internal processes and methodologies in the light of the regulatory requirements in the field of digital operational resilience issued in the Digital Operational Resilience of Financial Services Act (DORA) approved by the European Commission at the end of 2022;
- Updating and review of internal regulations on the various processes related to risk management;
- Regular monitoring of the Bank's risk taxonomy, as well as the process of identifying material risks;
- Participation in the European Central Bank exercises designated Quantitative Impact Study (QIS), aimed at estimating and anticipating impacts associated with regulatory changes under consideration on the solvency of financial institutions;
- Consolidation of the use of the MGIRO (Montepio Integrated Operational Risk Management) application, by all areas of Banco Montepio, to support operational risk management in all its phases; and
- Strengthening of Business Continuity capabilities through the implementation of the Business Continuity Management System (SGCN), based on a structured approach to identifying critical processes, assessing impacts, defining recovery strategies and continuously improving the Institution’s operational resilience;
- Continued implementation of the framework for managing climate risks and other ESG risk factors;

- Progress on the portal for receiving company information within the scope of ESG risk, developed in partnership with other banks and owned by SIBS;
- Strengthening and improvement of alignment metrics, with greater granularity in portfolio analysis and better identification of exposure to transition risks associated with climate change;
- Update of the indicators within the RAS: i) regarding the weight of the top seven sectors with the highest GHG emissions, as identified by the EBA in the 2022 Climate Risk Stress Test; ii) regarding ESG scoring (which also assesses customer climate risk); iii) portfolio carbon intensity; and iv) physical risk indicators, specifically exposure at risk (EaR);
- Climate risk sensitivity analyses in the ICAAP and ILAAP exercises, with the aim of demonstrating the robustness of economic capital requirements under climate risk scenarios;
- Strengthening the regulations, internal processes and methodologies that support the Bank's resolvability within the scope of the regulatory requirements inherent in compliance with the European Directive on the resolution of credit institutions;
- Participation in the cyber stress test exercise conducted by Banco de Portugal;
- Review of Banco Montepio's business continuity plan;
- Survey of cybersecurity risks, vulnerabilities and threats and take out insurance to mitigate this risk;
- Continued implementation of the Risk and Control Self-Assessment (RCSA) process across the Bank's various organisational units and review of the underlying methodology, strengthening the identification and systematic assessment of operational risks, the monitoring of control effectiveness and the definition of mitigation measures;
- Implementation of the project to strengthen ICT incident management, aimed at consolidating an integrated model of governance, monitoring, response and reporting of incidents, in line with the digital operational resilience requirements established by DORA.

The Compliance function, performed by the Compliance Division (DCOMP), also acts as the second line of defence, assuming responsibility for the management of compliance and reputational risks.

Compliance risk materialises in the probability of negative impacts on results or capital arising from violations or non-compliance with laws, regulations, contracts, codes of conduct, established practices or ethical principles. It may result in legal or regulatory sanctions, limitations on business opportunities, reduced expansion potential or the inability to enforce contractual obligations.

Reputational risk consists of the current or future risk to the Institution's profits, own funds or liquidity resulting from damage caused to the Institution's reputation, it reflects the probability of negative impacts on results or capital arising from harm to the public image of the Banco Montepio Group.

Within a solid framework for managing compliance and reputational risks, Banco Montepio has a Compliance Risk Management Policy and a Reputational Risk Management Policy, accessible to all Employees, which support the adoption of a compliance culture based on the identification, assessment, monitoring and reporting of these risks.

Compliance risk is mitigated through the promotion of a culture of ethics and compliance and through the intervention of the respective function in the main Banco Montepio processes that involve this type of risk, *ex-ante* through the analysis of the compliance of those processes and procedures, and *ex-post* through the performance of compliance monitoring actions.

The Code of Ethics and Conduct is also a fundamental instrument in mitigating compliance risk, as it identifies the values, principles of conduct and professional standards that all Employees, members of the governing bodies and service providers must observe in the performance of their activity.

The adoption of ethical conduct in business is, for Banco Montepio, an essential element in serving Customers properly, meeting the expectations of its Shareholders and other Stakeholders, satisfying and motivating its Employees and, in general, contributing to consolidating its position as a unique financial institution in the national landscape due to its origin and mutualist foundation.

The Compliance Division (DCOMP) has the autonomy required to perform its functions independently, reporting functionally to the Board of Directors as well as to the Audit Committee, particularly on relevant matters such as compliance policies, activity and training plans, activity and compliance monitoring reports, and also reporting on any indications of breaches of legal obligations or rules of conduct that may expose Banco Montepio and/or the entities of the Banco Montepio Group to an administrative offence.

Main developments within the compliance function in the first half of 2026

Governance

- Preparation of the Annual Activity Plan of the compliance function, incorporating recurring activities, projects and initiatives aligned with the Bank's strategic objectives, as well as measures to strengthen the function. The Plan also includes the Compliance Monitoring Plan, a dedicated and structured programme of testing and verification of defined according to the processes/product groups with the highest exposure to compliance risk.

Compliance Risk and Reputational Risk Management

- Review of structural regulations within the scope of compliance risk and reputational risk management, namely the Compliance Risk Management Policy and the Reputational Risk Management Policy.
- Continuation of the work to clarify and simplify the internal conflict of interest management model, covering the review of the applicable regulations and the strengthening of internal guidelines on the identification, communication, recording and mitigation of potential conflicts of interest.
- Preparation of the 2025 Annual Compliance Report, which reflects the assessment of Banco Montepio's overall compliance risk profile.
- Development of a Cockpit for monitoring compliance and reputational risk indicators, strengthening the systematisation of management information on these risks.
- Carrying out compliance monitoring actions in line with the approved Monitoring Plan, focused on the processes with the greatest exposure to compliance risk, including the performance of compliance tests and the reporting of their results to the competent bodies.
- Preparation, collection of information and submission of periodic Anti-Money Laundering / Countering the Financing of Terrorism (AML/CFT) reports to the competent supervisory authorities.
- Annual review of the AML/CFT Business Risk Assessment in order to update the assessment of the Bank's exposure to money laundering and terrorist financing (ML/TF) risks, including the measurement of inherent risk, control effectiveness and residual risk, as well as the identification of any need to strengthen existing mitigation measures.
- Participation in the calibration exercise promoted by AMLA (Anti-Money Laundering Authority), as part of the European ML/TF risk assessment methodologies and the selection of entities potentially subject to direct supervision.
- Monitoring of supervisory measures, internal control deficiencies and relevant regulatory initiatives, including the preparation of compliance reports and coordination with the internal areas responsible for their implementation.
- Preparation of the Annual Self-Assessment Report on the Plan for the Prevention of Corruption Risks and Related Offences, within the scope of monitoring the internal instruments for the prevention and mitigation of these risks.
- Consolidation of the new insiders management platform, as a tool to support the management of inside information and compliance with the applicable duties on market abuse.

Culture & Training

- Preparation of the Annual Training Plan for Employees of the compliance function, including technical training actions and internal knowledge-sharing sessions, on matters relevant to the performance of the function.
- Carrying out awareness-raising and knowledge-sharing initiatives on relevant compliance matters, including the management of inside information and the use of tools to support the monitoring of compliance and reputational risks.
- Promotion of the new compliance page on the intranet, aimed at strengthening the dissemination of content, guidelines, good practices and legislative and regulatory developments with an impact on the Bank's activity, promoting a compliance culture across the organisation.

In turn, the internal audit function (IAF) within the Banco Montepio Group is ensured by the Internal Audit Division (DAI), on a consolidated basis, and has the following mission:

- Provide assurance, advisory and insight services based on risk, independently and objectively, with the aim of adding value and improving the operational effectiveness of the Banco Montepio Group;
- Assist the Banco Montepio Group in achieving its objectives through a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes;
- Providing the management and supervisory bodies with a reasonable degree of assurance on compliance with internal policies and regulations and on the effectiveness of controls in mitigating risks;
- Integrate the process for monitoring organisational culture, the governance and internal control system and, as the third line of defence, carry out independent and risk-oriented analyses of activities, systems and processes, including the risk management function and the compliance function.

Banco Montepio's FAI reports functionally to the Board of Directors and the Audit Committee, in order to guarantee its independence.

The Banco Montepio Group's Audit Plan for 2026 covers regulatory activities, business processes, risk management processes and the monitoring of the effective implementation of measures intended to correct any deficiencies identified.

The DAI has been strengthening skills in the areas of continuous auditing and data analytics, as well as in information and communication technologies.

Risk Appetite Framework (RAF)

The RAF is the main element of the Banco Montepio Group risk management system, consisting of a general approach, according to which the risk appetite and strategy are established, communicated and monitored, including the necessary policies, processes, controls and systems. The risk limits underlying the risk management strategy and the maintenance of appropriate levels of capital and liquidity are documented in a Risk Appetite Statement (RAS) approved by the management bodies. The risk management system is part of the internal control system of the Banco Montepio Group, whose objective is the development of the activity in a sustained manner in line with the established RAS.

The evolution of the Banco Montepio Group's risk profile is regularly monitored in relation to the established risk appetite, with the respective reporting to the Board of Directors and monitoring by the Supervisory Board.

RISK MANAGEMENT GOVERNANCE MODEL

At Banco Montepio, the risk management function is the responsibility of the Risk Division (DRI), the organic unit that conducts this function in a manner independent from the functional areas subject to assessment. he DRE is also an integral part of the FGR, ensuring reporting to the Executive Committee, the Operational

Resilience Committee and the DRI, as the body responsible for the FGR, with the aim of keeping risks communicated and within the defined risk appetite limits.

In Banco Montepio's current internal governance model, the head of the Risk Division reports hierarchically to the member of the Executive Committee responsible for Risk area (Chief Risk Officer), and also has a functional reporting line to the Risk Committee (made up exclusively of non-executive directors), the Audit Committee, as Banco Montepio's supervisory body, and the Board of Directors.

The hierarchical and functional reporting lines are described in the internal governance structure defined in the Risk Management Policy of the Banco Montepio Group.

The Board of Directors is responsible for the strategy and policies to be adopted regarding risk management. This includes the approval of policies at the highest level that should be followed in risk management.

The management bodies of the Banco Montepio Group's subsidiaries are responsible for approving their own risk management strategies, in line with the business strategy defined for each subsidiary and in consolidated terms, as well as the Banco Montepio Group's overall risk strategy.

Audit Committee

The Audit Committee is the supervisory body of Banco Montepio, whose competencies include the supervision of the Bank's management, the oversight of audit activities, the process for preparing and disclosing financial information and the effectiveness of internal control systems, as well as the preparation of opinions on the policies and procedures supporting the risk management system prior to approval by the Board of Directors, on compliance control (compliance) and on the activity and independence of the statutory auditor and the external auditor.

Risk Committee

The Board of Directors appoints the Risk Committee, including the nomination of its Chair, whose duties, exercised in an independent form, are established in the respective Articles of Association. The Risk Committee's mission is to constantly monitor the definition and execution of the institution's risk strategy and risk appetite and to verify that these are compatible with a sustainable medium and long-term strategy and with the approved action programme and budget, advising the Audit Committee and the Board of Directors in these areas.

Supporting Commissions of the Executive Committee

Committees providing support to the Executive Committee have been constituted, as forums of debate and support to decision-making, through formulation of proposals and recommendations in the areas of their scope of intervention. The following committees stand out:

- The Executive Credit Commission (CEC) and Credit Commission (CdC) meet on a weekly basis, where credit operations are assessed and decided in accordance with the delegation rules defined in the Credit Risk Regulations.
- The Asset-Liability Commission *(*ALCO) meets monthly and is responsible for monitoring capital management, the balance sheet and the income statement. Its functions include the issuance of proposals or recommendations with a view to managing liquidity, interest rate or capital positions, considering the scenarios of the evolution of the activity, the macroeconomic context and the indicators related to the real and projected evolution of the different risks.
- The Cybersecurity Commission (COMCIBER), meets quarterly and is responsible for defining and monitoring the objectives for the management of cybersecurity (information security), aligned with business requirements and with the requirements and expectations of stakeholders, relevant laws and regulations and monitoring the implementation and continuous improvement of the information security management system. It also deliberates on matters of management, definition of requirements and adoption of information security policies and procedures.

- The Operational Resilience Committee (COMRO), meets on a biannual basis and is responsible for ensuring the completeness and continuous update of the Business Continuity Plan (PCN), and where applicable, propose improvements in the detection, evaluation and recovery processes with a view to continuous improvement of Incident Management and associated internal control framework.

Risk Division (DRI)

The DRI is the unit at Banco Montepio responsible for the risk management function, overseeing all financial and non-financial risks in partnership with DRE and DCOMP. It performs its duties independently and in accordance with best practices and regulatory requirements.

It ensures the analysis and management of risks, providing advice to the management body, namely through the proposal of regulations and management models for the different risks, the preparation of management reports that serve as the basis for decision-making and the participation in Support Committees for the Board of Directors and the Executive Committee.

The Risk Division also ensures compliance with the set of prudential reports to the supervision authority, namely in the area of capital requirements, control of major risks, liquidity risk, interest rate risk, country risk, counterparty risk, self-assessment of the adequacy of capital and liquidity (ICAAP – Internal Capital Adequacy Assessment Process and ILAAP – Internal Liquidity Adequacy Assessment Process), Market Discipline, Recovery Plan and Resolution Plan.

It is also responsible for the process of classifying and monitoring Customers, based on an Early Warning Systems (EWS), namely through the definition of the rules for classification, monitoring and reporting of the information resulting from that monitoring.

Resilience Division (DRE)

The DRE, as a division that is an integral part of the FGR and the second line of defence, ensures, within its remit, the oversight, monitoring and reporting of operational risk and ICT risk matters, including the dimensions of cybersecurity, business continuity, integrated incident management, third-party risk in the applicable components and operational and digital resilience, under the applicable internal regulations.

The DRE also ensures compliance with the applicable legal and regulatory requirements, namely the Digital Operational Resilience Act (DORA) and the Cybersecurity Legal Framework, as well as the alignment of the Information Security Management System (SGSI) and the Risk Management System (SGR) with the reference standards and frameworks.

Subsidiary Companies

In order to ensure effective management of the risks associated with the Group's activities, the Risk Division (DRI) is responsible for ensuring that all companies within the Banco Montepio Group adopt risk management systems that are consistent with each other and in accordance with the defined requirements:

- in the Internal Regulations of the risk management function at Banco Montepio;
- in the Global Risk Policy of the Banco Montepio Group;
- in all other applicable internal policies and regulations, without prejudice to the respective legal and regulatory framework.

DRI is also responsible for monitoring the risk management activity of the Banco Montepio Group companies, on both a consolidated and individual basis, in order to ensure:

- the consistency of the risk concepts used;
- the methodologies for identifying, assessing, and controlling risk;
- the supporting regulations and processes for monitoring the risk profile;
- compliance with applicable regulatory and prudential requirements, particularly on a consolidated basis.

Contributing to the performance of the DRI's responsibilities, the DRE, within its remit, ensures that the Cybersecurity and Business Continuity dimensions underlying the activities carried out by the entities that make up the GBM are implemented in an integrated manner.

Independent Model Validation

The Model Validation Office (GVM) is responsible for the independent validation of the models developed within the Group, ensuring compliance with the applicable internal and external requirements. This structure reports hierarchically to the director responsible for Risk and functionally to the Risk Committee, thus safeguarding independence from other organic structures responsible for developing and monitoring models.

The Model Validation Office is therefore responsible for managing model risk within the Banco Montepio Group, ensuring the updating of the Model Risk Management Policy and compliance with the defined requirements, guaranteeing the existence of a centralised and updated inventory of the Group's models, and verifying the appropriate application of the model risk-level classification by the model owners, in accordance with the defined risk-tiering methodology, as well as the continuous monitoring and reporting of model risk.

During the first half of 2026, the GVM completed several validation procedures, namely: (i) the periodic validations of the models, methodologies and results of the ICAAP and ILAAP processes; (ii) the periodic validation of the LGD (Loss Given Default) model under IFRS 9 (International Financial Reporting Standard 9); (iii) the periodic validation of the ECL (Expected Credit Loss) model and (iv) the initial validation of the scoring application model for revolving credit. It updated the risk classification of the Group's various models and also carried out control of the model inventory, monitored the implementation of recommendations with model owners, analysed rating model overrides with their respective quarterly reports, and monitored model risk limits.

Within the framework of the internal governance model and in accordance with the requirements defined in the Model Risk Management Policy, the GVM ensured the presentation of and reporting to the Executive Committee and the Risk Committee.

Information Management

In the first half of 2026, Banco Montepio strengthened information management, governance and quality as a structural capability for strategic execution, the robustness of the internal control system and regulatory compliance. The Data and Analytics Division (DDA), through the CDO Office and in coordination with the business and control areas, consolidated the data governance model, promoting greater traceability, accountability and secure use of the information assets critical to the Bank.

The capacity for monitoring and control evidence for regulatory reporting was also strengthened, through the automation of controls, the monitoring of quality indicators and the documentation of the end-to-end lineage of critical data. This approach made it possible to increase observability, auditability and the capacity to act on deviations, reducing risks of inconsistency and operational dependency.

The governance of End User Computing (EUCs), external databases and complementary processes remained a relevant dimension of operational and model risk mitigation, strengthening the autonomy of the areas, the accountability of Data Owners and Stewards and the articulation between the first and second lines of defence.

The DDA also continued to evolve the architecture and reusable data assets, reinforcing a platform logic aimed at providing governed, auditable and scalable information. Noteworthy in this context are the External Information Data Hub, the evolution of the CRC (Central Credit Register), supported by the BIRD model and Databricks, with reporting via Celfocus Regulatory Reporting System (Celfocus RRS), and the SRB (Single Resolution Board) v2 resolution reporting, which is in the industrialisation phase. This approach promotes the reuse of information, the rationalisation of investments and the reduction of operational redundancies, contributing to the Bank's transformation and resilience.

CREDIT RISK

Credit risk is associated with the degree of uncertainty of the expected returns, by inability either of the borrower (or guarantor, if there is one), the issuer of a security or the counterparty in a contract to comply with the respective obligations. Credit risk management benefits from a robust analysis and decision process, supported by a set of support tools, in which the quantification of credit risk is embodied in the model for calculating impairment losses.

Throughout the first half of 2026, Banco Montepio continued to review its credit risk management models and policies, keeping up with changes in the regulatory framework, guidelines issued by national and European supervisors and regulators and best market practices.

The decision-making process for loan operations is based on a series of policies using scoring models for the retail and business portfolios and rating models for the Corporate segment. These models, developed based on internal historical data, enable obtaining an assessment which is reflected in the attribution of a risk category to the Customer/operation, aggregated in a single risk scale, representing the respective probability of default. These models are subject to validation by a unit independent of the one responsible for their development, which reports functionally to the Risk Committee, where the respective validation reports and opinions for changes to the models are approved.

The implemented models are monitored on a regular basis by the Risk Department, with a process existing for regular updating in light of the results obtained, business or regulatory alterations that imply the need to review these models.

In addition to the rating and scoring models, the decision-making process for loan operations is also based on certain filters or rules for rejection or escalation. Rejections or filters in terms of decision levels are determined by the occurrence of credit events in the financial system, breach of credit rules (for example, the indicator of the analysis of individual customer solvency defined by Banco de Portugal, named Debt Service-to-Income (DST)) and whenever the pricing associated with a particular operation represents a risk of adverse selection.

In order to monitor the evolution of the Customer's risk profile, the Bank has a classification framework (Early Warning Systems), used by the commercial, credit analysis and credit recovery areas, with the aim of identifying early signs of possible difficulties in meeting its financial plans and thus defining the best strategies with Customers in order to mitigate the risk of default.

As at 30 June 2026, the weight of non-performing credit (NPL – Non-Performing Loans) measured on the basis of Loans to Customers (gross) remained unchanged at 1.6% from the end of 2025, determined by the growth of performing credit of €722 million (+5.6%) and the increase in non-performing credit of €8 million (+3.8%).

Total impairment for credit risk amounted to €177 million at 30 June 2026, with the coverage ratio of loans and interest overdue for more than 90 days standing at 165.5%. Additionally, NPL coverage for impairment at stage 3 stood at 50.1%, while total balance sheet impairment coverage stood at 80.4%, and considering collateral and associated financial guarantees at 109.6%.

Loan quality indicators

(million euros)

	Jun-25	Dec-25	Jun-26	Δ YoY		Δ YtD	
				Amount	%	Amount	%
Gross loans to customers	12 543	13 014	13 744	1 201	9.6	730	5.6
Loans and interest overdue by more than 90 days	83	69	107	24	28.6	38	55.9
Loans impairment	194	177	177	(17)	(8.8)	0	0.0
Ratios							
Cost of credit risk	(0.13%)	(0.05%)	0.02%	0.15 p.p.		0.07 p.p.	
Loans and interest overdue by more than 90 days	0.7%	0.5%	0.8%	0.1 p.p.		0.3 p.p.	
Non-performing exposures (NPL) / Gross loans to customers) [(a)]	1.9%	1.6%	1.6%	(0.3 p.p.)		0.0 p.p.	
Forborne exposures [(b)] / Gross loans to customers	1.4%	0.9%	0.9%	(0.5 p.p.)		0.0 p.p.	
Coverage							
Loans and interest overdue by more than 90 days by Impairments for balance sheet loans	233.3%	258.0%	165.5%	(67.8 p.p.)		(92.5 p.p.)	
NPL coverage [(a)] by impairment at stage 3	45.2%	48.3%	50.1%	4.9 p.p.		1.8 p.p.	
NPL coverage [(a)] by Impairments for balance sheet loans	82.1%	83.4%	80.4%	(1.7 p.p.)		(3.0 p.p.)	
NPL coverage [(a)] by Impairments for balance sheet loans and associated collaterals and financial guarantees	121.0%	111.3%	109.6%	(11.4 p.p.)		(1.7 p.p.)	

(a) NPL classification according to EBA criteria and considering the total accounting item 'Loans to Customers' (which includes securitised credit, such as commercial paper and bond loans).

(b) According to EBA criteria.

CREDIT CONCENTRATION RISK

Credit concentration risk arises from the existence of risk factors that are common or correlated between different entities or portfolios, to such an extent that the deterioration of any of these factors could have a negative effect on the loan quality of each counterparty or on the earnings of each category of assets and liabilities. In a concentration scenario, the effect of the losses on a small number of exposures can be disproportionate, confirming the importance of the management of this risk in maintaining suitable solvency levels.

There are various procedures related to the identification, quantification and management of credit concentration risk. Credit concentration risk refers to the degree of concentration of the risk of default in the granted loan, derived from possible over-exposure to individual counterparties or groups of counterparties that are related to counterparties operating in the same activity sector, in the same geographic area or exposures with collateral or assets under common operation, excluding Group companies. In order to limit credit concentration risk due to exposure to a Customer/group of interrelated Customers, maximum exposure limits are defined for the aggregate positions of the credit and investment portfolios, for various entities of the Banco Montepio Group.

Within the framework of the established risk appetite (RAS), limits and objectives are set for key indicators for concentration risk, in the various relevant dimensions.

Credit concentration risk is monitored regularly, considering relevant risk indicators (individual and sector concentration) in comparison to previous periods so as to follow the evolution. The identification and monitoring of the largest exposures and most significant increased exposure of the loan portfolio are conducted daily.

MARKET RISK

The concept of market risk reflects the potential loss that could be recorded by a given portfolio as a result of changes in rates (interest and exchange) and/or in the prices of the different financial instruments comprising the portfolio, considering both the correlations that exist between them and their volatility.

Value-at-Risk (VaR) is one of the main metrics used to measure and monitor the market risk calculated on a daily basis, both for its trading portfolio and for the portfolio of financial assets at fair value through other comprehensive income, which is calculated for a time horizon of 10 working days and at a significance level of 99%, using the historical simulation method. The types of risk considered in this method are interest rate risk, exchange rate risk, price risk, spread risk and commodities risk.

Regular reporting is ensured on the proprietary portfolios of Banco Montepio and of other Group entities, with several risk limits defined, including global VaR limits and Stop Loss[15] and Loss Trigger[16] limits for positions held for trading and in other comprehensive income, as well as exposure limits by issuer and by asset type/class.

The reports that are produced are used to control the different limits of exposure, analysing the risks of concentration, credit, interest rate and asset price variation, among others. These analyses consider the analysis of scenarios, namely the sensitivities of the securities portfolio to variations of interest rates and spreads, as well as analyses of stress scenarios based on extreme events occurred in the past.

In order to ensure more effective risk management, the positions are disaggregated into a portfolio of financial assets at fair value through other comprehensive income, portfolio of other financial assets at amortised cost, portfolio of financial assets not necessarily held for trading at fair value through profit or loss, and portfolio of assets held for trading (which exclude hedge coverages and fair value option), with risk limits being defined according to the type of portfolio. The applicable limits are defined in internal regulations, which are updated at least annually. Stop Loss and Loss Trigger limits applicable to the portfolios are also defined. Whenever any of these thresholds are reached, the re-examination of the strategy intrinsic to this position is compulsory.

A summary of the VaR indicators in June 2026 and December 2025 is presented below.

VaR indicators (1)

	Jun-26		Dec-25	
	Banking Book	Trading Portfolio	Banking Book	Trading Portfolio
Market VaR (1) (2)	**1.04%**	**0.92%**	**0.99%**	**4.19%**
Interest Rate Risk	0.72%	0.26%	0.95%	0.84%
Exchange Rate Risk	0.04%	0.33%	0.07%	0.28%
Price Risk	0.01%	0.80%	0.01%	3.07%
Credit risk (spread)	0.33%	0.17%	0.42%	0.42%
Commodity Risk	0.00%	0.46%	0.00%	0.00%

(1) 10-day time horizon and significance level of 99%; As a Percentage of total portfolio assets; Includes the portfolios of BM and BEM.
(2) Includes diversification effect.

Moreover, analyses are also conducted of scenarios and stress (based on past extreme events) for the trading book to complement the analysis of all the other risk indicators.

EXCHANGE RATE RISK

Concerning the exchange rate risk of the banking book, in general, the different resources captured in different currencies are invested in assets in the respective money market for maturity periods that are not higher than those of the resources. Therefore, the existing foreign exchange gaps essentially derive from possible mismatches between the maturity periods of the investments and resources. The foreign exchange exposure of the Banco Montepio Group on a consolidated basis showed a reduction compared to the previous year, primarily due to the reduction in Kwanza positions related to deposits of Montepio Holding in Access Bank Angola (formerly Finibanco Angola, whose stake held by Montepio Holding was sold in 2023).

With regard to the exchange rate risk of the bank portfolio, exposure limits are defined, which are monitored by the management and oversight bodies and by the Asset-Liability Commission (ALCO), and any possible

[15] A Stop Loss is a predefined loss limit which, when reached, determines the closure or hedging of the position.
[16] A Loss Trigger is a loss threshold that activates alerts, review and mitigation measures; it does not, in itself, require the closure of the position.

exceeding of the established limits follows the defined circuit, which may require approval by the management body or the implementation of measures to cover said risk.

The limits defined for exchange rate risk include limits of position by currency, in consolidated and individual terms, as well as in terms of VaR, and are also disaggregated in terms of the trading book and banking book.

INTEREST RATE RISK IN THE BANKING BOOK

The interest rate risk arising from banking book operations is assessed through risk sensitivity analysis, on a consolidated and individual basis for the subsidiaries included in the Group's consolidated balance sheet.

Interest rate risk is appraised in accordance with the impacts on net interest income, economic value and own funds caused by variations in market interest rates. The main risk factors result from the mismatch between the repricing dates and/or residual maturities between assets and liabilities (repricing risk), from the non-parallel change in the interest rate curves (yield curve risk), from the lack of a perfect correlation between different interest rates with the same repricing time limit (basis risk) and from the options associated with instruments enabling a diverse action on part of the stakeholders dependent on the level of contracted and practised interest rates in the moment (option risk).

Following the Basel recommendations and the Banco de Portugal Instruction no. 10/2024, the Group calculates, on a monthly basis, its exposure to balance sheet interest rate risk based on the Bank of International Settlements (BIS) methodology, classifying all asset, liability and off-balance sheet items that do not belong to the trading portfolio, by repricing levels.

In this context, limits have been set for exposure to interest rate risk factors, which are monitored by the Asset-Liability Commission, and any overrunning of any of the established limits, even if temporary, follows the procedure defined by the Bank in the respective policy, and may require approval by the board of directors or the application of measures to hedge exposure.

At the same time, a stress test is carried out with six interest rate curve shock scenarios, which measures the impact on net interest income at one year and on the economic value of the interest rate curve shocks prescribed in the BIS document of April 2016, Standards – Interest rate risk in the banking book. Based on the financial features of each contract, the respective expected cash flow projection is made, according to the rate repricing dates and any pertinent performance assumptions that are considered.

LIQUIDITY RISK

Liquidity risk is assessed using regulatory indicators defined by the supervisory authorities and other internal measurements for which exposure limits are also defined. This control is reinforced by the execution of stress tests and reverse stress tests, aimed at characterising Banco Montepio's risk profile and ensuring that the Group meets its liabilities in the event of a liquidity crisis.

The objective of controlling the liquidity levels is to maintain a satisfactory level of disposable assets so as to meet financial needs in the short, medium and long term. The liquidity risk is monitored on a daily basis and is monitored through a weekly report, and various reports are also prepared for control purposes and to monitor and support decision-making of the Asset-Liability Commission (ALCO). Under the control of risk levels, limits are defined for various liquidity risk indicators, which are monitored through monthly reports.

The evolution of the liquidity situation is analysed, in particular, based on estimated future cash flow projections for various time horizons, considering Banco Montepio's balance sheet. The liquidity position on the day of the analysis and the amount of assets deemed highly liquid existing in the uncommitted securities portfolio are added to the ascertained values, thus determining the accumulated liquidity gap for many time horizons.

Moreover, there is also monitoring of the level of compliance of the liquidity prudential indicators, Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and Additional Liquidity Monitoring Metrics (ALMM), and of internal ratios such as, for example, ratios of loans to deposits, concentration of funding sources, short term funding and eligible assets.

In June 2026, the liquidity gaps up to 12 months were as presented in the table below.

Liquidity position gaps in June 2026

(million euros)

Position reference date + forecast amount	Maturity periods				
	On sight and up to 1 week	Above 1 week and up to 1 month	Above 1 month and up to 3 months	Above 3 months and up to 6 months	Above 6 months and up to 12 months
Accumulated mismatches	5 951	5 952	5 978	4 894	4 832

The Liquidity Coverage Ratio (LCR) reached 182.3% in June of 2026, comfortably above the minimum requirement of 100%. It is also worth highlighting the adequacy of the trade gap with the loan-to-deposit ratio, considering Net Customer Loans and Customer Deposits, which remained at a level below 100%.

The Net Stable Funding Ratio (NSFR) stood at 142.8% in June 2026, also with a significant gap compared to the minimum requirement of 100%.

REAL ESTATE RISK

Real estate risk arises from possible negative impacts on Banco Montepio's net income or own funds, due to fluctuations in the market price of real estate assets.

Real estate risk arises from the real estate assets on the balance sheet, whether from properties given in lieu of repayment or judicial auction sale in the context of recovery procedures for loans, as well as for investment units of real estate funds held in the securities portfolio. These exposures are monitored based on analyses of scenarios that seek to estimate potential impacts of alterations in the real estate market on the portfolios of these real estate assets, providing necessary information for the definition of the real estate risk management policy.

In June 2026, the Banco Montepio Group's accounting exposure, net of impairment, to real estate risk, in the components described above, was reduced by around 17.6 million euros, from 160.2 million euros at the end of 2025 to 142.6 million euros as at 30 June 2026. The net book value of real estate on the consolidated balance sheet (which includes the Banco Montepio Group's real estate funds, that are fully consolidated) amounted to 108 million euros, corresponding to a ratio of less than 0.5% of net assets. It should be noted that, for prudential purposes, the Group has been allocating additional capital to cover the risk of real estate assets recorded on the consolidated balance sheet. Therefore, the risk exposure to real estate on the consolidated balance sheet (which includes the Banco Montepio Group's real estate funds, which are fully consolidated), taking this allocation into account, stands at €18.6 million, representing 1% of total equity (compared to 4% in December 2025).

PENSION FUND RISK

The Pension Fund's risk results from the potential devaluation of the asset portfolio or the decrease in the respective expected returns, as well as the increase in liabilities as a result of the evolution of the different actuarial assumptions. Faced with scenarios of this type, Banco Montepio will have to make unforeseen contributions in order to maintain the benefits defined by the Pension Fund.

The regular analysis and monitoring of the management of Banco Montepio's Pension Fund are the responsibility of the Financial Risk Committee (CRF). In addition, the Risk Division produces monthly reports detailing the evolution of the market value of the Pension Fund's portfolio and its respective risk indicators. .

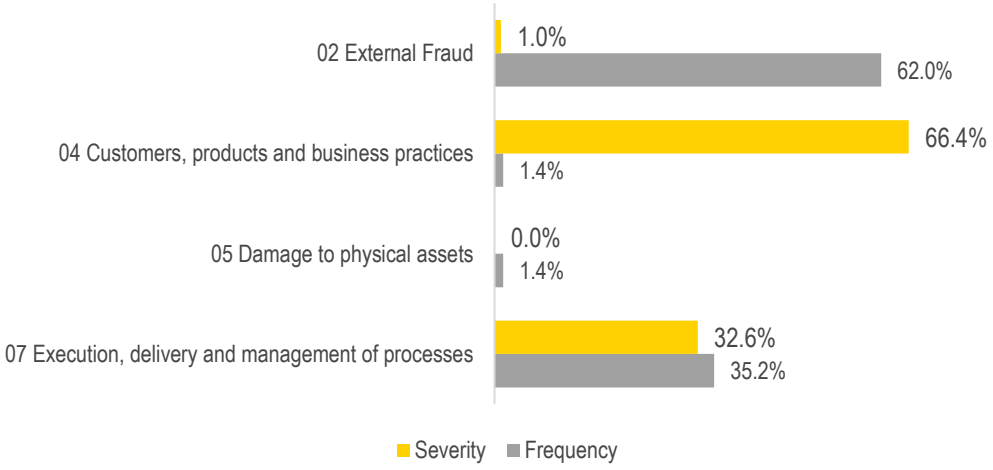
At 30 June 2026 (half-year end), the Pension Fund's accumulated negative actuarial deviations stood at €183.2 million (€188.1 million in 2025), reflecting the effect of maintaining the discount rate of 4.30% in 2025 and in June 2026, while the coverage of total liabilities by the Fund's assets, reflected in a funding ratio of 110%, mitigated the impact on the capital ratios.

OPERATIONAL RISK

Operational risk corresponds to the probability of negative impacts on results or capital resulting from failures or inadequacies in internal processes, human resources, or information and technology systems. It also includes potential losses resulting from external events.

Banco Montepio applies the standard method for quantifying own funds requirements associated with operational risk, supported by an operational risk management system based on the pillars of identifying, assessing, monitoring, controlling, and measuring this type of risk.

Operational Risk Typologies by Frequency and Severity
June 2026



The operational risk management model implemented follows the principle of the 3 lines of defence, in alignment with the Bank's internal control system.

The corporate function of operational risk management at Banco Montepio is ensured by the DRE, with the support of designated contacts in the different organisational units, responsible for the proper implementation of the defined framework.

The systematic assessment of the operational risk profile in new products, processes, and systems, as well as its regular monitoring, allows for the early identification and mitigation of potential risks, contributing to proactive management.

One of the key aspects of operational risk management lies in its early identification whenever products, processes, or systems are introduced or revised. This process is complemented by rigorous monitoring of the defined action plans, with the aim of mitigating the occurrence of risks that occur most frequently or are most severe, as well as those with high residual value identified during self-assessment exercises.

Monitoring

As part of Banco Montepio's Operational Risk monitoring framework, Key Risk Indicators (KRIs) are tracked to monitor the exposure drivers associated with the key risks, these indicators support the measurement and monitoring of risk appetite and enable the anticipation of potential losses through the implementation of preventive actions. To this end, the defined limits were regularly monitored, and action plans were promoted in the cases where these limits were surpassed. These indicators are reported quarterly in the Operational Risk Report and presented to the Risk Committee and the Executive Committee.

Self-assessment of Operational Risks

The operational risk management cycle implemented at Banco Montepio is based on the preparation of a map of activities, operational risks and their respective controls, making it possible to identify the risk exposure of the different organisational units, define the respective risk profile and support the prioritisation of the necessary mitigation actions.

Operational risks are classified according to the categories defined in the Basel II regulations, with their identification and assessment, together with the identification and assessment of the associated controls, carried out periodically through self-assessment exercises developed collaboratively between the representatives of the respective organisational units and the DRE.

Based on the results of these self-assessments, which evaluate risks in terms of impact and frequency, and controls in terms of effectiveness, the residual risk matrix is built. This approach makes it possible to identify the risks that exceed the tolerance levels defined by Banco Montepio, promoting the implementation of appropriate mitigation measures and the continuous strengthening of the internal control environment.

Business Continuity Management

Business Continuity Management at the Bank is based on a Business Continuity Management System (SGCN), developed with reference to the ISO 22301 standard and integrated into the Institution's Operational Resilience model. This system aims to ensure the capacity for prevention, response and recovery in the face of disruptive events, guaranteeing the continuity of critical processes and essential services, in accordance with the defined service levels and recovery objectives.

The SGCN is based on a structured, continuous improvement approach, supported by the periodic performance of business impact analyses, risk assessments, the definition of continuity strategies, and the implementation of response and recovery procedures, as well as by exercises and tests designed to validate the effectiveness of the measures adopted.

The Operational Resilience Committee (COMRO), a delegated body of the Executive Committee, monitors the implementation and evolution of the SGCN, ensuring oversight of business continuity initiatives, monitoring of risks and vulnerabilities with potential impact on critical processes and promotion of the improvement actions deemed appropriate. This governance structure contributes to strengthening organisational resilience and to protecting customers, essential services and other stakeholders.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) RISK

Information and communication technology (ICT) risk is part of the universe of non-financial risks monitored by Banco Montepio, becoming increasingly relevant in view of the high digitalisation of banking activity, the growing dependence on technological infrastructures and the sophistication of cyber and technological threats.

ICT risk is understood as the risk of losses arising from the inadequacy or failure of information systems, technological processes or ICT resource management, including events likely to compromise the confidentiality, integrity, availability or authenticity of systems and data, as well as from the lack of agility in adapting information technology (IT) to new requirements or changes in the operating context, within reasonable timeframes and costs.

ICT risk management is based on an integrated approach to governance, control and monitoring, involving various structures of the Bank. The DRE plays a central role, assuming overall responsibility for coordinating activities related to digital operational resilience and ICT risk. The Cybersecurity Department of the Resilience Division (DRE-DCS) centralises skills and resources for implementing a robust security risk mitigation framework and defining incident response plans. The Information Systems Division ensures the operationalisation of technical controls, the management of the technological infrastructure, and the implementation of corrective and preventive measures. These areas work in close coordination with the Operational and ICT Risk Department of the Resilience Division (DRE-DRO), ensuring an integrated and coordinated approach to ICT risk management.

Regulation (EU) 2022/2554 on digital operational resilience for the financial sector (DORA) consolidated the regulatory framework applicable to ICT risk management, establishing harmonised requirements on governance, incident management, digital operational resilience testing, management of risk associated with third-party ICT service providers and sharing of information related to cyber threats.

In this context, throughout 2025 and 2026, Banco Montepio continued to prioritise strengthening its digital operational resilience capacity, promoting initiatives to consolidate the ICT risk management model and to continuously align with regulatory requirements and international best practices.

Noteworthy in this context is the launch of the project to evolve the ICT Incident Management model, considered one of the fundamental pillars of digital operational resilience. The project aims to strengthen the Bank's ability to identify, classify, respond to and report incidents in a consistent and traceable manner, aligned with the requirements of DORA and relevant international frameworks, contributing to greater organisational maturity in ICT risk and cybersecurity management.

ESG RISKS

The guiding principles adopted by Banco Montepio regarding ESG risk aim to ensure alignment with the expectations referenced in the European Central Bank - Guide on climate-related and environmental risks, published in November 2020. These expectations cover four fundamental dimensions: a) business model and strategy; b) governance and risk appetite; c) risk management; and d) disclosures.

Climate change and extreme weather events can have significant impacts on companies and banks, materialising through different categories of risk. These include credit risk, arising from the inability of borrowers to meet their financial obligations; market risk, associated with fluctuations in asset prices and markets; liquidity risk, resulting from increased funding needs; and operational risk related to disruptions to business operations caused by extreme weather events. Thus, climate risks manifest themselves mainly through the traditional financial and non-financial risks to which institutions are exposed.

ESG risks are based on the assessment of the environmental, social and governance dimensions. Environmental risks – which comprise "climate and environmental risk via physical risk" and "climate risk via transition risk" – are defined in Banco Montepio's Risk Taxonomy and are individually identified and assessed as part of the risk materiality assessment process. Likewise, social and governance risks are defined in Banco Montepio's Risk Taxonomy, under the designations of "social risk" and "governance risk":

- Climate and environmental risk via physical risk: refers to the financial impact of climate change, including the more frequent occurrence of extreme weather events and gradual climate change, as well as environmental degradation, including air, water and soil pollution, pressure on water resources, biodiversity loss and deforestation;
- Climate-related and environmental risk via transition risk: refers to an institution's financial losses, which may result, directly or indirectly, from the adjustment process towards a low-carbon and more environmentally sustainable economy. This risk can be triggered, for example, by a relatively abrupt adoption of climate and environmental policies, by technological progress or by changes in market sentiment and preferences;
- Social risk: the risk of any negative financial impact to the institution arising from the current or prospective impacts of social factors on its counterparties or invested assets. This risk can be triggered for example by inequality, non-compliance with basic human rights, non-compliance with labour rights;
- Governance risk: the risk of any negative financial impact to the institution arising from the current or prospective impacts of governance factors on its counterparties or invested assets. This risk can be triggered, for example, by attempts at corruption involving Customers or by data protection failures.

With the aim of integrating ESG factors into risk management, Banco Montepio has developed and implemented processes, methodologies and tools that make it possible to identify, assess, manage and monitor the impact of these factors on the Institution's overall risk profile, in coordination with the framework and policies already established for financial and non-financial risks, including the formalisation of the ESG Risk Management Policy, which defines the principles, responsibilities and mechanisms applicable to their management.

ESG risks are characterised by a tendency to materialise over longer horizons than those considered in the management of traditional risks, thus requiring an approach suited to this time dimension. In the context of physical risks, acute events can generate immediate impacts and require short-term measures, while chronic risks and transition risks require a medium and long-term perspective, based on information gathering, continuous assessment and permanent monitoring.

With a view to strengthening the integration of ESG factors into the risk management and assessment process, Banco Montepio contracted an ESG data platform, including ESG scores for a portfolio of companies, with an emphasis on SMEs. These scores are integrated into the Corporate Risk Assessment Model (MARE) and the institutional databases (Statistical Analysis System, SAS and Microsoft Fabric), contributing to a more comprehensive assessment of companies' risk profiles.

In addition, the Bank joined the SIBS – ESG platform: Sustainability Platform for Companies, which provides information and questionnaires on various ESG topics, with a particular focus on greenhouse gas (GHG) emissions, physical risks and the European Taxonomy. In addition, a protocol was signed with ADENE – Energy Agency, which allows access to the buildings' energy certification database, providing relevant information on energy class and efficiency, the contribution of renewable energies, carbon dioxide emissions and other indicators associated with energy performance.

With the aim of strengthening the control of ESG risks, Banco Montepio periodically prepares an internal report – the ESG Risk Report – which characterises the corporate portfolio based on the respective ESG risk classes. This analysis incorporates the ESG scores as well as the assessment of exposure to physical risks, GHG emissions, event analyses and social risks. In addition, the Bank has been strengthening the disclosure of qualitative and quantitative information within the scope of Market Discipline and the Sustainability Report, with the following initiatives standing out:

- Calculation of the Green Asset Ratio (GAR), disclosing disaggregated information on the eligibility of exposures and their alignment with the European Taxonomy, within the scope of the environmental objectives of climate change mitigation and adaptation;
- Presentation of detailed information on the energy efficiency of properties provided as collateral, assessed on the basis of energy consumption (kWh/m^2) and the corresponding energy performance certificate class, using estimation methodologies whenever the information is not available;
- Assessment and reporting of the banking book's exposure to climate-related physical risks, through a proprietary methodology based on the geographical location of borrowers, breaking down the amounts and assets at risk by type of acute and chronic physical risk. This analysis covers exposures to non-financial corporations, exposures secured by real estate and repossessed properties, including a breakdown by sector of economic activity (NACE classification);
- Calculation of financed GHG emissions, including the scope 1, 2 and 3 emissions of counterparties, expressed in tonnes of CO_2 equivalent. The estimation of these emissions is mostly based on methodologies specifically developed for this purpose, seeking to ensure alignment with the guidelines of the Partnership for Carbon Accounting Financials (PCAF);
- The set of alignment metrics was also strengthened, with increased granularity of portfolio analysis and improved identification and monitoring of exposure to transition risks associated with climate change.

More information on the approach and mechanisms for managing ESG risks can be found in the Market Discipline document.

Within the overall risk management structure of the Banco Montepio Group, the materiality of ESG risks is assessed, and an internal policy is in place that establishes the principles and guidelines for their management. This policy defines the ESG risk governance and management model, aligned with the principle of the three lines of defence, incorporating mechanisms for monitoring and reporting risk exposure. In addition, risk tolerance limits are defined, integrated into the Bank's risk appetite framework. In this RAS context, the limit established for exposure to the sectors with the highest greenhouse gas emissions intensity

(Top 7 GHG Emissions) stands out. The RAS also includes a set of relevant indicators for monitoring ESG risks, which have been subject to continuous updating and improvement. In this regard, the following stand out: the average ESG score of the corporate portfolio, the carbon intensity of the non-financial corporate portfolio, physical risk indicators, namely exposure at risk (Exposure at Risk – EaR), the proportion of the loan portfolio granted to social sector institutions, and the representation of the under-represented gender on management bodies and among first-line senior management positions.

Considering the business model of the Banco Montepio Group, credit risk is identified as the main channel through which ESG risks influence traditional risks. This assessment stems from the low exposure to market risk, the Institution's robust liquidity position, supported by comfortable levels of liquidity reserves (buffers), and the low historical occurrence of losses associated with operational risk events.

In this context, and as part of the Banco Montepio Group's risk management framework, the use of the climate scenarios developed by the NGFS (Network for Greening the Financial System) was strengthened to support the identification and assessment of ESG risks considered material. These scenarios make it possible to assess the potential impact of the materialisation of climate risks on portfolio quality and credit losses arising from these risks, considering three time horizons: short term (up to 3 years), medium term (up to 8 years) and long term (up to 30 years).

The Banco Montepio Group uses three climate scenarios developed by the NGFS – "Current Policies", "Net Zero 2050" and "Delayed Transition" – to support the assessment of the materiality of climate risks and the analysis of their potential impacts on the Institution's risk profile.

The Banco Montepio Group integrated climate sensitivity analyses into the ICAAP and ILAAP exercises, with the aim of assessing the resilience of capital and liquidity levels to the materialisation of adverse climate scenarios. These analyses demonstrate that the economic capital requirements associated with traditional risks remain adequate to absorb the impacts arising from climate risks. The results obtained show that the Group has robust levels of capital and liquidity to face potential losses affecting equity associated with climate events.

In addition, Banco Montepio integrated climate and environmental factors into the market risk monitoring process (Market Risk Report) by defining and implementing ESG risk criteria and limits in its investment policy, reinforcing the consideration of these factors in investment decisions and risk management. The Bank includes climate risk analysis in risk opinions for a set of high-value credit operations, in which a sensitivity analysis is carried out against the climate risk indicators monitored in the RAS.

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP)

The internal capital adequacy assessment process (ICAAP) is an essential component in the risk management of Banco Montepio Group, which seeks to ensure an analysis of the evolution occurred in the practices of qualitative and quantitative assessment of the risks to which the Group is exposed, the appraisal of the internal controls and effects which enable mitigating the exposure to risk, the simulation of adverse situations with impacts on the Group's solvency and the assessment of the adequacy of internal capital.

Banco Montepio's ICAAP exercise is conducted at a consolidated level with the following main objectives:

- Promote it as a tool to support strategic decision-making in the Group;
- Fostering a risk culture that encourages the participation of the entire organisation in the management of internal capital (management body, planning and business areas and internal control functions);
- Assure the adequacy of the internal capital in relation to its risk profile and its risk and business strategies;
- Assure an appropriate identification, quantification, control and mitigation of the material risks to which the Group is exposed;

- Assure the suitable documentation of the demonstrated results, by reinforcing the integration of the risk management processes in the risk culture of the Group and in the decision-making processes; and
- Foresee a contingency plan to assure the management of the activity and the adequacy of the internal capital in the event of a recession or crisis.

The results of the ICAAP enable investigating whether the Group's capitalisation is, in a sustainable form, adequate to the risks derived from its activity. This capital adequacy is assessed based on the comparison between the available internal capital and the economic capital requirements, taking into account the risk appetite level established by the Board of Directors.

In the first phase, based on quantitative and qualitative criteria, the material risks to which the Banco Montepio Group's activity is subject are identified based on an internal risk taxonomy, in alignment with Banco de Portugal Instruction no. 18/2020. All risks identified as material that present a requirement exceeding 1% of Internal Capital, and the risks considered under Basel Pillar I, regardless of whether they are considered material or not, are integrated into the ICAAP process.

At a second stage, the material risks are modelled with a view to the quantification of the respective economic capital requirements, based on an extremely adverse scenario in line with the defined risk appetite level. The risks are thus incorporated through add-ons to the regulatory capital, whether via increased capital requirements for risks covered in Pillar I or via incorporation of capital requirements for other risks.

The result of the capital adequacy assessment is supplemented by the values obtained through reverse stress tests and under stress test scenarios. The objective is to assess the Banco Montepio Group's capacity to absorb unexpected losses, and potential contingency plans must be identified to address possible domestic capital shortages, duly aligned with other capital planning exercises, namely the Funding and Capital Plan and the Recovery Plan.

In line with the normalisation of Banco Montepio's risk profile as a result of the successful conclusion of the Adjustment Plan, no significant changes in the materiality of the various types of risk are anticipated. Additionally, the Funding and Capital Plan foresees measures that will enable strengthening the Group's solvency levels.

STRESS TESTS

Pursuant to the regulatory terms, the Group conducts stress tests, under the Group's Recovery Plan, the Internal Liquidity Adequacy Assessment Process (ILAAP) and the Internal Capital Adequacy Assessment Process (ICAAP) submitted to Banco de Portugal.

The Group's Recovery Plan involves analysis and measurement of impacts derived from adverse scenarios, considering systemic events, idiosyncratic events of the Group and a combination of both. This analysis gave rise to a series of strategic options and recovery measures to be placed in practice in order to assure the preservation and solidity of the Group's levels of capital, liquidity, profitability and operating activities, in the event of being faced with situations of contingency or financial crisis.

The ILAAP provides the Board of Directors, Executive Committee and supervisory body with an appropriate overview of the evolution of the liquidity and funding risk profile, as well as overall exposure to risk. Moreover, it also provides information on the available liquidity sources and the adequacy of liquidity of the Banco Montepio Group.

In order to assess capital insufficiency during periods of stress, ICAAP included the definition of a series of stress tests (reverse stress tests and adverse scenarios) on the risk quantification models and capital adequacy. The outcome of these tests enables confirming the adequacy of internal capital levels to the tested adverse scenarios.

In addition to the stress tests reported to Banco de Portugal, the Group regularly carries out other impact studies aimed at providing an analytical vision of its position in terms of liquidity, net income for the year and capital when subject to adverse scenarios arising from alterations in risk factors such as interest rates, credit

spreads, repayment of deposits, margins of assessment of eligible assets applied by the ECB, ratings (of the Group and counterparties), portfolio loss ratios, collateral, among others.

The stress tests and analyses of adverse scenarios are disclosed and debated with the Group's management, with the conclusions drawn being subsequently incorporated in the strategic decision-making processes, more precisely in the determination of levels of solvency, liquidity, exposure to specific risks (counterparty and price risks) and overall risks (interest rate, exchange rate and liquidity risks).

The mechanisms and tools used during the stress tests supported Banco Montepio's management under this scenario, namely in the more immediate effects in terms of liquidity and market risks.

Banco Montepio has contingency and business continuity plans for crisis situations, in order to mitigate the impacts on the operational and business component.

RISK RATINGS

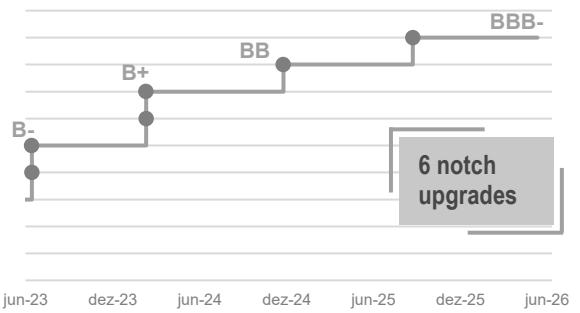
At 30 June 2026, the ratings of Banco Montepio's senior preferred debt and long-term deposits assigned by the three rating agencies were investment grade, reflecting the strengthening of the Institution's financial strength and risk profile.

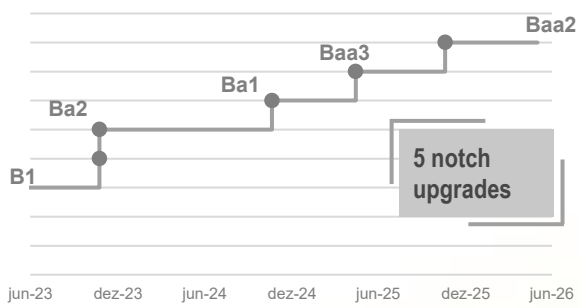
The successive improvements in the risk ratings assigned by the three rating agencies reflect the independent recognition of Banco Montepio's structural evolution in recent years. The consistent execution of transformation initiatives, the improvement in operational efficiency, the reduction of non-performing assets, the strengthening of recurring profitability and capitalisation, as well as the maintenance of robust liquidity levels, contributed to a sustained improvement in the Institution's risk profile.

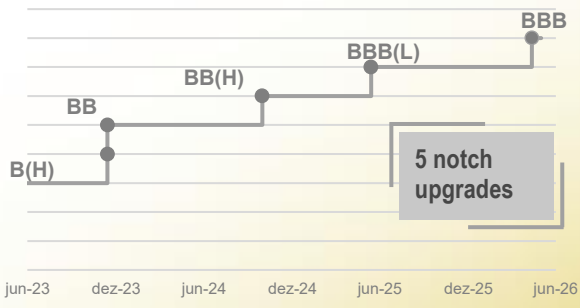
The favourable assessments assigned by Fitch Ratings, Moody's and Morningstar DBRS also show Banco Montepio's ability to consolidate the progress achieved, strengthen its financial resilience and position itself solidly for future growth.

Agency	Financial instrument	31/Dec/25	30/Jun/26
Fitch Ratings	Covered Bonds[1]	AAA	**AAA**
	Long Term[2]	BBB-	**BBB-**
	Customer Deposits	BBB	**BBB+**
	Outlook	Stable	**Stable**
Moody's	Covered Bonds [1]	Aaa	**Aaa**
	Long Term [2]	Baa2	**Baa2**
	Customer Deposits	A3	**A3**
	Outlook	Stable	**Stable**
Morningstar DBRS	Long Term [2]	BBB (low)	**BBB**
	Customer Deposits	BBB	**BBB (high)**
	Outlook	Stable	**Positive**

Senior unsecured debt rating







(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 and Long-term Senior Debt rating by DBRS.*

The rating actions that occurred during the first half of 2026 are detailed as follows:

- In May 2026, Morningstar DBRS upgraded the rating of senior unsecured debt (Senior Unsecured debt) to BBB, improving the outlook to positive (Positive Trend). This was the third rating upgrade in the last two years, totalling three notches, consolidating its investment grade status.

  The ratings for long-term deposits (Long-Term Deposits) were also revised upwards to BBB (high); for long-term issuer (Long-Term Issuer Rating) and long-term senior debt (Long-Term Senior Debt) to BBB; and for subordinated debt (Subordinated Debt) to BB (high).

  According to Morningstar DBRS, the upgrade decision reflected the progress achieved by Banco Montepio in reducing balance sheet risk, improving the portfolio's risk profile, strengthening profitability and capitalisation, and demonstrating its ability to sustain adequate levels of profitability in a context of gradual normalisation of interest rates, supported by a resilient domestic macroeconomic environment.

  The agency also highlighted the significant reduction in the stock of non-performing assets, the strengthening of the capital position through organic generation and a solid funding and liquidity profile, supported by a stable and granular customer deposit base.

- In May 2026, Fitch Ratings (Fitch) upgraded the Deposits rating (Long-Term Deposits Rating) to BBB+. This upgrade followed the update of Fitch's methodology applied to banks operating in jurisdictions with developed resolution regimes, such as Portugal, resulting in greater differentiation between the ratings assigned to deposits and senior preferred debt eligible for MREL. Fitch recognised a higher level of deposit protection, resulting from the depositor protection regime in place in Portugal.

- After the end of the first half, on 27 August 2026, Fitch revised the Outlook associated with the Long-Term Issuer Default Rating ("IDR") from Stable to Positive, which reflects its expectation of a structural improvement in Banco Montepio's earnings generation capacity and risk profile.

Banco Montepio's return to investment grade and the consolidation of this status by the three rating agencies is a structural milestone, independently validating the robustness of the business model, the effectiveness of the transformation measures implemented and the sustainable reduction of balance sheet risk. This unanimous recognition reinforces the Bank's credibility among investors, Customers and financial markets, thereby broadening and facilitating access to funding sources on more favourable terms, supporting the execution of the strategic plan and contributing to sustained value creation for all stakeholders.

REPORT AND ACCOUNTS

REGULATORY INFORMATION

1ST HALF 2026

Banco Montepio

CONSOLIDATED FINANCIAL STATEMENTS

Banco Montepio

Interim Condensed Consolidated Balance Sheet on 30 June 2026

(Euro thousand)

	Jun 2026	Dec 2025
Assets		
Cash and deposits at central banks	988 708	1 256 047
Loans and deposits to credit institutions payable on demand	65 057	59 357
Other loans and advances to credit institutions	297 258	463 105
Loans and advances to customers	13 566 473	12 836 821
Financial assets held for trading	26 397	13 855
Financial assets at fair value through profit or loss	99 808	99 145
Financial assets at fair value through other comprehensive income	502 375	505 556
Hedging derivatives	1 227	23 434
Other financial assets at amortized cost	4 409 142	3 835 870
Investments in associated companies	-	5 197
Non-current assets held for sale	347	41
Investment properties	28 605	32 807
Other tangible assets	193 008	194 740
Intangible assets	68 553	68 482
Current tax assets	514	755
Deferred tax assets	245 693	261 599
Other assets	207 602	202 323
Total Assets	20 700 767	19 859 134
Liabilities		
Deposits from other credit institutions	720 260	756 553
Deposits from customers	16 562 552	16 063 759
Debt securities issued	1 005 934	688 410
Financial liabilities held for trading	5 936	5 870
Hedging derivatives	31 966	28 031
Provisions	11 847	12 904
Current tax liabilities	7 733	1 433
Other subordinated debt	257 326	270 084
Other liabilities	295 580	256 231
Total Liabilities	18 899 134	18 083 275
Equity		
Share capital	1 214 810	1 214 810
Legal reserve	229 719	217 697
Fair value reserves	8 275	9 699
Other reserves and Retained earnings	290 388	229 873
Consolidated net income for the period attributable to the Shareholder	58 441	103 780
Total Equity	1 801 633	1 775 859
Total Liabilities and Equity	20 700 767	19 859 134

Banco Montepio

Interim Condensed Consolidated Income Statement
for the six months period ended on 30 June 2026

(Euro thousand)

	Jun 2026	Jun 2025
Interest and similar income	283 272	300 636
Interest and similar expense	111 631	133 449
Net interest income	171 641	167 187
Dividends from equity instruments	1 238	569
Net fee and commission income	69 103	65 755
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	672	(5 200)
Net gains/(losses) arising from financial assets at fair value through other comprehensive income	1 326	731
Net gains/(losses) arising from exchange differences	940	(1 267)
Net gains/(losses) arising from sale of other financial assets	3 561	9 071
Other operating income/(expense)	(14 102)	(10 893)
Total operating income	234 379	225 953
Staff costs	81 955	79 838
General and administrative expenses	38 765	37 714
Depreciation and amortization	25 638	25 442
Total operating costs	146 358	142 994
Impairment of loans and advances to customers and to credit institutions	1 026	(7 994)
Impairment of other financial assets	549	133
Impairment of other assets	4 594	6 780
Other provisions	(1 010)	(1 479)
Operating income	82 862	85 519
Share of profits/(losses) booked under the equity method	(405)	(349)
Profit/(loss) before income tax	82 457	85 170
Income Tax		
Current	(7 596)	(1 351)
Deferred	(16 420)	(13 142)
Consolidated net profit/(loss) for the period	58 441	70 677

ALTERNATIVE PERFORMANCE MEASURES

On 5 October 2015, the European Securities and Markets Authority published a set of guidelines – ESMA/2015/1415 – addressing the disclosure of information by entities, other than States, whose securities are admitted to trading on a regulated market and to which is required the disclosure of information as set out by the Transparency Directive 2004/109/EC of the European Parliament and of the Council.

These guidelines are mandatory for issuers as of 3 July 2016 and aim to promote transparency and clarify the usefulness of the indicators used by the issuers to measure their performance - Alternative Performance Measures (APM), contributing to improve the comparability, credibility and understanding of the APM presented.

This chapter serves the purpose of complying with ESMA guidelines on Alternative Performance Measures regarding the financial information of the first half of 2026, with references to the various chapters of this Report.

BALANCE SHEET AND EXTRAPATRIMONIALS

SECURITIES PORTFOLIO AND OTHER FINANCIAL ASSETS	
Definition	Sum of the items 'Financial assets held for trading', 'Financial assets at fair value through other comprehensive income', 'Other financial assets at amortised cost', and 'Financial assets at fair value through profit or loss'.
Relevance	Assess the relative weight of this item from an assets' structure perspective.
Reference to FSNO	(notes 22, 23, 24, 26)

Components and calculus

(thousand euros)

	Jun-25	Dec-25	Jun-26
Financial assets held for trading	38 178	13 855	26 397
Financial assets at fair value through other comprehensive income	344 151	505 556	502 375
Other financial assets at amortised cost	3 587 782	3 835 870	4 409 142
Financial assets at fair value through profit or loss*	101 035	99 145	99 808
Securities portfolio and other financial assets* (a + b + c + d)	4 071 146	4 454 426	5 037 722
Total net assets	19 235 016	19 859 134	20 700 767
%Securities portfolio and other financial assets (e / f)	**21.2%**	**22.4%**	**24.3%**

* Includes instruments at fair value through profit or loss, namely credits that do not meet the SPPI tests (Solely Payments of Principal and Interest).

OTHER INVESTMENTS

Definition	Total net assets excluding 'Cash and deposits at central banks and loans and advances to credit institutions', 'Loans to Customers, 'Financial assets held for trading', 'Financial assets at fair value through other comprehensive income', 'Other financial assets at amortised cost', and 'Financial assets at fair value through profit or loss'.
Relevance	Assess the relative weight of this item compared to Loans to Customers and Securities portfolio from an assets' structure perspective.
Reference to FSNO	(notes 18, 19, 20, 21, 22, 23, 24, 26)

Components and calculus

(thousand euros)

		Jun-25	Dec-25	Jun-26
(a)	Total net assets	19 235 016	19 859 134	20 700 767
(b)	Cash and deposits at central banks and loans and advances to credit institutions	1 949 931	1 778 509	1 351 023
(c)	Net loans to customers	12 348 767	12 836 821	13 566 473
(d)	Financial assets held for trading	38 178	13 855	26 397
(e)	Financial assets at fair value through other comprehensive income	344 151	505 556	502 375
(f)	Other financial assets at amortised cost	3 587 782	3 835 870	4 409 142
(g)	Financial assets at fair value through profit or loss	101 035	99 145	99 808
(h)	Other investments (a - b - c - d - e - f - g)	865 172	789 378	745 549
	% of Other investments (h / a)	**4.5%**	**4.0%**	**3.6%**

DEBT ISSUE

Definition	Sum of the balance sheet items 'Debt securities issued' and 'Other subordinated debt'.
Relevance	Assess the relative weight of this item from a funding structure perspective.
Reference to FSNO	(notes 36, 38)

Components and calculus

(thousand euros)

		Jun-25	Dec-25	Jun-26
(a)	Debt securities issued	710 266	688 410	1 005 934
(b)	Other subordinated debt	261 779	270 084	257 326
(c)	Debt issued (a + b)	972 045	958 494	1 263 260
(d)	Total liabilities	17 492 717	18 083 275	18 899 134
	% of Debt issued (c / d)	**5.6%**	**5.3%**	**6.7%**

COMPLEMENTARY RESOURCES

Definition	Total liabilities excluding 'Central bank resources and OCI, 'Customer resources', 'Debt securities issued' and 'Other subordinated debt'.
Relevance	Assess the relative weight of this item compared to Customer resources and Debt issued from a funding structure perspective.
Reference to FSNO	(notes 34, 35, 36, 38)

Components and calculus

(thousand euros)

	Jun-25	Dec-25	Jun-26
Total liabilities	17 492 717	18 083 275	18 899 134
Central bank resources and OCI	587 631	756 553	720 260
Customer resources	15 589 928	16 063 759	16 562 552
Debt securities issued	710 266	688 410	1 005 934
Other subordinated debt	261 779	270 084	257 326
Complementary resources (a - b - c - d - e)	343 113	304 469	353 062
%of Complementary resources (f / a)	**2.0%**	**1.7%**	**1.9%**

OFF-BALANCE SHEET RESOURCES

Definition	Assets under management by the Groups' subsidiaries being a constituent part of Total Customers resources. Excluding securities investment funds and real estate investment funds included in the Bank's own portfolio.
Relevance	Contribute to the analysis of the evolution of Total Customers resources.
Reference to FSNO	(note 47)

Components and calculus

(thousand euros)

		Jun-25	Dec-25	Jun-26
(a)	Securities investment funds	493 431	596 006	662 663
(b)	Real estate investment funds	821 180	906 177	932 317
(c)	Pension funds	359 316	408 331	435 129
(d)	Capitalization Insurance	20 211	20 066	19 858
	Off-balance sheet resources (a + b + c + d)	**1 694 137**	**1 930 580**	**2 049 968**

INCOME STATEMENT

COMMERCIAL NET INTEREST INCOME

Definition	Results arising from interest received on loans granted to Customers and interest paid on Customer resources.
Relevance	Assess the evolution of the banking activity of financial intermediation between granting loans and deposit taking.
Reference to FSNO	(note 2)

Components and calculus

(thousand euros)

		Jun-25	Dec-25	Jun-26
(a)	Interest received from loans to customers	257 732	491 402	235 707
(b)	Interest paid on customers' deposits	97 043	181 186	80 821
	Commercial net interest income (a - b)	**160 689**	**310 216**	**154 886**

OPERATING COSTS

Definition	Sum of Staff costs, General and administrative expenses and Depreciation and amortisation.
Relevance	Assess the evolution of Operating costs underlying the development of banking activity.
Reference to FSNO	(notes 10, 11, 12)

Components and calculus

(thousand euros)

		Jun-25	Dec-25	Jun-26
(a)	Staff costs	79 838	161 228	81 955
(b)	General and administrative expenses	37 714	77 887	38 765
(c)	Depreciation and amortisation	25 442	50 910	25 638
	Operating costs (a + b + c)	**142 994**	**290 025**	**146 358**

RESULTS FROM THE COMMERCIAL ACTIVITY

Definition	Sum of Commercial net interest income and Net fees and commissions, subtracted by Operating costs required to develop the business.
Relevance	Assess the evolution of the core banking activity.
Reference to FSNO	(notes 2, 4, 10, 11, 12)

Components and calculus

(thousand euros)

		Jun-25	Dec-25	Jun-26
(a)	Commercial net banking income	160 689	310 216	154 886
(b)	Net commissions	65 755	132 818	69 103
(c)	Operating costs	142 994	290 025	146 358
	Results from the commercial activity (a + b - c)	**83 450**	**153 009**	**77 631**

RATIOS

EFFICIENCY RATIO: COST TO INCOME, WITHOUT SPECIFIC IMPACTS

Definition	Operating efficiency ratio measured by the portion of the total operating income that is absorbed by operating costs, excluding results from financial operations, the net gains / (losses) arising from the sale of other financial assets and the other operating income / (expenses).
Relevance	Assess the evolution of operating efficiency underlying the banking activity, removing the volatility effect of results from financial operations, the net gains / (losses) arising from the sale of other financial assets and the other operating income / (expenses).
Reference to FSNO	(notes 5, 6, 7, 8, 9, 10, 11, 12)

Components and calculus

(thousand euros)

		Jun-25	Dec-25	Jun-26
(a)	Total operating income	225 953	450 127	234 379
(b)	Results from financial operations (i + ii + iii)	(5 736)	(11 414)	2 938
(i)	Net gains / (losses) from financial assets and liabilities at fair value through profit or loss	(5 200)	(12 075)	672
(ii)	Net gains / (losses) from financial assets at fair value through other comprehensive income	731	1 335	1 326
(iii)	Net gains / (losses) from foreign exchange differences	(1 267)	(674)	940
(c)	Other income (iv + v)	(1 822)	(2 920)	(10 541)
(iv)	Net gains / (losses) arising from the sale of other financial assets	9 071	10 817	3 561
(v)	Other operating income / (expenses)	(10 893)	(13 737)	(14 102)
(d)	Operating costs, excluding specific impacts [1)]	143 079	289 348	146 118
	Cost-to-Income, excluding specific impacts ((d) / (a - b - c))	**61.3%**	**62.3%**	**60.4%**

1) Excluding the amount related to one-off costs associated with staff costs of €-0.1 million in Jun-25, €0.7 million in Dec-25 and €0.2 million in Jun-26, related to early retirement and mutually agreed terminations.

COST OF CREDIT RISK

Definition	Ratio that measures the cost recognized in the period, recorded as loan impairment in the income statement, to cover the risk of default of loans granted to Customers.
Relevance	Assess the quality of the loan portfolio given the cost borne with the risk of loan default.
Reference to FSNO	(notes 13, 21)

Components and calculus

(thousand euros)

	Jun-25	Dec-25	Jun-26
Impairment of loans and advances to customers and to credit institutions (annualized[1])	(16 120)	(6 059)	2 069
Average gross loans to customers[2]	12 333 460	12 520 691	13 362 879
Cost of credit risk (a / b)	**-0.13%**	**-0.05%**	**0.02%**

1) Annualized values considering the total number of days elapsed and total days of the year.
2) Average balance for period.

RATIO OF LOANS AND INTEREST OVERDUE BY MORE THAN 90 DAYS

Definition	Ratio that assesses the quality of the loan portfolio.
Relevance	Measure the proportion of credit and interest overdue for more than 90 days in relation to the total loan portfolio.
Reference to FSNO	(note 21)

Components and calculus

(thousand euros)

		Jun-25	Dec-25	Jun-26
(a)	Loans and interest overdue by more than 90 days	83 233	68 651	107 027
(b)	Gross loans to customers	12 542 948	13 013 929	13 743 606
	Ratio of loans and interest overdue by more than 90 days (a / b)	**0.7%**	**0.5%**	**0.8%**

COVERAGE OF LOANS AND INTEREST OVERDUE BY MORE THAN 90 DAYS BY IMPAIRMENT FOR BALANCE SHEET

Definition	Ratio that measures the proportion of impairment for loans accumulated on the balance sheet in relation to the total amount of loans and interest overdue by more than 90 days.
Relevance	Assess the institution's ability to absorb potential losses arising from loans and interest overdue by more than 90 days.
Reference to FSNO	(note 21)

Components and calculus

(thousand euros)

		Jun-25	Dec-25	Jun-26
(a)	Impairment for credit risk (balance sheet)	194 181	177 108	177 133
(b)	Loans and interest overdue by more than 90 days	83 233	68 651	107 027
	Coverage of loans and interest overdue by more than 90 days (a / b)	**233.3%**	**258.0%**	**165.5%**

NPL RATIO (NON-PERFORMING LOANS / GROSS LOANS TO CUSTOMERS)

Definition	Ratio that measures the quality of the loan portfolio.
Relevance	Measure the proportion of non-performing loans (NPL - non-performing loans, according to the EBA definition and considering the total accounting item 'Loans to Customers', which includes secured credit, such as commercial paper and bond loans) in relation to the total Customer loans portfolio.
Reference to FSNO	(nota 21, 51)

Components and calculus

(thousand euros)

		Jun-25	Dec-25	Jun-26
(a)	Stock of Non-performing loans	236 430	212 267	220 415
(b)	Gross loans to customers	12 542 948	13 013 929	13 743 606
	Non-performing loans / Gross loans to customers (a / b)	**1.9%**	**1.6%**	**1.6%**

COBERTURA DE *NON-PERFORMING LOANS* POR IMPARIDADE TOTAL PARA RISCOS DE CRÉDITO EM BALANÇO

Definition	Ratio that measures the proportion of impairment for loans accumulated on the balance sheet in relation to the balance of non-performing loans (NPL, according to the EBA definition and considering the total accounting item 'Loans to Customers', which includes secured credit, such as commercial paper and bond loans).
Relevance	Assess the institution's capacity to absorb potential losses arising from the NPL portfolio.
Reference to FSNO	(notes 21, 51)

Components and calculus

(thousand euros)

		Jun-25	Dec-25	Jun-26
(a)	Impairment for credit risk (balance sheet)	194 181	177 108	177 133
(b)	Stock of Non-performing loans	236 430	212 267	220 415
	Coverage of Non-performing loans by Impairment for credit risk (a / b)	**82.1%**	**83.4%**	**80.4%**

NON-PERFORMING LOANS COVERAGE BY IMPAIRMENTS FOR STAGE 3

Definition	Ratio that measures the proportion of impairment for stage 3 loans in relation to the balance of non-performing loans (NPL, according to the EBA definition and considering the total accounting item 'Loans to Customers', which includes secured credit, such as commercial paper and bond loans).
Relevance	Assess the institution's capacity to absorb potential losses arising from the NPL portfolio.
Reference to FSNO	(note 51)

Components and calculus

(thousand euros)

		Jun-25	Dec-25	Jun-26
(a)	Impairment for loans in stage 3	106 854	102 603	110 500
(b)	Stock of Non-performing loans	236 430	212 267	220 415
	Coverage of Non-performing loans by Impairment for loans in stage 3 (a / b)	**45.2%**	**48.3%**	**50.1%**

NON-PERFORMING LOANS COVERAGE BY TOTAL IMPAIRMENT FOR BALANCE SHEET LOANS AND ASSOCIATED COLLATERALS AND FINANCIAL GUARANTEES	
Definition	Ratio that measures the proportion between the sum of the impairment for loans accumulated on the balance sheet and associated collaterals and financial guarantees in relation to the balance of non-performing loans (NPL, according to EBA's definition and considering the total accounting item 'Loans to Customers', which includes secured credit, such as commercial paper and bond loans).
Relevance	Assess the institution's capacity to absorb the potential losses arising from the NPL portfolio.
Reference to FSNO	(notes 21, 51)

Components and calculus

(thousand euros)

		Jun-25	Dec-25	Jun-26
(a)	Impairment for credit risk (balance sheet)	194 181	177 108	177 133
(b)	Associated collaterals and financial guarantees	91 870	59 217	64 336
(c)	Stock of Non-performing loans	236 430	212 267	220 415
	Coverage of Non-performing loans by Impairment for credit risk and associated collaterals and financial guarantees ((a + b) / c)	**121.0%**	**111.3%**	**109.6%**

FORBORNE EXPOSURES / GROSS CUSTOMER LOANS	
Definition	Ratio that measures the quality of the loan portfolio.
Relevance	Measure the proportion of Forborne exposures (according to EBA's definition) in relation to the total loan portfolio.
Reference to FSNO	(notes 21, 53)

Components and calculus

(thousand euros)

		Jun-25	Dec-25	Jun-26
(a)	Stock of Forborne exposures	171 060	123 404	121 276
(b)	Gross customer loans	12 542 948	13 013 929	13 743 606
	Forborne exposures / Gross loans to customers (a / b)	**1.4%**	**0.9%**	**0.9%**

GLOSSARY

ATM: Automated Teller Machine.

BIRD: Banks' Integrated Reporting Dictionary - European data model and harmonized dictionary, promoted within the Eurosystem, which standardizes concepts, structures and transformation rules to support the production of statistical, prudential and resolution reports with greater consistency, quality and reduced redundancy.

CET1 ratio: ratio between Common equity tier 1 capital and Risk-weighted assets.

CET1: Common Equity Tier 1.

Commercial net interest income: corresponds to the difference between the Income received from Loans and advances granted to Customers and the Interest paid on Customer deposits.

Complementary resources: sum of the balance sheet headings of "Financial liabilities held for trading", "Hedge derivatives", "Provisions", "Current tax liabilities" and "Other liabilities".

Core operating income: sum of the income statement headings of "Net interest income" and "Net fees and commissions".

Cost of credit risk: ratio between the income statement heading of "Impairment of loans and advances to Customers and credit institutions" (annualised value) and the average balance of Loans to Customers (gross).

Coverage of loans and interest overdue by more than 90 days by Impairment for balance sheet loans: ratio between Impairment for accumulated loans (book value) and total Loans and interest overdue by more than 90 days.

CRR: Capital Requirements Regulation.

Databricks: technological platform for data and analytics used for processing, transforming, integrating, and exploring data in a cloud environment.

Debt issued: sum of the balance sheet heading of "Liabilities represented by securities" and "Other subordinated liabilities".

EBA: European Banking Authority.

EMTN: Euro Medium Term Note Programme.

EUCs: End User Computing - applications, files, and databases developed and maintained by business users, including, for example, spreadsheets, macros, Access databases, scripts, or low/no-code dashboards.

Fully implemented: refers to the full implementation of the prudential rules established in the legislation in force in the European Union, that were produced based on the standards defined by the Basel Committee on Banking Supervision, in the agreements known as Basel II and Basel III.

IAS: International Accounting Standards.

ICAAP: Internal Capital Adequacy Assessment Process.

IFRS: International Financial Reporting Standards.

ILAAP: Internal Liquidity Adequacy Assessment Process.

Impairments and provisions: sum of the income statement headings of "Impairment of loans and advances to Customers and credit institutions", "Impairment of other financial assets", "Impairment of other assets" and "Other provisions".

kWh/m²: Kilowatt-hours per square metre is a unit of measurement used to quantify the energy efficiency of a given space or building.

LCR ratio: Liquidity Coverage Ratio. Ratio between the Buffer of net assets and the Net outflows in a stress period of 30 days.

Leverage ratio: ratio between Tier 1 own funds and Non-weighted exposure.

Liquidity buffer: Sum of the aggregate amount of the balance sheet item "Cash and deposits at 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

Loans and interest overdue by more than 90 days: corresponds to Loans with principal instalments or interest in arrears for a period of more than 90 days.

Loans to Customers (gross): corresponds to Loans to Customers before deducting Impairment for credit risks (book value).

Loans to Customers (net): corresponds to Loans to Customers (gross) after deducting Impairment for credit risks (book value).

LTV ratio: Loan-to-value ratio, referring to the ratio between the value of the loan and the value of the real estate property given as collateral.

MREL: Minimum Requirement for own funds and eligible liabilities.

Net interest income: difference between the income statement headings of "Interest and similar income" and "Interest and similar expenses".

NPL coverage by Total impairment for balance sheet loans and associated collateral and financial guarantees: ratio between the sum of the total accumulated impairment for loans (book value) and their associated collateral and financial guarantees and the balance of non-productive loans (NPL, as defined by the EBA).

NPL coverage by Total impairment for balance sheet loans: ratio between the sum of the total accumulated impairment for loans (book value) and the balance of non-productive loans (NPL, as defined by the EBA).

NPL ratio: ratio between the non-performing loans (NPL, as defined by the EBA) and total Loans to Customers (gross).

NPL: Non-performing loans (as defined by the EBA).

NSFR ratio: Net stable funding ratio. Ratio between available stable funding and required stable funding.

OCR: Overall capital requirements.

Off-balance sheet Customer resources: corresponds to the Disintermediation resources managed by the Group's companies (assets under management), excluding securities investment funds and real estate investment funds in its own portfolio, i.e., the sum of the Securities investment funds and Real estate investment funds, Pension funds and Capitalisation insurance.

Operating costs: sum of the income statement headings of "Staff costs", "General and administrative expenses" and "Depreciation and amortisation".

Operating income before impairment: sum of the income statement headings of "Net interest income", "Net fees and commissions", "Income from equity instruments", "Results from financial operations", "Other operating income" and "Net gains from the sale of other assets", subtracted by "Staff costs", "General and administrative expenses" and "Depreciation and amortisation".

Other impairments and provisions: sum of the income statement headings of "Impairment of other financial assets", "Impairment of other assets" and "Other provisions".

Performing loans: corresponds to Loans to Customers (gross) after deducting non-performing exposures (as defined by the EBA).

Ratio of forborne exposures: Ratio between deferred exposures (forborne exposures, as defined by the EBA) and Loans to Customers (gross).

Ratio of loans and interest overdue by more than 90 days: Ratio between Loans and interest overdue by more than 90 days and Loans to Customers (gross).

Results from commercial activity: difference between the income statement headings of “Interest and similar income” and “Interest and similar expenses” plus “Net fees and commissions”, from which are subtracted the headings “Staff costs”, “General and administrative expenses” and “Depreciation and amortisation”.

Results from financial operations: sum of the income statement headings of “Net gains/(losses) from financial assets and liabilities at fair value through profit or loss”, “Net gains/(losses) from financial assets at fair value through other comprehensive income” and “Net gains/(losses) from foreign exchange difference”.

ROA: Return On Assets.

ROE: Return On Equity.

RWA: Risk-Weighted Assets.

Securities portfolio: sum of the balance sheet headings of “Financial assets held for trading”, “Financial assets at fair value through other comprehensive income”, “Other financial assets at amortised cost” and “Financial assets at fair value through profit or loss”.

Tier 1 ratio: ratio between Tier 1 own funds and Risk-weighted assets.

Total capital ratio: ratio between Total own funds and Risk-weighted assets.

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

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

REPORT AND ACCOUNTS

ACCOUNTS, NOTES TO THE ACCOUNTS AND OPINIONS

1ST HALF 2026

Banco Montepio

REPORT AND ACCOUNTS

ACCOUNTS AND NOTES TO THE INTERIM CONDENSED CONSOLIDATED ACCOUNTS

1ST HALF 2026

Banco Montepio

Banco Montepio

Interim Condensed Consolidated Income Statement
for the six months period ended on 30 June 2026

(Euro thousand)

	Notes	Jun 2026	Jun 2025
Interest and similar income	2	283 272	300 636
Interest and similar expense	2	111 631	133 449
Net interest income	2	171 641	167 187
Dividends from equity instruments	3	1 238	569
Net fee and commission income	4	69 103	65 755
Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss	5	672	(5 200)
Net gains/(losses) arising from financial assets at fair value through other comprehensive income	6	1 326	731
Net gains/(losses) arising from exchange differences	7	940	(1 267)
Net gains/(losses) arising from sale of other financial assets	8	3 561	9 071
Other operating income/(expense)	9	(14 102)	(10 893)
Total operating income		234 379	225 953
Staff costs	10	81 955	79 838
General and administrative expenses	11	38 765	37 714
Depreciation and amortization	12	25 638	25 442
Total operating cost		146 358	142 994
Impairment of loans and advances to customers and to credit institutions	13	1 026	(7 994)
Impairment of other financial assets	14	549	133
Impairment of other assets	15	4 594	6 780
Other provisions	16	(1 010)	(1 479)
Operating income		82 862	85 519
Share of profits/(losses) booked under the equity method	17	(405)	(349)
Profit/(loss) before income tax		82 457	85 170
Income Tax			
Current	32	(7 596)	(1 351)
Deferred	32	(16 420)	(13 142)
Consolidated net profit / (loss) for the period		58 441	70 677
Earnings per share (in Euro)			
Basic		0,0241	0,0292
Diluted		0,0241	0,0292

THE CHIEF ACCOUNTANT

THE BOARD OF DIRECTORS

Banco Montepio

Interim Condensed Consolidated Statement of Comprehensive Income
for the six months period ended on 30 June 2026

(Euro thousand)

	Notes	Jun 2026	Jun 2025
Items that may be reclassified to the Income Statement			
Fair value reserves			
Financial assets at fair value through other comprehensive income			
Debt Instruments	42	(1 959)	(2 364)
Taxes related to fair value changes	32 and 42	513	710
		(1 446)	(1 654)
Items that will not be reclassified to the Income Statement			
Fair value reserves			
Financial assets at fair value through other comprehensive income			
Equity instruments	42	22	(43)
Remeasurements of post-employment and long term benefits	46	4 837	34 025
Tax effects of changes in post-employment and other long-term benefits	32	-	(4 452)
		4 859	29 530
Other comprehensive income/(loss) for the period		3 413	27 876
Consolidated net income for the period		58 441	70 677
Total consolidated comprehensive income/(loss) for the period		61 854	98 553

THE CHIEF ACCOUNTANT

THE BOARD OF DIRECTORS

Banco Montepio

Interim Condensed Consolidated Balance Sheet on 30 June 2026

(Euro thousand)

	Notes	Jun 2026	Jun 2025
Assets			
Cash and deposits at central banks	18	988 708	1 256 047
Loans and deposits to credit institutions payable on demand	19	65 057	59 357
Other loans and advances to credit institutions	20	297 258	463 105
Loans and advances to customers	21	13 566 473	12 836 821
Financial assets held for trading	22	26 397	13 855
Financial assets at fair value through profit or loss	23	99 808	99 145
Financial assets at fair value through other comprehensive income	24	502 375	505 556
Hedging derivatives	25	1 227	23 434
Other financial assets at amortized cost	26	4 409 142	3 835 870
Investments in associated companies	27	-	5 197
Non-current assets held for sale	28	347	41
Investment properties	29	28 605	32 807
Other tangible assets	30	193 008	194 740
Intangible assets	31	68 553	68 482
Current tax assets	32	514	755
Deferred tax assets	32	245 693	261 599
Other assets	33	207 602	202 323
Total Assets		20 700 767	19 859 134
Liabilities			
Deposits from other credit institutions	34	720 260	756 553
Deposits from customers	35	16 562 552	16 063 759
Debt securities issued	36	1 005 934	688 410
Financial liabilities held for trading	22	5 936	5 870
Hedging derivatives	25	31 966	28 031
Provisions	37	11 847	12 904
Current tax liabilities	-	7 733	1 433
Other subordinated debt	38	257 326	270 084
Other liabilities	39	295 580	256 231
Total Liabilities		18 899 134	18 083 275
Equity			
Share capital	40	1 214 810	1 214 810
Legal reserve	41	229 719	217 697
Fair value reserves	42	8 275	9 699
Other reserves and Retained earnings	42	290 388	229 873
Consolidated net income for the period attributable to the Shareholder		58 441	103 780
Total Equity		1 801 633	1 775 859
Total Liabilities and Equity		20 700 767	19 859 134

THE CHIEF ACCOUNTANT

THE BOARD OF DIRECTORS

To be read with the notes attached to the Interim Consolidated Financial Statements

Banco Montepio

Interim Condensed Consolidated Statement of Cash Flows
for the six months period ended on 30 June 2026

(Euro thousand)

	Jun 2026	Jun 2025
Cash arising from operating activities		
Interest income received	273 889	296 928
Interest expense paid	(138 382)	(164 772)
Commission received	81 306	80 620
Commission expense paid	(12 212)	(14 877)
Costs with staff and suppliers	(116 287)	(112 808)
Recovery of loans and interest	3 069	5 717
Other payments and receivables	3 287	13 214
Income tax payment	(1 054)	(934)
	93 616	103 088
(Increases)/Decreases in operating assets		
Loans and advances to credit institutions and customers	(562 289)	(463 689)
(Purchase)/Sale of financial assets held for trading	7 967	3 183
Purchase)/Sale of financial assets at fair value through profit or loss	1 403	(1 217)
Purchase)/Sale of financial assets at fair value through other comprehensive income	3 010	(41 551)
(Purchase)/Sale of other assets at amortized cost	(571 619)	(110 737)
Other assets	32 191	39 565
	(1 089 337)	(574 446)
Increases/(decreases) in operating liabilities		
Deposits from customers	502 062	642 574
Deposits from credit institutions	(36 377)	(19 569)
	465 685	623 005
	(530 036)	151 647
Cash from investing activities		
Dividends received (note 3)	1 238	569
(Purchase) / Sale of investments in associated companies	1 573	-
Increases/ (decreases) non-current assets and liabilities held for sale	(351)	(37)
Purchase of fixed assets (notes 30 and 31)	(25 034)	(22 849)
	(22 574)	(22 317)
Cash from financing activities		
Capital increase	-	-
Dividends paid (note 43)	(36 080)	(30 613)
(Issuance) / Redemption of cash bonds and subordinated debt (notes 36 and 38)	332 361	133 407
Lease Contracts	(6 249)	(5 047)
	290 032	97 747
Effects of exchange rate changes on cash and cash equivalents	940	(1 267)
Net change in cash and cash equivalents	(261 638)	225 810
Cash and cash equivalents at the beginning of the period		
Cash and deposits at central banks (note 18)	1 256 047	1 474 538
Loans and advances to credit institutions payable on demand (note 19)	59 357	49 769
	1 315 404	1 524 307
Cash and cash equivalents at the end of the period		
Cash and deposits at central banks (note 18)	988 708	1 691 166
Loans and advances to credit institutions payable on demand (note 19)	65 057	58 951
	1 053 765	1 750 117

THE CHIEF ACCOUNTANT

THE BOARD OF DIRECTORS

Banco Montepio

Consolidated Statement of Changes in Equity
for the six months period ended on 30 June 2026

(Euro thousand)

	Share Capital (note 40)	Legal Reserve (note 41)	Fair value Reserve (Note 42)	Other reserves and Retained earnings (Note 42)	Consolidated net income/ (loss) for the period	Total Shareholders Equity
Balance on 31 December 2024	**1 210 000**	**207 487**	**11 890**	**135 095**	**109 887**	**1 674 359**
Application of net income in 2024						
Legal reserve	-	10 210	-	-	(10 210)	-
Transfer to reserves and retained earnings	-	-	-	69 064	(69 064)	-
Dividends paid	-	-	-	-	(30 613)	(30 613)
Other comprehensive income:	-	-	(1 697)	29 573	-	27 876
Remeasurements in the period (note 46)	-	-	-	34 025	-	34 025
Changes in fair value of debt instruments	-	-	(2 364)	-	-	(2 364)
Changes in the fair value of capital instruments	-	-	(43)	-	-	(43)
Taxes on changes in fair value (note 32 and 42)	-	-	710	-	-	710
Taxes related to remeasurements changes of defined benefits plans (note 32)	-	-	-	(4 452)	-	(4 452)
Consolidated net income for the period	-	-	-	-	70 677	70 677
Total comprehensive income for the period	-	-	(1 697)	29 573	70 677	98 553
Balance on 30 June 2025	**1 210 000**	**217 697**	**10 193**	**233 732**	**70 677**	**1 742 299**
Other comprehensive income:	-	-	(494)	951	-	457
Remeasurements in the period (note 46)	-	-	-	52	-	52
Changes in fair value of debt instruments	-	-	(529)	-	-	(529)
Changes in the fair value of capital instruments	-	-	(720)	-	-	(720)
Taxes on changes in fair value (note 32 and 42)	-	-	755	-	-	755
Realized gains on capital instruments	-	-	-	899	-	899
Consolidated net income for the period	-	-	-	-	33 103	33 103
Total comprehensive income for the period	-	-	(494)	951	33 103	33 560
Capital increase related to READ	4 810	-	-	(4 810)	-	-
Balance on 31 December 2025	**1 214 810**	**217 697**	**9 699**	**229 873**	**103 780**	**1 775 859**
Application of net income in 2025						
Legal reserve	-	12 022	-	-	(12 022)	-
Transfer to reserves and retained earnings	-	-	-	55 678	(55 678)	-
Dividends paid	-	-	-	-	(36 080)	(36 080)
Other comprehensive income:	-	-	(1 424)	4 837	-	3 413
Remeasurements in the period (note 46)	-	-	-	4 837	-	4 837
Changes in fair value of debt instruments	-	-	(1 959)	-	-	(1 959)
Changes in the fair value of capital instruments	-	-	22	-	-	22
Taxes on chnages in fair value (note 32 and 42)	-	-	513	-	-	513
Consolidated net income for the period	-	-	-	-	58 441	58 441
Total comprehensive income for the period	-	-	(1 424)	4 837	58 441	61 854
Balance on 30 June 2026	**1 214 810**	**229 719**	**8 275**	**290 388**	**58 441**	**1 801 633**

THE CHIEF ACCOUNTANT

THE BOARD OF DIRECTORS

To be read with the notes attached to the Interim Consolidated Financial Statements

Introduction

Caixa Económica Montepio Geral, caixa económica bancária, S.A. (hereinafter "Banco Montepio"), with registered office at Rua Castilho, no. 5, 1250-066, Lisbon, is a credit institution majority held by Montepio Geral Associação Mutualista (hereinafter "MGAM") which was incorporated on 24 March 1844. Banco Montepio is authorized to operate in accordance with Decree-Laws no. 298/92, of 31 December, and no. 136/79, of 18 May, which regulate the activity of savings banks and establish some restrictions to their activities. Banco Montepio is authorized to perform banking operations in addition to those mentioned in its By-laws, if generally authorized by the Bank of Portugal. This fact leads to the practice of banking operations in general.

On 10 September 2015, Decree-Law no. 190/2015 was published, introducing amendments in the Legal Framework of Credit Institutions and Financial Companies and in the Mutual Association Code. Following the publication of this Decree-Law, Banco Montepio changed its classification to "caixa económica bancária".

On 14 September 2017, the By-laws deed was executed, transforming Caixa Económica Montepio Geral into a public limited company, changing its legal name to Caixa Económica Montepio Geral, caixa económica bancária, S.A.

The financial statements of Banco Montepio are consolidated in the financial statements of MGAM. As at 30 June 2026, the following entities integrate the Banco Montepio Group [(1)]:

Montepio Holding, S.G.P.S, S.A.

Montepio Holding integrates companies carrying out a set of varied activities, including the rendering of complementary financial services in the specialized consumer credit and long-term rental areas, as well as in real estate trading and management.

As at 30 June 2026, Montepio Holding, S.G.P.S. holds financial shareholdings corresponding to 100% of the share capital and voting rights of Montepio Investimento, S.A. (hereinafter "BEM"), of Montepio Crédito – Instituição Financeira de Crédito, S.A. (Montepio Crédito) and of Ssagincentive, Sociedade de Serviços Auxiliares e de Gestão de Imóveis, S.A. (Ssagincentive).

Montepio Crédito – Instituição Financeira de Crédito, S.A.

Montepio Crédito, fully controlled by Montepio Holding, SGPS, in turn wholly owned by Banco Montepio, is the Banco Montepio Group entity dedicated to the origination and management of the specialized credit offer, a segment framed within the axes of Banco Montepio Group's Strategic Plan, reflecting the focus on consumer credit. Montepio Crédito's activity is centred on making available solutions for Individuals in the Automobile, Healthcare, Automobile Repairs, Telecommunications and Furniture areas, and for Corporates and Social Economy institutions in the Logistics, Water, Transport, Energy, Energy Efficiency and Industry areas.

Banco de Empresas Montepio

Montepio Investimento, S.A. ("BEM"), 100% controlled by Montepio Holding, SGPS, which, in turn, is fully owned by Banco Montepio, had its activity integrated in Banco Montepio in November 2023, within the scope of the Banco Montepio Group's governance structure simplification and operating model optimization (note 56).

Ssagincentive, Sociedade de Serviços Auxiliares e de Gestão de Imóveis, S.A.

Ssagincentive, 100% controlled by Montepio Holding, SGPS, which, in turn, is wholly owned by Banco Montepio, has as its object the trading and management of real estate, including the acquisition for resale of real estate acquired by the Banco Montepio Group companies as a result of the recovery of own credit. It is also responsible for the acquisition, management and possible resale of real estate under litigation initiated by the Banco Montepio Group companies.

CESource

The purpose of this Grouping, 18.0% held by Banco Montepio, is to provide specialized services in the area of information technologies, contributing, through the optimization of such management, to the improvement of the conditions and means of the exercise or result of the economic activities of the members of this Grouping.

Montepio Serviços, A.C.E.

The Agrupamento Montepio Serviços, A.C.E. (Grouping) has as its object to improve the conditions for the exercise and the results of the economic activities of the grouped members, essentially aiming to optimize resources, achieve greater operational efficiency and obtain economies of scale through the elimination of replicated cost structures.

(1) On 13 May 2026, the 20.0% shareholding held by Banco Montepio in the entity H.T.A. – Hotéis, Turismo e Animação dos Açores, S.A., the main activity of which is the promotion, execution, operation and management of any tourism activities and investments, was disposed of.

1 Accounting Policies

a) Bases of presentation

The consolidated financial statements of the Banco Montepio Group (hereinafter “Group”) have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as endorsed by the European Union (“EU”), in compliance with Regulation (EC) no. 1606/2002 of the European Parliament and the Council, of 19 July and Notice no. 5/2015 of the Bank of Portugal, of 7 December. IFRS comprise accounting standards issued by the International Accounting Standards Board (“IASB”) as well as interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and their predecessor bodies.

The Group´s consolidated financial statements and the notes refer to the period ended 30 June 2026 and were approved by the Board of Directors of Banco Montepio on 29 September 2026.

The financial statements presented were prepared for recognition and measurement purposes in accordance with the IFRS approved by the European Union and in force on 1 January 2026, applying, in particular, IAS 34 – Interim Financial Reporting (“IAS 34”). Consequently, these financial statements do not include all the information required for the preparation of separate financial statements prepared in accordance with IFRS, as adopted by the European Union, and should therefore be read in conjunction with the financial statements for financial year ended 31 December 2025.

The consolidated financial statements are presented in Euro, rounded to the nearest thousand, with all references to any accounting standards always relating to the respective version in force on the reporting date. These financial statements were prepared on the going concern, accrual and historical cost principles, as modified by the application of fair value for derivative financial instruments, financial assets and liabilities recognized at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and investment properties.

Financial assets and liabilities subject to hedge accounting are stated at fair value in respect of the risk that is being hedged. The remaining financial assets and liabilities, as well as non-financial assets and liabilities, are recorded at amortized or historical cost. Non-current assets held for sale are recorded at the lower of their carrying amount or fair value less costs to sell.

The preparation of the financial statements in accordance with IFRS requires the Board of Directors to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and assumptions used are based on historical experience and other factors that are believed to be reasonable under the circumstances, constituting the basis for making the judgments about the book values of assets and liabilities that are not readily apparent from other sources. The actual results may differ from the estimates made. The main estimates and assumptions involving a higher degree of judgment or complexity, or for which the assumptions are considered to be significant, are described in the accounting policy described in note x).

b) Bases of consolidation

The consolidated financial statements now presented reflect the assets, liabilities, income and expenses of Banco Montepio and its subsidiaries ("Group"), as well as the part of the results attributable to the Group derived from its financial investments in Associates and the respective book value of these financial investments measured under the equity method, for the half year ended 30 June 2026 and financial year ended 31 December 2025.

Subsidiaries

Subsidiaries are entities controlled by the Group (including investment funds and securitization vehicles). The Group controls an entity when it is exposed, or has rights, to variable returns derived from its involvement with this entity, can appropriate these through the power it holds over the entity's relevant activities (de facto control) and has the ability to allocate these variable returns through the power it holds over the entity's relevant activities. As established in IFRS 10, the Group analyses the objective and the structuring of the manner the operations of an entity are developed in evaluating the control over same. The financial statements of the subsidiaries are consolidated by the full consolidation method from the moment the Group acquires control until the moment that control ceases. The interests of third parties in these Companies are presented in the caption Non-controlling interests.

Accumulated losses are attributed to non-controlling interests in the respective proportion, implying that the Group can recognize negative non-controlling interests.

In a step acquisition process resulting in the acquisition of control, the revaluation of any shareholding (elsewhere in this document also referred to as "investment" or "interest") previously acquired is booked against the income statement when the goodwill is calculated. On a partial disposal resulting in loss of control over a subsidiary, the shareholding retained is revalued at market value on the sale date and the gain or loss resulting from this revaluation is booked against the income statement.

Subsidiaries' accounting policies are changed, whenever necessary, to ensure that these are consistently applied by all Group Companies.

Associates

Associates are accounted for under the equity method as from the date the Group acquires significant influence until the date it ceases to have such influence. Associates are entities in respect of which the Group has significant influence, but not control, over the financial and operating policy decisions of the investee. It is assumed that the Group has significant influence when it holds, directly or indirectly, 20% or more of the voting rights of the investee. If the Group holds, directly or indirectly, less than 20% of the voting rights of the investee, it is presumed that the Group does not have significant influence, unless such influence can be clearly demonstrated.

The existence of significant influence being held by the Group is usually evidenced, namely, through one or more of the following ways:

- representation on the Board of Directors or equivalent management body of the investee;
- participation in policy-making processes, including participation in decisions involving dividends or other distributions;
- material transactions between the Group and the investee;
- interchange of management personnel; and
- provision of essential technical information.

The consolidated financial statements include the part that is attributable to the Group of the total reserves and results of the associates accounted for under the equity method. In applying the equity method, unrealized gains or losses on transactions between the Group and its Associates are eliminated. Associates' accounting policies are changed, whenever necessary, to ensure that these are consistently applied by all Group Companies. When the Group's share of attributable losses exceeds its interest in an Associate, the book value of the investment, including any medium- or long-term interest in that Associate, is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has incurred in a legal or constructive obligation to assume these losses on behalf of an associated company.

Special purpose entities

The Group consolidates by the full consolidation method certain special purpose entities, namely vehicles and funds created as part of securitization operations, set up specifically to fulfil a narrow and well-defined objective, when the substance of the relationship with such entities indicates that the Group exercises control over their activities, i.e. when it holds most of the risks and rewards associated with their activities, namely through bonds issued with a greater degree of subordination.

Goodwill

Business combinations are recorded using the purchase method. The acquisition cost corresponds to the fair value, determined at the purchase date, of the assets transferred and the liabilities incurred or assumed. Costs directly related to the acquisition of a subsidiary are recognized directly in the income statement. The positive goodwill that results from acquisitions is recognized as an asset and carried at acquisition cost, not being subject to amortization. Goodwill arising on the acquisition of shareholdings in subsidiaries and associates is defined as the difference between the total value or the cost of the acquisition and the total or corresponding share of the fair value of the assets, liabilities and contingent liabilities of the investee, respectively, depending on the option taken. When at the date of acquisition of control, the Group already holds a previously acquired shareholding, the fair value of such shareholding contributes to the determination of the goodwill or badwill. Negative goodwill arising on an acquisition is recognized directly in the income statement in the financial year the business combination occurs. The recoverable value of the goodwill is assessed annually, regardless of the existence of any impairment triggers. Impairment losses determined are recognized in the income statement for the financial year. The recoverable value is determined based on the highest between the value in use of the assets and their fair value less costs to sell, calculated using valuation methodologies supported by discounted cash-flow techniques, considering market conditions, the time value of money and the business risks.

Goodwill is allocated to the cash-generating units to which it belongs for the purpose of carrying out impairment tests, which are performed at least once a year. Goodwill impairment losses are not reversible. When the Group reorganizes its activity, implying a change in the composition of its cash-generating units, to which goodwill has been allocated, the allocation of the goodwill to the new cash-generating units is revised whenever there is a rationale for such. The reallocation is made applying a relative fair value approach, of the new cash-generating units resulting from the reorganization. Goodwill is not adjusted in function of the final determination of the contingent purchase price paid, with such difference being booked in the income statement, or reserves if applicable, when the determination of the final contingent price occurs one year after

the acquisition of control of the business, or if the determination of this price occurs less than one year after the referred date, when the adjustments relate to information obtained in respect of facts occurring after the date of the acquisition.

Acquisition and dilution of non-controlling interests

The acquisition of non-controlling interests that does not impact the control position of a subsidiary is accounted for as a transaction with shareholders and, as such, additional goodwill resulting from this transaction is not recognized. The difference between the acquisition cost and the fair value of the non-controlling interests acquired is recognized directly in reserves. Likewise, the gains and losses resulting from the sale of non-controlling interests, that does not impact the control position of a subsidiary, are always recognized against reserves.

Loss of control

The gains and losses resulting from the dilution or sale of part of a shareholding in a subsidiary, with loss of control, are recognized in the income statement.

On dilutions of controlling interests not resulting in a loss of control, the difference between the acquisition cost and the fair value of the non-controlling interests acquired is recognized against reserves.

Balances and transactions eliminated on consolidation

Intragroup balances and transactions, as well as any unrealized gains and losses arising from these transactions, are eliminated in the preparation of the consolidated financial statements. Unrealized gains and losses arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity.

c) Financial instruments – IFRS 9

c.1) Classification of financial assets

The Group classifies its financial assets into one of the following valuation categories:

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

The classification requirements for debt and equity instruments are as follows:

c.1.1) *Debt instruments*

Debt instruments are instruments that meet the definition of financial liability from the issuer's perspective, such as loans, public and private bonds, and accounts receivable acquired from customers with non-recourse factoring contracts.

The classification and subsequent valuation of these instruments in the previous categories are based on the following two elements:

- the Group’s business model for financial asset management; and
- the characteristics of the contractual cash flows from the financial assets.

Based on these elements, the Group classifies its debt instruments for valuation purposes in one of the following three categories:

a) Financial assets at amortized cost, when the following two conditions are met:
   - they are managed under a business model which objective is the holding of financial assets to receive contractual cash flows; and
   - the contractual conditions give rise to cash flows on specific dates, which are only payments of principal and interest on the principal outstanding.

In addition to debt instruments managed based on a business model which purpose is to receive their contractual cash flows, which are recorded in the caption Other financial assets at amortized cost, the category of financial assets at amortized cost also includes Loans and advances to credit institutions and Loans and advances to customers.

b) Financial assets at fair value through other comprehensive income, when the following two conditions are met:
   - they are managed under a business model which purpose combines the receipt of contractual cash flows from financial assets and their sale; and
   - the contractual conditions give rise to cash flows on specific dates, which are only payments of principal and interest on the principal outstanding.

c) Financial assets at fair value through profit or loss, whenever due to the Group's business model or the characteristics of their contractual cash flows, it is not appropriate to classify financial assets in any of the previous categories. At the transition date, to classify financial assets in this category, the Group also considered whether it expects to recover the book value of the asset through the sale to a third party.

   This portfolio also includes all instruments in respect of which any of the following characteristics are met:
   - that were originated or acquired for the purpose of being traded in the short term;
   - that are part of a group of identified and jointly managed financial instruments for which there is evidence of recent actions aimed at achieving short-term gains; and
   - that are derivative instruments that do not meet the definition of a financial collateral agreement and have not been designated as hedging instruments.

Assessment of the business model

The business model reflects the way the Group manages its assets from a cash flow generation perspective. Therefore, it is important to understand whether the Group's objective is only to receive contractual cash flows from assets or whether it intends to receive the contractual cash flows and the cash flows from the sale of the assets. If none of these situations apply (e.g., financial assets are held for trading), then financial assets are classified as part of “another” business model and recognized at fair value through profit or loss. Factors considered by the Group in identifying the business model for a set of assets include past experience of how: (i) cash flows are received; (ii) how asset performance is assessed and reported to the management body; (iii) how risks are assessed and managed and (iv) how directors are remunerated.

Securities held for trading serve, essentially, for the purpose of being sold in the short term, or as part of a portfolio of jointly managed financial instruments, for which there is clear evidence of a recent pattern of short-term gains. These securities are classified under “other” business models and recognized at fair value through profit or loss.

The assessment of the business model does not depend on the intentions for an individual instrument, but rather for a set of instruments, considering the frequency, value, the timing of sales in previous financial periods, the reasons for such sales and the expectations regarding future sales. Near-maturity sales and those motivated by the increased credit risk of the financial assets, or to manage concentration risk, among others, may be consistent with the model of holding assets to receive contractual cash flows, if those sales are infrequent (albeit significant in value) or if they are of an immaterial value, both individually and in aggregate (even if frequent). To the effect, the Banco Montepio Group considers as immaterial sales of up to 10% of the nominal value of the sales of the portfolio and as infrequent 4 sales per year, regardless of the time interval between the transactions.

If a financial asset contains a contractual clause that may modify the timing or value of the contractual cash flows (such as early amortization or extension of the term), the Group determines whether the cash flows that will be generated during the life of the instrument, due to the exercise of said contractual clause, are only payments of principal and interest on the principal outstanding.

In the event a financial asset includes a periodic interest rate adjustment, but the frequency of such adjustment does not coincide with the reference interest rate term (for example, the interest rate is adjusted every three months), the Group assesses, on initial recognition, such inconsistency in the interest component to determine whether the contractual cash flows represent only payments of principal and interest on the principal outstanding.

Contractual conditions that, on initial recognition, have a minimal effect on cash flows or depend on the occurrence of exceptional or highly unlikely events (such as settlement by the issuer) do not preclude their classification in the portfolios at amortized cost or at fair value through other comprehensive income.

SPPI assessment

When the business model consists of holding assets for the purpose of: (i) receiving contractual cash flows or (ii) receiving contractual cash flows and selling these assets, the Group assesses whether the cash flows of the financial instrument correspond solely to payments of principal and interest on the principal outstanding (the "solely payments of principal and interest" ("SPPI") test).

In this assessment, the Group considers whether the contractual cash flows are consistent with a basic loan agreement, i.e., the interest includes only considerations regarding the time value of money, credit risk, other normal credit risks and a profit margin that is consistent with a basic loan agreement. When the contractual terms introduce risk exposure or cash flow variability that is inconsistent with a simple loan agreement, the financial instrument is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether cash flows correspond solely to payments of principal and interest on the principal outstanding ("SPPI" test).

c.2) Equity instruments

Equity instruments are instruments that meet the definition of capital from the issuer's perspective, that is, they are instruments that do not contain a contractual obligation to pay and that show a residual interest in the issuer's net assets. An example of equity instruments are the ordinary shares.

Investments in equity instruments are an exception to the general valuation criteria described above. The Group exercises the option, on initial recognition, to irrevocably designate in the category of financial assets at fair value through other comprehensive income the investments in equity instruments that are not classified as held for trading and which, in the case of not exercising said option, would be classified as assets at fair value through profit or loss.

c.3) Classification of financial liabilities

An instrument is classified as a financial liability when there is a contractual obligation for its settlement to be realized through the delivery of cash or another financial asset, regardless of its legal form. Financial liabilities are classified in the following categories:

(i) Financial liabilities at amortized cost

This category includes deposits from central banks and other credit institutions, deposits from customers, debt securities issued and other subordinated liabilities;

(ii) Financial assets held for trading

This category includes derivative financial instruments with a negative fair value, as per note 1 d);

(iii) Financial liabilities at fair value through profit or loss (Fair Value Option)

This category includes financial instruments designated by the Bank, on initial recognition, in this category provided that at least one of the following requirements is met:

- the financial liabilities are internally managed, valued and analysed based on their fair value;
- derivative operations are contracted to hedge these assets or liabilities, in this manner ensuring consistency in the valuation of assets or liabilities and the derivatives (countering accounting mismatch); and

- the financial liabilities contain embedded derivatives.

c.4) Recognition and initial valuation of financial instruments

On initial recognition all financial instruments are recorded at fair value. For financial instruments that are not recorded at fair value through profit or loss, the fair value is adjusted by adding or subtracting transaction costs directly attributable to their acquisition or issue. In the case of financial instruments at fair value through profit or loss, directly attributable transaction costs are recognized immediately in profit or loss.

Transaction costs are defined as costs directly attributable to the acquisition or disposal of a financial asset, or the issue or assumption of a financial liability, which would not have been incurred if the Group had not made the transaction. These include, for example, commissions paid to intermediaries (such as promoters) and mortgage formalization expenses.

Financial assets and liabilities are recognized in the balance sheet on the transaction date - the date on which the Group undertakes to acquire the assets, unless there is a contractual stipulation or applicable legal figure stating that the transfer of the rights occurs at a later date.

On initial recognition, when the fair value of financial assets and liabilities differs from the transaction price, the entity shall recognize this difference as follows:

- When the fair value is evidenced by the quotation in an active market of an equivalent asset or liability (i.e., level 1 inputs) or based on a valuation technique that uses only observable market data, the difference is recognized as a gain or loss; and
- In the remaining cases, the difference is deferred, and the moment of the initial recognition of the gain or loss is determined individually. This difference may then be: (i) amortized over the life of the instrument; (ii) deferred until the fair value of the instrument can be determined using observable market data or (iii) recognized through the liquidation of the asset or liability.

The Group recognizes in profit or loss the day one profit, generated primarily by the intermediation of derivative and foreign exchange financial products, since the fair value of these instruments, both on the date of initial recognition or subsequently, is determined based solely on observable market variables and reflects Banco Montepio's access to wholesale financial markets.

c.5) Subsequent valuation of financial instruments

Subsequent to initial recognition, the Group values its financial assets: (i) at amortized cost; (ii) at fair value through other comprehensive income or (iii) at fair value through profit or loss.

Amounts receivable from commercial operations that do not have a significant financing component and commercial loans and short-term debt instruments that are initially valued at transaction price or outstanding principal, respectively, are valued at said amount net of impairment losses.

Immediately after initial recognition, an impairment is also recognized for expected credit losses (ECL), of financial assets measured at amortized cost and investments in debt instruments measured at fair value through other comprehensive income, resulting in the recognition of an impairment loss when the asset is originated.

Financial liabilities are initially recorded at fair value less transaction costs incurred and subsequently at amortized cost, based on the effective interest rate method, except for financial liabilities designated at fair value through profit or loss, which are recorded at fair value.

Whenever there is a change in the estimate of future cash flows, the new estimate of future cash flows is discounted at the initially estimated effective interest rate. The difference between the sum of these new future cash flows discounted at the initially estimated effective interest rate and the amount currently on the balance sheet is recognized in the income statement. Subsequently, interest continues to be accrued based on the original effective rate considering the estimated new cash flows and the amortized cost of the recalculated liability.

c.6) Interest recognition

Interest income and expense from financial asset and liability instruments measured at amortized cost and from financial assets at fair value through other comprehensive income are recognized in interest and similar income or interest and similar expense (net interest income) using the effective interest rate method. Interest from financial assets and liabilities at fair value through profit or loss are recognized in net gains/(losses) arising from financial operations.

The effective interest rate is the rate that discounts the estimated future payments or receipts over the expected life of the financial instrument (or, where appropriate, over a shorter period) to the net present book value of the financial asset or liability.

For the determination of the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument (e.g., prepayment options) but not considering any impairment losses. The calculation includes commissions paid or received as an integral part of the effective interest rate, transaction costs and all premiums or discounts directly related to the transaction, except in respect of financial assets and liabilities at fair value through profit or loss.

Interest income related to financial instruments measured at amortized cost or a fair value through other comprehensive income and associated with contracts classified in Stage 1 or 2 is calculated by applying the effective interest rate of each contract to its gross book value, which corresponds to its amortized cost before deducting the respective impairment.

For financial assets included in Stage 3, interest is recognized in profit or loss based on their book value net of impairment. Interest is always recognized prospectively, i.e., for financial assets that enter Stage 3, interest is recognized on the amortized cost (net of impairment) in the subsequent periods.

For financial assets originated or acquired in credit impairment ("POCI"), the effective interest rate reflects the expected credit losses determined based on the expected future cash flows receivable from the financial asset.

For derivative financial instruments, except for those classified as interest rate risk hedging instruments, the interest component is not separated from the changes in their fair value, being classified in Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss. For interest rate risk hedging derivatives associated with financial assets or financial liabilities recognized in the Fair Value Option category, the interest component is recognized in interest and similar income or interest and similar expense (net interest income).

c.7) Reclassifications between financial instrument categories

Reclassifications of financial assets can only occur when the Group changes its financial asset management business model, which changes are expected to be very infrequent. In this case, all affected financial assets shall be reclassified. The reclassification shall be applied prospectively from the date of the reclassification and there shall be no restatement of any previously recognized gains, losses (including impairment gains or losses) or interest. IFRS 9 does not permit the reclassification of investments in equity instruments measured at fair value through other comprehensive income or when the fair value option has been exercised for financial assets or liabilities. Financial liabilities may not be reclassified between categories.

c.8) Modification of loans

Occasionally, the Group renegotiates or modifies contractual cash flows from loans to customers. In this situation, the Group assesses whether the new contract terms are substantially different from the original terms. The Group makes this analysis considering, among others, the following factors:

- if the debtor is in financial difficulty, whether the modification only reduces the contractual cash flows to an amount that the debtor is expected to be able to pay;
- a significant new term such as profit sharing or an equity-based return that substantially affects credit risk has been introduced;

- a significant extension of the contract maturity when the debtor is not in financial difficulty;
- a significant change in interest rate;
- a change from the currency in which the credit was contracted; and
- the inclusion of a collateral, a guarantee or another credit enhancement instrument that significantly affects the credit risk associated with the loan.

If the terms of the contract differ significantly, the Group derecognizes the original financial asset and recognizes the new asset at fair value, calculating its new effective interest rate. On the renegotiation date the initial recognition date is considered for the purpose of calculating impairment, including for the purpose of assessing whether a significant increase in credit risk has occurred. The Group also assesses whether the newly recognized financial asset is impaired on initial recognition (designating it as a financial asset acquired or originated in impairment), especially when the renegotiation is related to the fact that the debtor did not make the originally agreed payments. Differences in book value are recognized in profit or loss as a de-recognition gain or loss. Financial assets acquired or originated in impairment, do not have impairment on initial recognition. Instead, expected credit losses over the lifetime are incorporated into the calculation of the effective interest rate. Consequently, on initial recognition, the gross book value of this asset is equal to the net book value.

If the terms of the contract are not significantly different, the renegotiation, or the modification, does not result in de-recognition and the Group recalculates the gross book value based on the revised cash flows of the financial asset and recognizes a gain or loss from this modification in profit or loss. The new gross book value is recalculated by discounting the modified cash flows at the original effective interest rate.

Following the modification, the Group may determine that credit risk has significantly improved, and assets have moved from Stage 3 to Stage 2 (“ECL lifetime”) or from Stage 2 to Stage 1 (“ECL 12 months”), except for financial assets acquired or originated in impairment that are classified in Stage 3, it being that this situation can only occur when the performance of the modified asset is in accordance with the new contract terms for a period of twelve consecutive months. Additionally, the Group shall continue to monitor whether there has been a significant increase in the credit risk of these assets, applying specific models for modified assets.

c.9) *De-recognition that does not result from a modification*

Financial assets granted are derecognized when the associated cash flows are extinguished, collected or disposed of to third parties and: (i) the Group substantially transfers all risks and rewards associated with holding the asset or (ii) the Group neither transfers nor substantially holds all risks and rewards associated with holding the asset and does not have control of the asset. Gains and losses from the disposal of loans and advances to customers on a definitive basis are recorded in Gains and losses from the disposal of other assets. These gains or losses correspond to the difference between the sale value set and the book value of these assets, net of impairment losses.

The Group engages in transactions in which it has the contractual right to receive cash flows from assets but assumes a contractual obligation to channel those cash flows to other entities and substantially transfers all the risks and rewards. These transactions result in de-recognition of the asset if the Group:

- Does not have any obligation to make payments unless it receives equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Is obliged to remit any cash flow it receives from assets without material delays.

Guarantees granted by the Group (shares and bonds) through repurchase agreements and securities’ lending and borrowing operations are not derecognized because the Group substantially holds all risks and rewards based on the pre-established repurchase price, thus not meeting the de-recognition criteria. Financial liabilities are derecognized when the underlying obligation is settled, expires or is cancelled.

c.10) *Write-off policy*

The Group recognizes a loan write-off from assets when it has no reasonable expectation of fully or partially recovering that asset. This recognition occurs after all recovery actions performed by the Group turn out to be unsuccessful. Loans written off from assets are recorded in off-balance sheet accounts.

c.11) *Impairment of financial assets*

The Group determines impairment losses of debt instruments that are measured at amortized cost and fair value through other comprehensive income, as well as for other exposures that have an associated credit risk such as bank guarantees and commitments.

The requirements of IFRS 9 have as their objective to recognize expected losses from operations, assessed on an individual or collective basis, considering all reasonable, reliable, and duly substantiated information that is available, including forward-looking information.

Impairment losses of debt instruments that are measured at amortized cost are recognized against a cumulative balance sheet caption, which reduces the book value of the asset, while impairment of assets measured at fair value through other comprehensive income is recognized against other comprehensive income.

Impairment losses of loans and advances to customers and of loans and advances to credit institutions in the financial year, measured at amortized cost, are recognized in the income statement in the caption Impairment of loans and advances, while those of the remaining financial assets are recognized in the caption Impairment of other financial assets.

Impairment losses of exposures that have an associated credit risk and that are not positions recorded in assets (e.g., bank guarantees and commitments assumed) are recorded as a provision in the caption Provisions under liabilities, in the balance sheet. The allocations and reversals are recorded in the caption Other provisions in the income statement.

For the purpose of accounting for impairment losses of debt instruments, the following definitions shall be considered:

a) Credit losses: correspond to the difference between all cash flows owed to the Group, according to the contractual conditions of the financial asset, and all cash flows that the Group expects to receive (i.e., the total cash-flow shortfall), discounted at the original effective interest rate or, at the effective interest rate on the date to which the financial statements refer, when the rate is variable. For financial assets acquired or originated in impairment with credit losses, the cash flows are discounted at the effective interest rate adjusted for credit quality.

   For commitments assumed, the contractual cash flows owed to the Group that are expected to be received in the event of the use of the commitment are compared with the cash flows expected to be received on the recognition of the asset. In the case of bank guarantees, the payments that the Group expects to make less the cash flows it expects to receive from the originator are considered.

   The Group estimates cash flows considering the contractual term defined for the operations or the behavioural maturity.

   For the purpose of determining the cash flows, those arising from the sale of collateral received are also included, considering the flows that would be obtained from their sale, less the costs necessary to obtain, maintain and subsequently sell them, or other guarantees that may be part of the contractual conditions, such as financial collateral.

b) Expected credit losses: correspond to the weighted average of credit losses, using as weighting factor the probability of the occurrence of default events, considering: (i) expected credit losses over the lifetime of the operation for operations classified in Stage 2 or 3: these are the expected credit losses that result from possible default events over the expected life of the operation and (ii) expected credit losses over a twelve-month period for operations classified in Stage 1: these are part of the expected credit losses

over the life of the instrument representing the expected credit losses that result from default events of a financial instrument that may occur within the period of twelve months from the reference date.

c.12) *Impairment model of loans and advances to customers*

IFRS 9 considers the expected losses throughout the lifetime of the financial instruments. Thus, prospective macroeconomic scenarios are considered when determining ECL, which changes have an impact on expected losses.

The impairment model is applicable to the following financial instruments of Group that are not measured at fair value through profit or loss:

- Financial assets at amortized cost, including Loans and advances to customers, Loans and advances to credit institutions and Other financial assets at amortized cost;
- Financial assets classified as debt instruments at fair value through other comprehensive income; and
- Commitments and financial guarantees issued.

Impairment is not recognized on equity instruments since these are measured at fair value and the gains or losses resulting from their disposal are recognized in other comprehensive income.

Instruments that are subject to impairment calculations are divided into three Stages considering their credit risk level, as follows:

- Stage 1: no significant increase in credit risk since initial recognition. In this case, impairment losses reflect expected credit losses resulting from default events that may occur within twelve months after the reporting date;
- Stage 2: instruments for which there is a significant increase in credit risk since initial recognition, but for which there is still no objective evidence of impairment. In this case, impairment losses reflect expected credit losses resulting from default events that may occur over the expected residual life of the instrument; and
- Stage 3: instruments for which there is objective evidence of impairment as a result of events that originated losses. In this case, impairment losses reflect expected credit losses over the expected residual life of the instrument.

The calculation of impairment losses is complex and requires decisions from Management, estimates and assumptions, particularly in the following areas:

- Assessment of the existence of a significant increase in credit risk since initial recognition; and
- Incorporation of forward-looking information in the ECL calculation.

c.12.1) *Calculation of ECLs*

ECLs correspond to unbiased weighted estimates of credit losses, determined as follows:

- Financial assets in stages 1 or 2 at the reporting date: the present value of the difference between the contractual cash flows and the cash flows that Banco Montepio expects to receive;
- Financial assets in stage 3 at the reporting date: difference between the gross book value and the present value of the estimated cash flows;
- Unused credit commitments: the present value of the difference between the contractual cash flows that would result if the commitments were used and the cash flows that Banco Montepio expects to receive; and
- Financial guarantees: the present value of the expected reimbursement payments less the amounts that Banco Montepio expects to recover.

c.12.2) *Definition of default*

Banco Montepio aligned the definition used in the regulatory perspective with the accounting perspective, with financial assets classified in Stage 3 corresponding to the internal definition of default/NPL.

The main criteria for classification in default considered by Banco Montepio are the following:

- Overdue loans above the materiality limits defined for more than 90 consecutive days. For this purpose, the following materiality limits are considered: (i) relative limit of 1%; (ii) absolute limit of Euro 100 for retail exposures and Euro 500 for non-retail exposures;
- Non-performing loans, that is, when interest relating to loan obligations is no longer recognized in the financial statements due to the degradation of credit quality;
- Specific credit risk adjustment ("SCRA"), i.e., transactions/counterparties with impairment allocation on an individual basis or whose calculation strategy is gone concern;
- Sale of loan contract with losses in excess of 5%;
- Bankruptcy/insolvency/PER/PEAP/PEVE/EPR/RERE customers;
- Customers with loans written off from assets in Banco Montepio or the Central Credit Register ("CRC"), (in the case of Corporate customers); and
- Transactions with restructuring due to financial difficulties, which meet the criteria defined for the identification of defaults (e.g., irregular payments/bullets, economic loss exceeding 1%, second restructurings, delay in excess of 30 days).

c.12.3) *Significant increase in credit risk ("SICR")*

To determine if a significant increase in credit risk has occurred since the financial instrument´s initial recognition (i.e., risk of default), Banco Montepio considers as relevant information all the information available and without costs and/or excessive effort, including both quantitative and qualitative information, as well as an analysis based on Banco Montepio´s history (expert judgment).

The identification of a significant increase in credit risk is performed by comparing:

- The exposure's risk rating at the reporting date and the exposure's risk rating attributed at the initial moment of the exposure´s recognition; and
- The exposure's annualized lifetime PD at the reporting date and the lifetime PD identified at the initial moment of the exposure´s recognition.

Banco Montepio identifies the occurrence of a significant increase in credit risk when at least one of the following criteria is verified: (i) through a comparison of the actual risk rating with the risk rating attributed at the contract's inception, with the change in the risk rating necessary to identify a significant increase in credit risk being lower the higher the original rating was and (ii) when there is a change in the annualized lifetime PD since the origination and until the reporting date with an increase of 200% or 5 percentage points.

Additionally, according to IFRS 9, loans considered to have Low Credit Risk are not classified as SICR (loans with a 12 months PD, as per IFRS 9, at the reference date, of less than 0.3%), in line with the Low Default Assumption approach used within the scope of the AQRs. In market terms, counterparties with "investment grade" risk ratings are considered Low Credit Risk.

When evaluating the significant increase in credit risk, Banco Montepio also considers the existence of arrears of more than 30 days, as well as other indicators of customer behaviour vis-à-vis Banco Montepio and/or the financial system (e.g., restructurings due to financial difficulties that do not meet the criteria for classification in Stage 3, overdue credit in the Bank of Portugal's Central Credit Register ("Central de Responsabilidades de Crédito"), indicators of financial difficulties, credit events).

c.12.4) *Additional criteria for impairment rate deterioration*

Considering the likelihood of greater difficulty in the energy transition, for Customers in Stage 1 belonging to economic activity sectors with greater carbon intensity, specifically to sectors A - Agriculture, Forestry and Fisheries, C - Manufacturing industries, E - Water supply, sanitation, waste management and depollution and H - Transport and storage, the impairment rate was determined considering the lifetime PD, maintaining the Customer in Stage 1.

c.12.5) *Measurement of ECL – Collective analysis*

The main inputs used for measuring ECL on a collective basis include the following parameters:

- Probability of Default – PD;
- Loss Given Default – LGD; and
- Exposure at Default – EAD.

These parameters are obtained through internal statistic models, and other relevant historical data, based on the existing regulatory models adjusted to reflect the forward-looking information.

In a simplified way, the measurement of ECL through collective analysis results from the product of the PD of the financial asset, of the LGD and of the EAD, discounted at the original effective interest rate of the contract, or when the rate is variable, at the effective interest rate of the date to which the financial statements refer.

For securities portfolios and other assets, given their nature, the collective impairment estimation approach includes parameters provided by external sources, which consider the characteristics of the exposures (e.g., rating, type of counterparty).

The PDs are estimated based on a certain historical period and are calculated supported on statistical models. These models are based on internal data, including qualitative and quantitative factors. If a change in the risk rating of the counterparty or the exposure occurs, the estimate of the associated PD is also changed.

The following types of PD are estimated:

- 12-month PD: the probability of a default occurring in the next 12 months, considering forward-looking information for one year, applicable to contracts belonging to Stage 1;
- Lifetime PD: the probability of a default occurring during the remaining life of the credit, applicable to contracts belonging to Stage 2. In this case, lifetime parameters are used, which consider forward-looking information for a horizon of up to 3 years and for the remaining years the historical PD is considered; and
- PD = 100% for all contracts belonging to Stage 3.

The risk levels, defined based on the internal master scale, are a very important input for the determination of the PDs associated with each exposure. Banco Montepio collects default and performance indicators regarding its credit risk exposures through analyses by type of customer and by product.

The segmentation of the PDs considered by the Bank is in line with the segmentation used in risk management, namely regarding the type of customer and the product (e.g., Individuals vs. Companies, home loans, consumption).

Additionally, an additional segmentation level is considered for each segment supported by statistical analysis, based on risk variables, such as risk rating and delay indicators.

LGD is the magnitude of the loss that is expected to occur if the exposure enters in default. Banco Montepio estimates LGD parameters based on historical recovery rates after the counterparties' entry into default. The LGD models consider associated collateral and time in default as well as recovery costs. In case of contracts

collateralized by real estate, LTV (loan-to-value) ratios are an extremely important parameter in the determination of the LGD.

The segmentation of LGDs considered by the Bank is in line with the segmentation used in risk management, namely regarding the type of customer and the product; furthermore, an additional segmentation is defined in the corporate segment, distinguishing between retail companies and non-retail companies. Each segment is sub segmented according to statistical analyses, based on risk variables, such as collateralization level, EAD or product type.

The EAD represents the expected loss if the exposure and/or customer enters default. Banco Montepio obtains the EAD values from the counterparty´s current exposure and from potential changes to its current value, permitted by the contractual conditions, including amortizations and prepayments. For commitments and financial guarantees, the EAD value includes both the amount of credit used as well as the expectation of the potential future value that may come to be used in accordance with the contract. For this purpose, credit conversion factors (CCF) are estimated based on internal historical data, which are adjusted to reflect forward-looking information.

As described above, except for the financial assets that consider a 12-month PD because they do not present a significant increase in credit risk, Banco Montepio calculates the ECL considering the risk of default during the maximum maturity period of the contract or, in certain specific situations, based on the behavioural maturity.

c.12.6) *Measurement of ECL – Individual analysis*

The exposure of Individually Significant Customers is subject to individual analysis which focuses on the credit quality of the debtor, as well as on the expectations of recovering the credit, considering, namely, the economic-financial viability of the debtor, the collateral and existing guarantees as well as the remaining factors relevant for said analysis.

Within the scope of the methodology review process and in alignment with the principles established in IFRS 9 and with best market practices, Banco Montepio adjusted the criteria for selecting customers for the purposes of individual analysis, incorporating factors related to the materiality and risk perception of the exposures, as well as reinforcing the periodicity of the respective analysis process.

As at 30 June 2026 and 31 December 2025, all customers of Banco Montepio that meet the following criteria are subject to individual analysis:

- Customers classified in Stage 1 with exposure/EAD ≥ Euro 10.0 million and risk rating ≥ Risk Appetite Statement limit defined or without a valid risk rating;
- Customers classified in Stage 2 with exposure/EAD ≥ Euro 5.0 million and risk rating ≥ Risk Appetite Statement limit defined or without a valid risk rating;
- Customers classified in Stage 3 with exposure /EAD ≥ Euro 1.0 million;
- Customers classified in Stage 3 with exposure /EAD ≥ Euro 0.8 million, integrated in Economic Groups with exposure /EAD ≥ Euro 1.0 million; and
- Other customers when duly justified.

The selection of the Individually Significant Customer universe is made quarterly for customers in Stages 1 and 2 and monthly for customers in Stage 3, considering, for the purpose of determining the exposure of customers, all active credit operations (on- and off-balance sheet) and excluding the operations classified as written off.

The individual analysis is carried out by the Individual Impairment Department of the Risk Directorate, with the measurement of the impairment losses being supported by a case-by-case assessment of exposure, considering, namely:

- The risk profile of the customer;

- The economic and financial viability of the customer and the customer's ability to generate future cash flows to ensure the servicing of the debt;
- The collaterals associated with the financial assets, as well as their respective valuations;
- The customers' or guarantors' net assets;
- The existence of situations of bankruptcy, insolvency or other legal proceedings that might affect the recoverability of the customer's exposure; and
- The expected credit recovery period.

For the financial assets of Individually Significant Customers classified in Stage 1 and in Stage 2, the calculated loss is assigned in accordance with the collective analysis methodology, given that, for these Stages, impairment is not determined individually.

For the financial assets of Individually Significant Customers classified in Stage 3, the impairment value is determined based on the discounted cash-flows method, corresponding to the difference between the loan value and the sum of the expected cash flows relating to the various operations of the customer, discounted at the original interest rate of each financial asset.

If the individual impairment value determined is zero, the average impairment rate of financial assets classified in Stage 2 of the same segment is applied, calculated on a collective basis, in accordance with the methodology in force. In addition, if the impairment rate determined through individual analysis is lower than that determined on a collective basis, the latter prevails.

In the determination of the expected cash flows, different recovery strategies are considered in function of the specific characteristics of each exposure and of the economic-financial situation of the customer, and the valuation may be based on the going concern method or the gone concern method:

- In the case of the continuity of the activity (going concern), the future cash-flows estimate is based on financial information and projections considered reliable and representative of the expected evolution of the customer's activity. For the calculation of the impairment of these customers, the projected cash flows are considered, with, if the information available so permits, adjustments being made to reflect the debt service capacity, being subsequently discounted at the original interest rate of the financial assets;
- In the case of the cessation of the activity (gone concern), the recovery of the exposure is estimated based on the liquidation of the existing collaterals, with a detailed analysis being made of the collaterals associated with the exposure, namely, of the value of the mortgage/pledge, the valuation amount, the valuation date and the need for the application of haircuts in function of the ageing of the valuation or other factors, the estimated deadline for the foreclosure/execution or sale, as well as the associated maintenance, sale and other procedural expenses associated with the recovery process, as applicable. For the calculation of the impairment of these customers, the projected cash flows, after the adjustments considered necessary, are discounted at the original interest rate of the financial assets; and
- For each recovery strategy, the respective excepted credit loss is calculated, considering different forward-looking scenarios, weighted by the respective probability of occurrence;

Securitized loans and advances not derecognized

Banco Montepio does not derecognize from assets the credits sold in securitization operations when:

- it maintains control over the operations;
- it continues to receive a substantial portion of their remuneration; and
- it maintains a substantial portion of the risk of the transferred credits.

Loans sold and not derecognized are recorded in the caption Loans and advances to customers and are subject to accounting criteria identical to those of other loan operations.

The maintenance of the risk and/or benefit is represented by the higher-risk bonds issued by the securitization vehicle. The amount recorded in the assets and liabilities of Banco Montepio's separate financial statements represents the proportion of the risk/benefit held by Banco Montepio (continuing involvement). The bonds issued by the securitization vehicles and held by Banco Montepio are eliminated in the consolidation process.

d) Derivative financial instruments and hedge accounting

The Group designates derivatives and non-financial instruments to hedge its exposure to interest rate and foreign exchange risks arising from financing and investment activities. Derivatives that do not qualify for hedge accounting are accounted for as trading derivatives.

Derivative financial instruments can be classified for accounting purposes as hedging instruments provided they meet, cumulatively, the following conditions:

(i) Hedging instruments and hedged items are eligible for the hedging relationship;

(ii) At the start date of the transaction, the hedging relationship is identified and formally documented, including the identification of the hedged item, the hedging instrument, the nature of the hedged risk and the assessment of the hedge's effectiveness;

(iii) There is an economic relationship between the hedged item and the hedging instrument;

(iv) The credit risk effect does not dominate the changes in value that result from this economic relationship; and

(v) The effectiveness of the hedge can be reliably measured at the start date of the transaction and throughout the life of the operation.

Fair value hedging

In a fair value hedging operation of an asset or liability, the balance sheet value of that asset or liability, determined based on the respective accounting policy, is adjusted to reflect the change in its fair value attributable to the hedged risk. Changes in the fair value of hedging derivatives are recognized in the income statement, together with changes in the fair value of the hedged assets or liabilities, attributable to the hedged risk. In cases where the hedging instrument hedges an equity instrument designated at fair value through other comprehensive income, the changes in fair value are also recognized in other comprehensive income. If the hedge no longer meets the effectiveness requirement, but the risk management objective remains, the Group may adjust the hedge to comply with the eligibility criteria. If the hedge fails to meet the criteria required for hedge accounting (in the event that the hedge instrument expires, is sold, terminated or exercised, without having been replaced according to the entity's documented risk management objective), the derivative financial instrument is transferred to the trading book and hedge accounting is discontinued prospectively. If the hedged asset or liability corresponds to a fixed-income instrument, the revaluation adjustment is amortized via the income statement until its maturity using the effective rate method.

Cash flow hedging

In a highly probable future cash flow hedging operation, the effective part of the changes in the fair value of the hedging derivative is recognized in reserves, being transferred to results in the financial years in which the respective hedged item affects results. The ineffective part of the hedge is recorded in the income statement. When a hedging instrument expires or is sold, or when the hedge no longer meets the criteria required for hedge accounting, changes in the fair value of the derivative accumulated in reserves are recognized in the income statement when the hedged operation also affects results. If it is foreseeable that the hedged operation will not take place, the amounts still recorded in equity are immediately recognized in the income statement and the hedging instrument is transferred to the trading portfolio.

e) Equity instruments

A financial instrument is classified as an equity instrument when there is no contractual obligation at settlement to deliver cash or another financial asset to another entity, independently of its legal form, evidencing a residual interest in the assets of an entity after deducting all its liabilities.

Transaction costs directly attributable to an equity instrument issuance are recognized in equity as a deduction from the amount of the issue. Amounts paid or received related to sales or acquisitions of equity instruments are recognized in equity, net of transaction costs.

Distributions made on account of equity instruments are deducted from equity as dividends when declared.

f) Financial and performance guarantees

Financial guarantees

Financial guarantees are contracts that require the issuer to make payments to compensate the holder for losses incurred as a result of breaches of the contractual terms of debt instruments, namely the payment of capital and/or interest. Financial guarantees issued are initially recognized at their fair value. Subsequently, these guarantees are measured at the higher of: (i) the initially recognized fair value and (ii) the amount of any obligation arising from the guarantee contract, measured at the balance sheet date.

Any change in the amount of the obligation associated with financial guarantees issued is recognized in profit or loss. Financial guarantees issued by the Group usually have a defined maturity and a periodic prepaid commission, which varies according to counterparty risk, amount and period of the contract. On that basis, the fair value of the guarantees on the date of their initial recognition is approximately equivalent to the amount of the initial commission received, considering that the agreed conditions are market. Thus, the amount recognized on the contract date equals the amount of the initial commission received, which is recognized in profit or loss over the financial year to which it relates. Subsequent commissions are recognized in profit or loss in the financial year to which they relate.

Performance guarantees

Performance guarantees are contracts that result in the compensation of one of the parties if same does not fulfil a contractual obligation. Performance guarantees are initially recognized at fair value, which is usually evidenced by the amount of commissions received over the term of the contract. Upon breach of contract, the Group has the right to revert the guarantee, and the amounts are recognized in Loans and advances to customers after the compensation of the losses has been transferred to the guarantee's beneficiary.

g) Securities' loan and repurchase agreement transactions

Securities' loans

Securities loaned under securities' loan agreements continue to be recognized in the balance sheet and are measured in accordance with the accounting policy of the category to which they belong. Cash collateral received in respect of securities loaned is recognized as a financial liability. Securities borrowed under securities' borrowing agreements are not recognized on-balance sheet. Cash collateral placements in respect of securities borrowed are recognized under loans and advances to either customers or credit institutions. Income and expenses arising from the securities' lending and borrowing business are recognized on an accrual basis over the period of the transactions and are included in interest and similar income or interest and similar expense (net interest income).

Repurchase agreements

The Group carries out acquisitions/sales of securities under reselling/repurchase agreements of substantially equivalent securities at a future date at a predetermined price.

The securities acquired subject to reselling agreements (reverse repos) at a future date are not recognized in the balance sheet. The amounts paid are recognized in Loans and advances to customers or Loans and advances to credit institutions. The receivables are collateralized by the related securities.

Securities sold through repurchase agreements (repos) continue to be recognized in the balance sheet and are measured in accordance with the accounting policy of the category to which they belong. The proceeds from the sale of these securities are considered as Deposits from customers or Deposits from other credit institutions.

The difference between the acquisition/sale and resale/repurchase conditions is recognized on an accrual basis over the period of the transaction and is included in interest and similar income or interest and similar expense (net interest income).

h) Non-current assets held for sale

Non-current assets and groups of non-current assets held for sale (groups of assets together with their respective liabilities, which include at least one non-current asset) are classified as held for sale when there is an intention to sell the referred assets and liabilities and when the referred assets or groups of assets are available for immediate sale and their sale is highly probable.

The Group also classifies as non-current assets held for sale those non-current assets or groups of assets acquired exclusively with a view to their subsequent disposal, which are available for immediate sale and which sale is highly probable. Immediately before their classification as non-current assets held for sale, the measurement of all the non-current assets or of all assets and liabilities in a disposal group, is performed in accordance with the applicable IFRS. After their reclassification, these assets or disposal groups are measured at the lower of their cost and their fair value less costs to sell, except for deferred tax assets, employee-benefit related assets, financial assets in the scope of IFRS 9 and non-current assets at fair value according to IAS 40 (Investment properties), with the unrealized losses being recorded in the profit or loss for the financial year. When the book value corresponds to the fair value less costs to sell, the fair value level of the IFRS 13 hierarchy corresponds to level 3.

Although the Group intends to immediately sell all properties and other assets received in recovery of credit, the Group classifies these assets in the caption Other assets, due to their length of stay in the portfolio exceeding 12 months. The accounting method is unchanged from that laid down above, with these being recorded at initial recognition at the lower of their fair value less costs to sell and the book value of the loan being recovered.

Regarding the classification of financial shareholdings classified as held for sale:

I. in the case of subsidiaries, they continue to be consolidated up to the date of their disposal, with all their assets and liabilities being classified as Non-current assets held for sale and Non-current liabilities held for sale, measured at the lower of book value and fair value less costs to sell, with the recording of depreciation/amortization ceasing; and

II. in the case of associates measured under the equity method, these are measured at the lower of book value and fair value less costs to sell, with the application of the equity method ceasing.

When, due to changes in circumstances of the Group, non-current assets held for sale and/or disposal groups no longer meet the conditions to be classified as held for sale, these are reclassified according to the underlying nature of the assets and measured at the lower of: i) the book value before they were classified as held for sale, adjusted for any depreciation/amortization costs, or revaluation amounts that would have been recognized had these assets not been classified as held for sale; and (ii) the recoverable values of the items on the date they are reclassified according to their underlying nature. These adjustments shall be recognized in the income statement.

In the case of financial shareholdings in associates measured under the equity method, the cessation of their classification as held for sale implies the retrospective replacement of the equity method.

i) Leases (IFRS 16)

Definition of lease

The definition of lease entails a focus on the control of the identified asset, i.e., an agreement constitutes or contains a lease if it conveys the right to control the use of an identified asset, i.e., substantially obtaining all the economic benefits of using same and the right to direct the use of this identified asset for a certain period of time in exchange for consideration.

Lessee perspective

The Group recognizes for all leases, except for leases with a period of less than 12 months or for leases relating to assets of a reduced unitary value:

- a right-of-use asset, initially measured at cost, taking into account the Net Present Value (NPV) of the lease liability, plus payments made (fixed and/or variable) minus lease incentives received, penalties for termination (if reasonably certain), as well as any estimated costs to be borne by the lessee with the dismantling and removal of the underlying asset and/or with the restoration of the location where it is located. It is subsequently measured according to the cost model (subject to amortization according to the lease term of each agreement and to impairment tests); and

- a lease liability, initially recorded at the present value of the future lease cash flows (NPV), which includes:

    - fixed payments, less lease incentives receivable;
    - variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date of the agreement;
    - the amounts to be paid by the lessee as residual value guarantees;
    - the exercise price of a call option if the lessee is reasonably certain to exercise that option; and
    - payments of lease termination penalties, if the lease term reflects the exercise of a lease termination option by the lessee.

When it is not possible to easily determine the interest rate implicit in the lease, lease payments are discounted at the lessee's incremental financing interest rate, which incorporates the risk-free interest rate curve (swap curve), increased by a Group risk spread, applied to the weighted average term of each lease agreement. For agreements with a termination date, such date is considered the lease termination date, and for other agreements without a termination date the period during which it will be enforceable is assessed. In the assessment of enforceability, the specific clauses of the agreements are considered as is the current legislation for Urban Leases.

It is subsequently measured as follows:

- by increasing its book value to reflect interest on same;
- by decreasing its book value to reflect lease payments; and
- the book value is remeasured to reflect any revaluations or changes in the lease, as well as to incorporate the revision of lease payments that are, in substance, fixed and the revision of the lease term.

The Group remeasures a lease liability and calculates the related adjustment to the right-of-use asset whenever there is:

- a modification in the lease term, or in the valuation of a call option on the underlying asset. In this situation, the lease liability is remeasured, discounting the revised lease payments and also using a revised discount rate;
- a modification in the amounts payable under a residual value guarantee, or in the future lease payments resulting from a change in an index or rate used to determine such payments. In this situation, the lease liability is remeasured, discounting the revised lease payments using an unchanged discount rate (unless the change in lease payments results from a change in variable interest rates, in which case a revised discount rate should be used); and
- a modification of the lease agreement but such modification in the lease is not accounted for as a separate lease. In this situation, the lease liability is remeasured, discounting the revised lease payments using a revised discount rate.

Right-of-use assets are amortized from the date of the agreement's entry into force to the end of the useful life of the underlying asset, or until the end of the lease term, if earlier. If the lease transfers ownership of the underlying asset, or if the cost of the right-of-use asset reflects the fact that the Group will exercise a call option, the right-of-use asset shall be amortized from the date of the agreement's entry into force to the end of the useful life of the underlying asset. Amortization begins on the date of the lease agreement's entry into force.

The recording of the lease agreements in the consolidated income statement is made in the following captions:

(i) recording in Net interest income of the interest expense related to lease liabilities;

(ii) recording in General and administrative expenses of the amounts related to short-term lease agreements and low-value asset lease agreements; and

(iii) recording in Depreciation and amortization of the amortization cost for the financial year of the right-of-use assets.

The recording of the lease agreements in the consolidated balance sheet is made in the following captions:

(i) recording in Tangible assets of the right-of-use assets recognized; and

(ii) recording in Other liabilities of the amount of the lease liabilities recognized.

Regarding the classification of the cash flows originated by the lease agreements, these are recorded in the consolidated statement of cash flows:

(i) in the caption Cash flows from operating activities – Costs with staff and suppliers, which includes the amounts related to short-term and to low-value lease agreements; and

(ii) the caption Cash flows from financing activities - Finance lease agreements, which includes the amounts related to payments of the capital portion of the lease liabilities.

Lessor perspective

In accordance with IFRS 16, lessors will continue to classify leases as finance or operating.

Within the scope of its activity, the Group classifies as finance leases, operations in which, substantially, all the risks and rewards associated with the leased asset are transferred to the lessee.

Finance leases are recorded as a loan granted in the Loans and advances to customers caption of the balance sheet by the sum of the present value of all instalment's receivable from the lessee during the lease term and any unsecured residual value that the lessee is responsible for. These include fixed instalments (less payments made by the lessee) as well as variable instalments determined with reference to an index or rate, as well as the exercise price of the purchase option, if there is reasonable certainty that it will be exercised by the lessee, and lessee termination penalties if the lease term reflects the exercise of the termination option.

Financial income obtained as a lessor is recorded in the income statement under the caption Interest and similar income.

j) Net gains/(losses) arising from financial operations (Net gains/(losses) arising from financial assets at fair value through other comprehensive income and Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss)

Net gains/(losses) arising from financial operations include gains and losses arising from financial assets and financial liabilities at fair value through profit or loss, that is, fair value changes and interest on trading derivatives and embedded derivatives, as well as dividends received associated with these portfolios. This caption also includes gains and losses arising from the sale of debt instruments, of financial assets at fair value through other comprehensive income. The changes in fair value of hedging derivatives and hedged items, when applicable to fair value hedging, are also recognized in this caption.

k) Fee and commission income

Fee and commission income are recognized as revenue from contracts with customers to the extent the performance obligations are met:

1. When obtained and to the extent the services are provided, they are recognized in income in the financial year to which they relate (for example: income in the form of account maintenance fees);
2. When they result from the execution of a significant act, they are recognized as income when the respective service is complete and are recorded in the income statement on being charged (for example: foreign currency exchange, consultancy or loan assemblage/syndication); and
3. When they are an integral part of the effective interest rate of a financial instrument, they are recognized in net interest income. Their characteristics are:

   (i) Commissions received on credit operations realized that are not valued at fair value through profit or loss (for example: valuation of guarantees, preparation and processing of documentation) are received in advance and are deferred and recognized over the life of the operation;

   (ii) Commissions agreed for the commitment to provide financing are received in advance and are deferred over the expected life of the financing. If the commitment expires without the operation having materialized, the commission is recognized in profit or loss; and

   (iii) Commissions paid on the issuance of financial liabilities at amortized cost are included in the financial liabilities' amount, being recognized in profit or loss at the effective cost of the operation.

l) Fiduciary activities

Assets held in the scope of fiduciary activities are not recognized in the Group's consolidated financial statements. Fee and commission income arising from this activity are recognized in the income statement in the period to which they relate.

m) Tangible assets

Tangible assets are recorded at acquisition cost less accumulated depreciation and impairment losses. Subsequent costs are recognized as a separate asset only when it is probable that future economic benefits will result for the Group. All repairs and maintenance expenses are charged to the income statement during the financial period in which they are incurred. Depreciation is calculated on a straight-line basis, over the following periods which correspond to their estimated useful lives:

	Number of years
Buildings held for own use	50
Other fixed assets	4 to 10

Whenever there is an indication that a tangible fixed asset might be impaired, its recoverable value is estimated, and an impairment loss is recognized if the net value of the asset exceeds its recoverable value.

The recoverable value is determined as the highest between the fair value less costs to sell and its value in use, this being calculated based on the present value of the future cash flows estimated to be obtained from the continued use of the asset and its sale at the end of the useful life.

The impairment losses of tangible fixed assets are recognized in profit or loss for the period.

Gains or losses on the disposal of assets are determined by the difference between the realizable value and the book value of the asset and are recognized in the income statement.

n) Investment properties

Real estate owned by the investment funds consolidated in the Group, are recognized as investment properties given that the main objective subjacent to these is capital appreciation on a long-term basis and not their sale in the short term nor their own use. These investments are initially recognized at their acquisition

cost, including the transaction costs, and subsequently revaluated at their fair value. The fair value of the investment properties should reflect the market conditions at the balance sheet date. Changes in fair value are recognized in results in the financial year in which they occur, in the caption Other operating income/(expense). The fair value level according to the IFRS 13 hierarchy corresponds to level 3.

Fair value is determined by independent appraisers duly certified for the effect, and being registered with the CMVM (Portuguese Securities' Market Commission), using at least two of the following methods:

- Comparative market method - This method considers similar real estate transaction values comparable to the property under study obtained through market surveys carried out in the area where the property is located;
- Income method - This method aims to estimate the value of the property from the capitalization of its net income, discounted to the present moment, using the discounted cash-flow method, and should be used when the property is intended for lease, when the lease market is active for the type of property being valued or when the property is intended for economic exploration; and
- Cost method - The cost method is the determination of the replacement value of the property under consideration considering the cost of building another one with the same functionality, net of the amount related to the functional, physical and economic depreciation/obsolescence verified.

For properties held by investment funds within the consolidation perimeter, and in accordance with Law no. 16/2015, of 24 February, their fair value is considered as the simple arithmetic average of two independent expert valuations, determined according to the best price that could be obtained if it were put up for sale, under normal market conditions, at the time of the valuations, which is reviewed at least once a year or, in the case of open-ended collective investment entities, based on the redemption periodicity if lower than that, and whenever there are acquisitions or disposals or significant changes in the value of the property.

o) Intangible assets

Software

The Group accounts as intangible assets the costs associated with software acquired from external entities, including the possible contracting of additional services necessary for its implementation, and amortizes these on a straight-line basis over an estimated lifetime of between 3 and 6 years. The Group does not capitalize internal costs arising from software development.

p) Statement of cash flows

For the purpose of the statement of cash flows, cash and cash equivalents comprise balances with less than three months maturity from the trade date, with an insignificant risk of change in fair value, including cash, deposits at central banks and deposits and deposit equivalents at other credit institutions.

The concepts used in the presentation of the statements of cash flow are as follows:

- Cash flows: Cash and cash equivalents include cash, deposits at central banks and deposits and deposit equivalents at other credit institutions;
- Operating activities: the indirect method is used for the presentation of cash flows from operating activities, reflecting the flows of the typical activities of credit institutions, as well as other activities that do not qualify as investment or financing;
- Investing activities: the acquisition, sale or other disposals of long-term assets, such as financial shareholdings in subsidiaries and associates, the acquisition of tangible and intangible assets and other strategic investments not included in operating activities; and
- Financing activities: activities that produce changes in the Group's medium- and long-term financing operations that are not part of the operating activities, such as securitized and subordinated debt, payment of lease agreements, capital increases and dividend distributions.

q) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the operation at the foreign exchange rate on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the respective functional currency of the operation at the foreign exchange rate as at the reporting date. Foreign exchange differences arising on translation are recognized in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated into the respective functional currency at the foreign exchange rate on the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into the respective functional currency at the foreign exchange rate on the date that the fair value was determined and recognized against profit or loss, except for financial assets at fair value through other comprehensive income, for which the difference is recognized against equity.

r) Post-employment and long-term employee benefits

Defined benefit plans

Banco Montepio and Montepio Crédito have the responsibility to pay their employees old-age, disability and survival pensions, health benefits and death subsidy, in accordance with the terms and conditions of the Collective Labour Agreement ("ACT") they signed. In 2016, amendments were made to this agreement, namely the change in the retirement age, in line with the General Social Security System and the attribution of an end-of-career award corresponding to 1.5 times the monthly remuneration received at the retirement date.

Arising from the signing of the ACT and subsequent amendments, the Group set up a Pension Fund to cover the liabilities assumed with pensions on retirement, disability and survival, healthcare benefits and death subsidy.

As from 1 January 2011, bank employees were integrated in the General Social Security System, which ensures their protection in maternity, paternity, adoption, and old age. Protection associated with sickness, disability, survival, and death remains under the banks' responsibility (Decree-Law no. 1-A/2011, of 3 January).

The contribution rate is 26.6%, of which 23.6% paid by the Group and 3.0% by the employees, replacing the Caixa de Abono de Família dos Empregados Bancários ("CAFEB") extinguished by the same Decree-Law. As a result, the pension rights of active employees came to be covered by the terms defined in the General Social Security System, considering the period of service rendered since 1 January 2011 and up to their retirement age. The differential vis-à-vis the minimum pension guaranteed, in accordance with the terms defined in the Collective Labour Agreement ("Acordo Colectivo de Trabalho") is supported by the banks.

Following the Government's approval of Decree-Law no. 127/2011, of 31 December, a three-party agreement between the Government, the Portuguese Bank Association and the Union of Bank Employees was established, regarding the transfer to the Social Security's domain of the liabilities with pensions under payment to retired employees and pensioners as at 31 December 2011.

This Decree-Law established that the liabilities to be transferred were the liabilities with pensions under payment, as at 31 December 2011, to retired employees and pensioners, at constant amounts (update rate of 0%) for the component foreseen in the Collective Labour Regulation Instrument ("IRCT"). The liabilities in respect of the updating of pensions, complementary benefits, contributions to the Social-Medical Assistance Services ("SAMS") on the retirement and survival pensions, death subsidy and the deferred survival pension are still under the responsibility of the Institutions.

The liabilities for defined benefit post-employment benefits are determined by the responsible actuary certified by the Insurance and Pension Funds Supervisory Authority, observing at least a half-yearly frequency with reference to the end of June and December of each year.

For the purpose of determining the liabilities for defined benefit post-employment benefits, a set of relevant actuarial assumptions are considered, namely the expected rate of return for the Pension Fund, the discount rate, the growth rate of salaries and pensions and the mortality tables.

In accordance with the provisions of IAS 19, the discount rate considered on each date of determination of the liabilities for post-employment benefits must correspond to the bond rates of high-quality entities for maturities identical to those of the bonds carried in the pension plan.

In line with the recommendations of IAS 19, the Group recognizes in the income statement the impacts related to the cost of current services, the net interest income/cost of the pension plan, the cost of past services, the cost of early retirements and any settlement or curtailment of liabilities that have been identified.

The actuarial deviations calculated on each date of determination of liabilities are recorded in equity and include, namely, the value of non-financial actuarial deviations, corresponding to the difference between the assumptions used and those actually verified and also those resulting from the change in actuarial assumptions, and the amount of financial actuarial deviations, determined by the difference between the effective rate of return and the expected rate of return of the Pension Fund.

The Group, in accordance with the provisions of Bank of Portugal Notice no. 12/2001, ensures, on each date of determination of liabilities, compliance with the required financing levels, which correspond to a minimum financing level of 95% of liabilities for past services of the active population and 100% of liabilities for pensions under payment.

Variable remuneration of employees and members of the Boards of Directors (bonuses)

In accordance with IAS 19 – Employee Benefits, variable remuneration (profit sharing, bonuses and other) attributed to employees and to the members of the Boards of Directors is recognized in profit or loss for the financial year to which it relates.

Employment termination benefits

The occurrence that gives rise to this obligation is: (i) the termination of the employment relationship between the Bank and the employee as a consequence of a Bank decision; (ii) the creation of a valid expectation for the employee or (iii) the decision of an employee to accept benefits for an irrevocable offer from the Bank in return for terminating the employment contract.

Employment termination benefits are recognized as a liability and a non-recurring cost from the moment when the Bank cannot withdraw the offer made to the employee or from the moment when the costs are recognized for a restructuring that includes the payment of benefits for termination of the employment contract. These benefits are recorded as a liability in the caption Charges payable - Staff costs in the balance sheet up to the time of their settlement or until their transfer to the Pension liabilities.

End-of-career award

As a result of the signing of the new ACT on 5 July 2016, the seniority bonus was extinguished, and the Group paid its employees the proportional bonus that would be due up to the date of the entry into force of the new ACT. In lieu of the seniority bonus, the new ACT provides for the Group to pay an end-of-career award due immediately prior to the employee's retirement if he/she retires at the Group's service, corresponding to 1.5 times the monthly remuneration at the time of payment.

The end-of-career award is accounted for by the Group in accordance with IAS 19 as another long-term employment benefit. The effects of the remeasurements and past service costs of this benefit are recognized in profit or loss for the year, treatment identical to that of the accounting model for seniority bonuses.

The amount the Group's liabilities with this end-of-career award is also periodically estimated using the projected unit credit method, using actuarial assumptions based on expectations of future salary increases and mortality tables. The discount rate used in this calculation is determined based on the same methodology described for the calculation of retirement pension liabilities.

Defined contribution plan

Banco Montepio and Montepio Crédito, for employees admitted on or after 3 March 2009, contribute, under the Defined Contribution Plan, with a percentage of 1.5% of the effective monthly remuneration of each covered employee, with the employee being responsible for making an identical contribution.

s) Income taxes

The Group is subject to the regime established in the Corporate Income Tax Code (Código do Imposto sobre o Rendimento das Pessoas Coletivas ("CIRC")), as well as the Special Regime applicable to Deferred Tax Assets (Regime Especial aplicável aos Ativos por Impostos Diferidos ("REAID")), approved by Law no. 61/2014, of 26 August, to which it adhered, and to complementary legislation. Additionally, deferred taxes are recognized on tax losses and timing differences between the accounting results and those accepted for tax purposes, whenever there is a reasonable probability that such taxes will be paid or recovered in the future.

Income tax recognized in the income statement includes the current and deferred tax effects. Income tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity, in which case the corresponding income tax is recognized in equity. Deferred taxes recognized in equity arise from the revaluation of financial assets at fair value through other comprehensive income and from cash-flow hedging derivatives. Only deferred taxes related to fair value hedging derivatives are subsequently recognized in profit or loss at the same moment the gains and losses that originated the deferred taxes are recognized.

Current tax corresponds to the tax assessed on the taxable income for the financial year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to taxes assessed in respect of previous financial periods.

Deferred taxes are calculated for timing differences between the book values of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes, using the tax rates approved or substantially approved at the balance sheet date and that are expected to apply when the timing differences are reversed.

Deferred tax liabilities are recognized for all taxable timing differences except for intangible assets with an indefinite life, which are not deductible for tax purposes, differences arising on initial recognition of assets and liabilities that affect neither the accounting nor the taxable income and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the future, and to the extent that the Group does not exercise control over the period of the reversal of the differences.

Deferred tax assets are recognized when it is probable that future taxable income will be available to absorb the deductible timing differences for taxation purposes (including tax losses carried forward).

The Group offsets the deferred tax assets and liabilities if, and only if: (i) it has a legally enforceable right to set off current tax assets against current tax liabilities and (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In the year 2018, Banco Montepio became the dominant company of the Group subject to Corporate Income Tax under the Special Taxation Regime of Groups of Companies ("Regime Especial de Tributação dos Grupos de Sociedades" ("RETGS")), constituted by the companies in which it holds a shareholding equal to or higher than 75% and which meet the conditions provided for in article 69 et sec of the CIRC.

The companies included in the RETGS calculate and record income tax as if they were taxed on a separate basis. The liabilities determined are, however, payable to the parent company of the tax group, the Group, which is responsible for the global calculation and self-assessment of the tax. Gains or losses arising from the application of this regime are recorded in each of the companies that originate them.

The recording of the tax impacts of transactions carried out by the Group corresponds to Management's understanding of the applicable tax treatment in light of the legislation issued. In situations where interpretation takes place and this is questioned by the Tax and Customs Authority, Management reanalyses same, assessing the probability of there being a liability to be recorded, depending on whether the probability of paying same is higher or lower than 50%.

Pillar II

In October 2021, within the framework of the Base Erosion and Profit Shifting ("BEPS 2.0") project of the Organization for Economic Co-operation and Development ("OECD"), approximately 137 OECD/G20 members, representing roughly 90% of global GDP, reached an agreement to reform the international tax system, approving a general framework for the introduction of a global minimum tax, commonly referred to as "Pillar II".

In this context, Pillar II of BEPS 2.0, enshrined in Council Directive (EU) 2022/2523, of 15 December 2022, established a global minimum tax rate of 15% applicable to large multinational companies and large domestic groups, with this regime potentially leading to the assessment and payment of a supplementary tax. Portugal transposed this Directive through the publication of Law no. 41/2024, which approved the Global Minimum Tax Regime ("GMTR").

Considering that it meets the eligibility criteria for the application of the Pillar II rules - namely by presenting consolidated annual incomes exceeding Euro 750 million in two of the last four financial years -, the Montepio Geral Associação Mutualista ("MGAM") Group has been making efforts to identify the potential impacts arising from the implementation of this regime, as well as to comply with the respective reporting obligations.

According to the analysis carried out, with reference to the first financial year of application of the Pillar II rules (i.e., 2024), the perimeter of the MGAM Group, for the purpose of Pillar II, will consist of 21 entities, located in two jurisdictions – Portugal and Mozambique -, with Montepio Geral Associação Mutualista being qualified as the ultimate parent entity of the Group.

However, article 44 of the GMTR establishes an exclusion rule for the application of the Income Inclusion Rule ("IIR") and the Undertaxed Payments Rule ("UTPR") in relation to large national groups and multinational groups of companies that are in the initial phase of their international activity.

In effect, that rule stipulates that the supplementary tax due is zero in the reference jurisdiction for large national groups and multinational groups of companies that are in the initial phase of their international activity, which presupposes (in the case of multinational groups of companies) that, in each financial year: (i) they include constituent entities located in no more than six jurisdictions and (ii) the sum of the net book value of the tangible assets of all their constituent entities, with the exception of the constituent entities located in the reference jurisdiction, does not exceed Euro 50 million.

Furthermore, the aforementioned rule provides for the possibility of applying the exclusion rule for five years after the start of the first financial year in which the group becomes subject to the Pillar II rules – that is, until the 2029 financial year. However, an annual assessment must be made as to whether the requirements listed above are met.

In this context, according to the analysis carried out, the MGAM Group meets the requirements for the application of the exclusion rule relating to groups of multinational companies that are in the initial phase of their international activity, thus being exempt from paying the supplementary tax in the reference jurisdiction – Portugal – with reference to the first financial year of application of the Pillar II rules.

t) Segmental reporting

The Group adopted IFRS 8 – Operating Segments for the purpose of disclosing financial information by operating segments. An operating segment is a component of the Group: (i) that engages in business activities from which it may earn revenues or incur costs; (ii) which operating results are regularly reviewed by the main responsible for Group operating decisions regarding the allocation of resources to the segment and the assessment of its performance and (iii) for which distinct financial information is available.

The Group controls its business activity through the following operating segments: Commercial Banking, Corporate and Investment Banking, Markets, Non-core and Other Segments. The Group also prepares, whenever applicable, financial information based on geography for Management purposes.

u) Provisions, contingent assets and liabilities

Provisions

Provisions are recognized when: (i) the Group has a present obligation (legal or resulting from past practices or published policies that imply the recognition of certain liabilities); (ii) it is probable that its settlement will be required and (iii) a reliable estimate can be made of the amount of the obligation.

The measurement of provisions takes into consideration the principles defined in IAS 37 in respect of the best estimate of the expected cost, the most likely result for the ongoing processes considering the risks and uncertainties inherent to the process and considering the best information available as to the consequences of the event that led to its constitution. In cases where the discount effect is material, provisions correspond to the present value of the expected future payments, discounted at a rate that considers the risk associated with the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the best estimate, being reversed through profit or loss in the proportion of the payments that cease to be probable. This caption also includes the impairment losses related to exposures that have an associated credit risk such as bank guarantees and commitments assumed.

Contingent assets

A contingent asset is a possible asset that arises from past events, and which existence will only be confirmed by the occurrence, or not, of one or more uncertain future events that are not entirely under the control of the entity.

Contingent liabilities

A contingent liability is an obligation that is:

- Possible, which arises from past events and which existence will only be confirmed by the occurrence, or not, of one or more uncertain future events, which are not entirely under the control of the entity; or
- Present, which arises from past events, but is not recognized because: (i) It is unlikely that an outflow of resources incorporating economic benefits will be required to settle that obligation and (ii) The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the financial statements, being, in accordance with IAS 37, disclosed whenever the possibility of an outflow of resources encompassing economic benefits is not remote.

v) Insurance and reinsurance brokerage services

The Group is duly authorized by the Insurance and Pension Funds Supervisory Authority (Autoridade de Supervisão de Seguros e Fundos de Pensões (“ASF”)) to provide insurance brokerage services, under the category of Tied Insurance Broker, in accordance with article 8, paragraph a), subparagraph i), of Decree-Law no. 144/2006, of 31 July, operating in the life and non-life insurance brokerage areas.

In the insurance brokerage services scope, the Group sells insurance contracts, receiving as remuneration for the services rendered brokerage commissions on insurance and investment contracts, which are defined in agreements/protocols established between the Group and the Insurance Companies.

The commissions received for the insurance brokerage services have the following typology:

- commissions that include a fixed and a variable component. The fixed component is calculated by applying a predetermined rate to the amount of the subscriptions made by the Group and the variable component is calculated based on predetermined criteria, with the total annual commission being the sum of the commissions calculated monthly; and

- commissions in the form of profit-sharing in the results of the insurance contracts, which are calculated annually and paid by the Insurance Companies in the beginning of the year following that to which they relate.

Commissions received for insurance brokerage services are recognized on an accrual basis. Fees paid in a different period from that to which they relate are recorded as a receivable in the caption Other assets with a corresponding entry in the caption Fee and commission income - Insurance brokerage services.

w) Earnings per share

Basic earnings per share are calculated by dividing the net income attributable to the shareholders of the Group by the weighted average number of ordinary shares outstanding. For the calculation of diluted earnings per share, when applicable, the weighted average number of ordinary shares outstanding is adjusted to reflect the effect of all potential dilutive ordinary shares, such as those resulting from convertible debt and share options granted to employees. The effect of the dilution translates into a reduction in earnings per share resulting from the assumption that convertible instruments are converted or that the options granted are exercised.

x) Significant judgements and estimates in the application of the accounting policies

The IFRS set forth a range of accounting treatments and require the Board of Directors to apply judgment and make the necessary estimates in deciding which treatment is most appropriate. These estimates were determined considering the best information available at the date of the preparation of the financial statements. The most significant of these accounting estimates and judgments used in the application of the accounting policies by the Group are discussed in the following paragraphs in order to improve understanding of how their application affects the Group's reported results and related disclosure.

Considering that in some cases there are several alternatives to the accounting treatment chosen by the Board of Directors, the Group´s reported results would differ if a different treatment was chosen. The Board of Directors believes that the choices made are appropriate and that the financial statements present the Group's financial position and results fairly in all material aspects.

The alternative outcomes discussed below are presented solely to assist the reader in understanding the financial statements and are not intended to suggest that other alternatives or estimates would be more appropriate.

Impairment losses of financial assets at amortized cost and debt instruments at fair value through other comprehensive income

The determination of impairment losses of financial instruments involves judgments and estimates regarding the following aspects, among others:

a) *Significant increase in credit risk:*
Impairment losses correspond to the expected losses in the event of default within a twelve-month time horizon, for Stage 1 assets, and the expected losses considering the likelihood of a default event occurring at some point up to the maturity date of the financial instrument, for Stage 2 and 3 assets. An asset is classified as Stage 2 whenever there is a significant increase in its credit risk since its initial recognition. In assessing the existence of a significant increase in credit risk, the Group considers reasonable and sustainable qualitative and quantitative information.

b) *Definition of asset groups with common credit risk characteristics:*
When the expected credit losses are measured on a collective basis, financial instruments are grouped based on common risk characteristics. The Group monitors the appropriateness of credit risk characteristics on a regular basis to assess whether they maintain their similarity. This is necessary to ensure that in the event of a change in credit risk characteristics, the asset segmentation is revised. This revision may result in the creation of new portfolios or the transfer of assets to existing portfolios that better reflect their credit risk characteristics.

c) *Definition of the number of scenarios and respective relative weighting of prospective information for each segment and determination of relevant prospective information:*
In estimating the expected credit losses, the Group uses reasonable and sustainable forward-looking information that is based on assumptions about the future evolution of different economic variables and how each one impacts the others.

d) *Probability of default:*
The probability of default represents a determining factor in measuring expected credit losses. The probability of default corresponds to an estimate of the probability of default in a given time period, which is calculated based on historical data, assumptions and expectations about future conditions.

e) *Loss given default:*
The loss given default corresponds to an estimate of the loss in a default scenario, being determined by the difference between the contractual and the expected cash flows that the Group expects to receive, through cash flows generated by the customer's business or from the credit collateral. The calculation of the estimated loss given default is based, among other things, on the different recovery scenarios, historical information, the costs involved in the recovery process and the estimated valuation of the collateral associated with credit operations.

The use of alternative methodologies and of different assumptions and estimates could result in a different level of the impairment losses recognized, with a consequent impact in the income statement of the Group, which are presented in notes 20, 21, 24 and 26.

In accordance with the provisions of IFRS 9, Banco Montepio, for the purpose of measuring credit impairment losses, updated the prospective information related to the macroeconomic data available on risk parameters, determining impacts at the level of the expected credit loss.

Fair value of derivative financial instruments and other financial assets measured at fair value

Fair values are based on listed market prices, if available, being, in their absence, determined based either by recent transaction prices, similar and realized under market conditions or based on discounting techniques applied to future cash flows which consider market conditions, time value, yield curve and volatility factors. These methodologies may require assumptions or judgments in the estimation of fair value.

Consequently, the use of different methodologies or of different assumptions or judgments in applying a particular model could result in financial results different from those reported, which are presented in notes 22, 23, 24 and 25.

Entities included in the consolidation perimeter

For the purpose of determining the entities to include in the consolidation perimeter, the Group assesses whether it is exposed to, or has rights to, the variable returns from its involvement with the entity and can appropriate those variable returns through the power it holds over that entity (de facto control).

The decision as to whether an entity must be consolidated by the Group requires the use of judgment, estimates and assumptions to determine the extent to which the Group is exposed to the variable returns and its ability to use its power to appropriate those returns.

Different assumptions and estimates could lead the Group to a different consolidation perimeter with a direct impact, on the consolidated net income, which are presented in note 55.

Income taxes

The Group complies with the guidelines of IFRIC 23 - Uncertainties related to the treatment of income tax related to the determination of taxable income, tax bases, tax losses to be carried forward, tax credits to be used and tax rates in scenarios of uncertainty regarding income tax treatment, with no material impact on its financial statements having resulted from the application of same.

Different interpretations and estimates could result in a different level of corporate income taxes, both of current and deferred taxes, to those recognized in the period and presented in note 32. This aspect has an

increased relevance in the deferred tax recoverability analysis, in which the Group considers projections of future taxable income based on a set of assumptions, including estimated pre-tax income, adjustments to the tax base, the tax legislation and its interpretation. Accordingly, the recoverability of deferred tax assets depends on the implementation of the strategy of the Bank's Board of Directors, namely the ability to generate the estimated taxable income, the tax legislation and its respective interpretation.

Law no. 98/2019, of 4 September, changed the rules applicable to impairment losses recognized from 1 January 2019, as well as to impairment losses recorded in tax periods beginning before 1 January 2019 and not yet tax accepted, contemplating a maximum adaptation period of 5 years, that is, until 31 December 2023.

Banco Montepio opted to apply the new tax regime for impairment as from the 2023 financial year onwards; therefore, as from that date, it has calculated its current and deferred tax estimate based on the new tax regime for impairment, considering the clarifications of Circular Letter no. 20277, of 2 March 2025, issued by the Tax and Customs Authority.

In the future taxable income projections, namely for the purpose of the deferred tax asset recoverability analysis carried out with reference to 31 December 2025, the tax rules resulting from Law no. 98/2019, of 4 September, were applied.

The Portuguese Tax and Customs Authority is entitled to review the annual taxable income assessment made by the subsidiaries resident in Portugal, for a period of four years, save where any deduction or tax credit has been made, in which case the period is that of the exercise of that right. Hence, corrections to the assessments may occur, mainly because of differences in interpretation of tax law. The Board of Directors considers it improbable that these will have a materially relevant effect on the financial statements.

Pensions and other post-employment and long-term employee benefits

The determination of the pension payment liabilities requires the use of assumptions and estimates, including the use of actuarial projections and others, such as the discount rate, the pension and salary growth rates and the mortality tables, the estimated return on investments and other factors that may have an impact on the pension plan costs and liabilities.

Changes to these assumptions could have a significant impact on the amounts determined, which are presented in note 46.

Classification and valuation of non-current assets held for sale and investment properties

The classification of the real estate received in recovery of credit and non-current assets held for sale is determined in accordance with IFRS 5 and of the investment properties in accordance with IAS 40.

Non-current assets held for sale are measured at the lower of their fair value less selling expenses and the book value of the loans on the date the assets are received in recovery. Investment properties are measured at fair value based on periodic assessments made by external experts registered with the CMVM. Different methodologies and assumptions could have an impact on the classification and on the determination of the assets' fair value, which are presented in notes 29 and 33.

Provisions and contingent liabilities

The measurement of provisions considers the principles set out in IAS 37 regarding the best estimate of the expected cost, the most likely outcome of ongoing litigation and considering the risks and uncertainties inherent in each process. Other assumptions and different judgments could have an impact on the calculation of the amount of the provisions, which are presented in note 37.

Recoverable value of own properties

The measurement of impairment considers the principles defined in IAS 36, which requires that their recoverable value be determined as the lower of their fair value and their value in use, being calculated based on the present value of the estimated future cash flows expected to be obtained from the continued use of the assets and from their disposal. Other alternative methodologies and the use of different assumptions and

estimates could result in different conclusions about the recoverable value of the Group's own properties, which are presented in note 30.

2 Net interest income

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Jun 2025
Interest and similar income		
Deposits from central banks and other loans and advances to credit institutions	9 890	18 552
Loans and advances to customers	235 707	257 732
Financial assets held for trading	30	-
Financial assets at fair value through profit or loss	148	209
Financial assets at fair value through other comprehensive income	5 925	3 641
Hedging derivatives	2 483	3 055
Other financial assets at amortized cost	28 426	17 443
Other interest and similar income	663	4
	283 272	300 636
Interest and similar expense		
Deposits from central banks and other credit institutions	3 958	4 628
Deposits from customers	80 821	97 043
Debt securities issued	13 602	16 876
Hedging derivatives	164	777
Other subordinated debt	10 697	10 713
Lease liabilities	339	548
Other interest and similar expense	2 050	2 864
	111 631	133 449
Net interest income	171 641	167 187

The caption Interest and similar income – Loans and advances to customers includes, as at 30 June 2026, respectively, the amount of Euro 11,196 thousand and the amount of Euro 12,127 thousand (30 June 2025: Euro 11,182 thousand and Euro 9,818 thousand), related to income and to expenses, accounted for under the effective interest rate method for financial assets at amortized cost, as referred to in the accounting policy described in note 1 c).

The caption Interest and similar income – Financial assets at fair value through profit or loss includes the interest on loan contracts that do not meet the SPPI criteria, and which are recorded at fair value through profit or loss.

The caption Interest and similar expense – Other interest and similar charges includes, as at 30 June 2026, the amount of Euro 1,624 thousand (30 June 2025: Euro 2,066 thousand) related to costs incurred with the synthetic securitization operations.

3 Dividends from equity instruments

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Jun 2025**
Financial assets at fair value through other comprehensive income		
Unicre	518	-
SIBS	526	522
ABANCA	192	42
Others	2	5
	1 238	569

4 Net fee and commission income

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Jun 2025**
Fee and commission income		
From banking services	61 245	60 574
From transactions on behalf of third parties	8 068	8 821
From insurance brokerage services	8 090	6 537
Guarantees provided	1 883	2 013
Commitments to third parties	606	864
Other fee and commission income	1 414	1 811
	81 306	80 620
Fee and commission expense		
From banking services rendered by third parties	10 911	13 345
From transactions with securities	151	155
Other fee and commission expense	1 141	1 365
	12 203	14 865
Net fee and commission income	69 103	65 755

As at 30 June 2026 and 2025, the caption Insurance brokerage services has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Jun 2025**
Life insurance	4 262	3 293
Non-life insurance	3 828	3 244
	8 090	6 537

5 Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss

This caption has the following breakdown:

(Euro thousand)

	Jun 2026			Jun 2025		
	Gains	Losses	Total	Gains	Losses	Total
Assets and liabilities held for trading						
Securities						
Bonds and other fixed-income securities						
Issued by public entities	525	180	345	431	198	233
Issued by other entities	20	33	(13)	193	5	188
Shares	517	554	(37)	735	603	132
Investment units	175	56	119	348	171	177
	1 237	823	414	1 707	977	730
Derivative financial instruments						
Interest rate contracts	16 227	22 029	(5 802)	14 099	21 344	(7 245)
Exchange rate contracts	12 261	11 978	283	15 397	15 479	(82)
Futures contracts	1 784	1 806	(22)	1 681	1 875	(194)
Option contracts	3 468	3 261	207	7 879	7 767	112
Commodities contracts and other	92	9	83	55	51	4
	33 832	39 083	(5 251)	39 111	46 516	(7 405)
Financial assets at fair value through profit or loss						
Investment units	1 199	(635)	1 834	2 144	2 898	(754)
Loans and advances to customers	54	6	48	55	5	50
	1 253	(629)	1 882	2 199	2 903	(704)
Other financial assets at fair value through profit or loss						
Securities Bonds and other fixed-income securities						
Issued by other entities	(1 143)	(36)	(1 107)	(2 533)	391	(2 924)
Shares	-	(857)	857	27	-	27
Loans and advances to customers	25	5	20	7	2	5
	(1 118)	(888)	(230)	(2 499)	393	(2 892)
Financial liabilities at fair value through profit or loss						
Deposits from customers	-	-	-	336	1 621	(1 285)
Hedging derivatives						
Interest rate contracts	32 440	33 821	(1 381)	46 683	42 899	3 784
Assets and liabilities Hedged financial						
Other financial assets at amortized cost	1 221	286	935	1 071	52	1 019
Debt securities issued	2 273	149	2 124	4 043	1 928	2 115
Other subordinated debt	4 552	2 373	2 179	3 336	3 898	(562)
	8 046	2 808	5 238	8 450	5 878	2 572
	75 690	75 018	672	95 987	101 187	(5 200)

Financial assets at fair value through profit or loss in terms of Participation Units include, as at 30 June 2026, a positive impact of Euro 1,834 thousand (30 June 2025: negative impact of Euro 754 thousand), determined by: (i) the positive effects of Fundo Vega (fund) of Euro 1,077 thousand, of Fundo VIP (fund) of Euro 622 thousand and of Fundo Discovery Portugal Real Estate Fund of Euro 592 thousand, and (ii) the negative effects of Fundo Aquarius (fund) of Euro 213 thousand, of Fundo SC1 Capital de Risco (fund) of Euro 211 thousand and of Fundo Armilar Venture Partners Fund IV of Euro 117 thousand.

Hedge accounting gains and losses include changes in the fair value of hedging instruments (derivatives), recorded under the caption Hedging derivatives, and changes in the fair value of hedged items attributable to the respective hedged risks, recorded under the corresponding hedged Financial assets and liabilities captions. Hedging relationships are described in note 25.

6 Net gains/(losses) arising from financial assets at fair value through other comprehensive income

This caption has the following breakdown:

(Euro thousand)

	Gains	
	Jun 2026	Jun 2025
Fixed-income securities		
Bonds		
Issued by public entities	911	731
Issued by other entities	415	-
	1 326	731

As at 30 June 2026, this caption includes positive net gains obtained from the sale of Spanish public debt bonds in the amount of Euro 911 thousand and bonds from other national private issuers in the amount of Euro 415 thousand. As at 30 June 2025, the caption Public issuers includes positive net gains obtained from the sale of Spanish public debt bonds amounting to Euro 561 thousand and of European public debt bonds amounting to Euro 170 thousand.

7 Net gains/(losses) arising from exchange differences

This caption has the following breakdown:

(Euro thousand)

	Jun 2026			Jun 2025		
	Gains	Losses	Total	Gains	Losses	Total
Foreign exchange differences	17 816	16 876	940	19 005	20 272	(1 267)

This caption includes the results arising from the restatement of monetary assets and liabilities in foreign currency in accordance with the accounting policy described in note 1 q).

8 Net gains/(losses) arising from the sale of other assets

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Jun 2025
Disposal of loans and advances to customers	(1 605)	6 374
Disposal of investments in associates	3 072	-
Disposal of other assets	2 094	2 697
	3 561	9 071

As at 30 June 2026 and 2025, the caption Disposal of loans and advances to customers includes capital gains and losses on the sale of loans and advances portfolios and, when applicable, the impact of repurchases related to those operations.

The caption Disposal of other assets considers the result obtained from the sale of properties.

9 Other operating income/(expense)

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Jun 2025
Other operating income		
Reimbursement of expenses	2 357	3 105
Revaluation of investment properties	475	3 566
Management fees on demand deposits	1 254	1 472
Services provided	2 356	2 454
Tax recovery	104	1 169
Refund of the contribution to the solidarity surcharge on the banking sector	-	8 227
Other	3 181	1 763
	9 727	21 756
Other operating expenses		
Contributions		
Banking sector	9 041	8 293
National Resolution Fund	3 091	2 950
Deposits Guarantee Fund	70	68
Expenses related to leasing operations	-	1 604
Revaluation of investment properties	230	1 260
Trading real estates expenses	784	1 463
Expense from de valuation of financial liabilities	-	5 396
Servicing and expenses with recovery and disposal of loans	3 028	2 445
Expenses with issuances	815	1 056
Expenses with means of payment	697	859
Taxes	625	1 056
Donations and memberships	191	148
Other	5 257	6 051
	23 829	32 649
Other operating income/(expense)	(14 102)	(10 893)

The caption Contribution of the banking sector is calculated in accordance with the terms of Law no. 55 A/2010, based on: (i) the average annual liability recorded in the balance sheet less the core capital (Tier 1) and the supplementary capital (Tier 2) and the deposits covered by the Deposits Guarantee Fund and (ii) the notional amount of the derivative financial instruments.

In 2020, this regime was supplemented by an Additional solidarity contribution on the banking sector, created as a budgetary policy instrument in the context of the post-pandemic crisis, the base of incidence of which followed the same criteria applicable to the calculation of the Contribution of the banking sector previously described, as set out in Ordinance no. 191/2020.

Due to Ruling no. 478/2025 of the Constitutional Court, issued on 3 June 2025, which declared the Regime for the Additional solidarity contribution on the banking sector, with general binding force, unconstitutional, the Group did not recognize charges for this contribution in the first half of 2026. The payments already made under this Regime were challenged in court by the Group, and a favourable court decision was issued in the case related to the Additional solidarity contribution on the banking sector paid in 2020 and 2021 by Banco Montepio, with said decision having become final and binding. Consequently, the amount of Euro 8,227 thousand was recognized as a gain in the first half of 2025 under the caption "Gain related to the Additional solidarity contribution on the banking sector", with said amount corresponding to the amounts from previous financial years whose refund was due. The amounts of the Additional solidarity contribution on the banking sector for financial years 2022, 2023, 2024 and 2025 were administratively challenged, with Euro 8,019 thousand in respect of prior financial years and Euro 1,508 thousand in respect of the refund of financial year 2025 already having been refunded.

The caption Contribution ex-ante to the Single Resolution Fund corresponds to the annual contribution, determined in accordance with number 1 of article 153-H of the Legal Framework of Credit Institutions and Financial Companies (Regime Geral das Instituições de Crédito e Sociedades Financeiras – ("RGICSF")), which transposed articles 100(4)(a) and 103(1) of Directive 2015/59/EU of the European Parliament and of the Council, of 15 May 2014, and article 20 of Delegated Regulation (EU) no. 2015/63 of the Commission, of 21 October 2014 ("Delegated Regulation"), as well as the conditions provided for in Implementing Regulation 2015/81 of the Council, of 19 December 2014 ("Implementing Regulation").

This contribution is determined by the Bank of Portugal, in its quality as national resolution authority, based on the methodology defined in articles 4, 13 and 20 of the Delegated Regulation. Under the Single Resolution Mechanism this contribution must be transferred to the Single Resolution Fund by 30 June of each year, as stipulated in the Agreement for the Transfer and Mutualization of the contributions to the Single Resolution Fund, signed in Brussels on 21 May 2014 and approved by Portuguese National Assembly Resolution 129/2015, of 3 September, pursuant to article 67(4) of Regulation (EU) no. 806/2014 of the European Parliament and of the Council, of 15 July 2014 ("MUR Regulation").

In addition, it is the responsibility of the Single Resolution Council (Conselho Único de Resolução ("CUR")), in strict cooperation with the Bank of Portugal, in its quality as national resolution authority, to calculate these contributions on an annual basis, pursuant to and for the purpose of article 70(2) of the MUR Regulation. Banco Montepio opted to use irrevocable payment commitments, in the proportion of 15% of the contribution amount, as provided for in article 8(3) of the Implementing Regulation.

Considering that for the formulation of the irrevocable payments commitments only cash collateral is accepted, the accumulated amount transferred by Banco Montepio to the Single Resolution Fund in the form of irrevocable payment commitments through the constitution of a security deposit registered in the caption Loans and advances to credit institutions abroad - Term deposits, amounted, as at 30 June 2026, to Euro 11,320 thousand (31 December 2025: Euro 11,320 thousand), as per note 20.

In 2025, the Banco Montepio Group did not make any contribution to the Single Resolution Fund, since the information transmitted by the SRB - Single Resolution Board, on 15 February 2024, continues valid and states that the means available in the Single Resolution Fund on 31 December 2023 reached the target level of at least 1% of the covered deposits held by the Member States participating in the Single Resolution Mechanism, as stipulated in Regulation (EU) no. 806/2014.

The caption Contribution to the National Resolution Fund corresponds to mandatory periodic contributions, in accordance with Decree-Law no. 24/2013. The periodic contributions are calculated annually using a base rate, determined based on an Instruction of the Bank of Portugal, which may be adjusted in function of the credit institution's risk profile, that is to be applied in each year on the objective incidence base of said contributions. The periodic contributions have as incidence base the liabilities of the credit institutions participating in the Fund, defined in accordance with article 10 of said Decree-Law, less the liability elements integrating Tier 1 and Tier 2 and the deposits covered by the Deposits Guarantee Fund.

In the scope of the annual periodic contributions to the Deposits Guarantee Fund ("DGF"), the Group has assumed irrevocable payment commitments, pursuant to article 161(4) of the Legal Framework of Credit Institutions and Financial Companies ("Regime Geral das Instituições de Crédito e Sociedades Financeiras" – "RGICSF"), for a portion of these contributions, with the commitment to make the respective payment upon request by the DGF.

As at 30 June 2026, the Group paid commitments assumed in the amount of Euro 70 thousand (30 June 2025: Euro 68 thousand), having recognized this amount as an expense for the period.

As at 30 June 2026, the caption Expenses incurred with early repurchase of debt issues corresponds to the premium paid for the partial repayment before maturity of an EMTN bond issue, as described in note 36.

As at 30 June 2026, the caption Other operating expense - Servicing and expenses with the recovery and disposal of loans registers the servicing costs charged by third parties related to a portfolio of non-performing loans.

This caption also includes maintenance costs with equipment and motor vehicles under operating leases, costs with real estate received in recovery of credit, accounted for in the caption Other assets (note 33), and legal costs.

10 Staff costs

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Jun 2025
Remuneration	62 743	60 243
Mandatory social charges	16 997	16 532
Charges with the Pension Fund	(416)	684
Other staff costs	2 631	2 379
	81 955	79 838

In the first half of 2026, variable remuneration was paid to Other key management personnel in the global amount of Euro 830 thousand for financial year 2025 (first half of 2025: Euro 664 thousand for financial year 2024). Other key management personnel are the first-line managers.

As at 30 June 2026 and 2025, the remuneration and other benefits attributed to the General Meeting Board, the Supervisory Board of the subsidiaries of Banco Montepio, the Board of Directors (including the members of the Audit Committee), the Board of Directors of Banco Montepio's subsidiaries and Other key management personnel of the Group, including the respective charges, are presented as follows:

(Euro thousand)

	Jun 2026					
	General Meeting Board	Supervisory Board of Banco Montepio's subsidiaries	Board of Directors	Board of Directors of Banco Montepio's subsidiaries	Other key management staff	Total
Remuneration and other short-term benefits	4	85	1 992	491	3 407	5 979
Pension costs	-	-	689	5	58	752
Costs with healthcare benefits (SAMS)	-	-	8	4	52	64
Social Security charges	1	17	358	89	597	1 062
	5	102	3 047	589	4 114	7 857

(Euro thousand)

	Jun 2025					
	General Meeting Board	Supervisory Board of Banco Montepio's subsidiaries	Board of Directors	Board of Directors of Banco Montepio's subsidiaries	Other key management staff	Total
Remuneration and other short-term benefits	4	112	1 488	394	3 166	5 164
Pension costs	-	-	386	8	71	465
Costs with healthcare benefits (SAMS)	-	-	8	4	52	64
Social Security charges	1	23	325	93	577	1 019
	5	135	2 207	499	3 866	6 712

As at 30 June 2026, loans granted to members of the Board of Directors of Banco Montepio (including the members of the Audit Committee) amounted to Euro 58 thousand (30 June 2025: Euro 71 thousand), to members of the Boards of Directors of other related parties of Banco Montepio, Euro 1,849 thousand (30 June 2025: Euro 591 thousand) and to Other key management personnel, Euro 2,664 thousand (30 June 2025: Euro 3,060 thousand), as described in note 48.

11 General and administrative expenses

This caption has the following breakdown:

(Euro thousands)

	Jun 2026	Jun 2025
Rental costs	1 204	1 326
Specialized services		
Other specialized services	11 043	11 093
IT services	10 764	10 206
Independent work	2 511	2 298
Communication costs	2 148	2 353
Maintenance and repairs	2 562	2 596
Advertising costs	1 734	1 487
Water, energy and fuel	1 717	1 699
Transportation	1 442	1 375
Insurance	840	752
Consumables	273	289
Travel, accommodation and entertainment expenses	774	688
Training	426	309
Other general and administrative costs	1 327	1 243
	38 765	37 714

The caption Rents and hires includes, as at 30 June 2026, the amount of Euro 380 thousand (30 June 2025: Euro 499 thousand) related to short-term lease contracts, of which Euro 12 thousand (30 June 2025: Euro 56 thousand) correspond to rents paid on real estate and Euro 368 thousand (30 June 2025: Euro 443 thousand) to rents paid on vehicles, in both cases used by the Banco Montepio Group as a lessee.

As part of the development of its activity, the Group records under the caption Other specialized services the costs incurred with the hiring of external consultants, with the payment of services related to databases, with charges associated with processing carried out by SIBS and also with costs related to the payment of fees and retainer fees.

12 Depreciation and amortization

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Jun 2025**
Intangible assets (note 31)		
Software	16 710	16 679
Tangible assets (note 30)		
Real estate		
For own use	1 180	1 205
Leasehold improvements in rented buildings	30	47
Equipment		
IT equipment	2 220	1 758
Fixtures	1 135	1 056
Furniture	148	47
Transportation	2	45
Security equipment	248	131
Machinery and tools	3	3
Right-of-use assets		
Real estate	2 515	2 868
Motor vehicles	1 447	1 603
	8 928	8 763
	25 638	25 442

The caption Right-of-use assets corresponds, essentially, to properties (branches and central buildings) and the car fleet, being depreciated according to the period of each lease agreement, as indicated in accounting policy 1 m).

13 Impairment of loans and advances to customers and to credit institutions

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Jun 2025**
Other loans and advances to credit institutions (note 20)		
Charge of the period	24	15
Reversals for the period	(106)	(773)
	(82)	(758)
Loans and advances to customers (note 21)		
Charge of the period	119 856	143 355
Reversals for the period	(115 679)	(144 874)
Recovery of loans and interest	(3 069)	(5 717)
	1 108	(7 236)
	1 026	(7 994)

The caption Recovery of loans and interest refers to receipts from customers related to exposures that had already been written off.

This caption records the estimate of the expected losses determined according to the accounting policy described in note 1 c).

14 Impairment of other financial assets

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Jun 2025**
Financial assets at fair value through other comprehensive income (note 24)		
Charge of the period	127	115
Reversals for the period	(102)	-
	25	115
Other financial assets at amortized cost (note 26)		
Charge of the period	1 035	937
Reversals for the period	(511)	(919)
	524	18
	549	133

15 Impairment of other assets

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Jun 2025**
Non-current assets held for sale (note 28)		
Charge for the period	111	75
Reversals for the period	(66)	(25)
	45	50
Other tangible assets (note 30)		
Charge for the period	28	292
	28	292
Other assets (note 33)		
Charge for the period	5 700	7 992
Reversals for the period	(1 179)	(1 554)
	4 521	6 438
	4 594	6 780

The caption Other assets considers, in the half years ended 30 June 2026 and 2025, the reinforcement of impairment for some properties following the valuations carried out.

16 Other provisions

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Jun 2025**
Guarantees and commitments (note 37)		
Charge for the period	4 385	6 112
Reversals for the period	(5 145)	(7 961)
	(760)	(1 849)
Other risks and charges (note 37)		
Charge for the period	1 072	412
Reversals for the period	(1 322)	(42)
	(250)	370
	(1 010)	(1 479)

17 Share of profits/(losses) booked under the equity method

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Jun 2025**
HTA - Hóteis, Turismo e Animação dos Açores, S.A.	(405)	(349)

18 Cash and deposits at central banks

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Cash	138 970	155 804
Deposits at central banks		
Bank of Portugal	849 738	1 100 243
	988 708	1 256 047

The caption Deposits at central banks – Bank of Portugal includes the amount necessary to comply with the legal requirements to maintain a minimum cash reserve, calculated based on the value of the deposits and other effective liabilities. The cash reserve constitution regime, in accordance with directives of the European Central Bank System for the Eurozone, establishes the maintenance of a deposit at the Central Bank equivalent to 1% of the average value of the deposits and other liabilities, over each reserve constitution period.

19 Deposits and deposit equivalents at other credit institutions

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Credit institutions in Portugal	665	751
Credit institutions abroad	48 377	45 302
Amounts to be collected	16 015	13 304
	65 057	59 357

The caption Amounts to be collected refers to cheques drawn by third parties on other credit institutions, and which are due for collection.

As at 30 June 2026, Deposits and deposit equivalents at other credit institutions were remunerated at the implicit average rate of 0.04% (31 December 2025: 0.06%).

20 Loans and advances to credit institutions

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Loans and advances to credit institutions in Portugal	607	8 690
Loans and advances to credit institutions abroad		
Term deposits	11 863	25 245
CSA's	32 318	28 048
Reverse repos	158 901	324 838
Other loans and advances	93 608	76 405
	296 690	454 536
	297 297	463 226
Impairment for credit risk of loans and advances to credit institutions	(39)	(121)
	297 258	463 105

As at 30 June 2026 and 31 December 2025, the caption Term deposits, recorded under Loans and advances to credit institutions abroad, includes the amount of Euro 11,320 thousand, related to a deposit made and accepted as collateral within the scope of the ex-ante Contribution to the Single Resolution Fund, as per note 9.

Credit Support Annexes (“CSA’s”) are contracts that regulate the delivery, reception and monitoring of collateral delivered/received to cover the exposure of a counterparty of the contract to the other, as a result of open positions in over-the-counter derivatives. Despite the fact that collaterals under the CSA contracts can take the form of securities or cash, in Banco Montepio’s case, all collaterals are in the form of cash.

Collaterals in cash delivered (constitution of reinforcement) or received (collateral release) result from the changes in the fair value of the various derivative instruments that the Banco Montepio Group negotiated with each one of the counterparties and are materialized through the effective transfers of cash, which are processed via TARGET2 to each one of the counterparties in question, as a guarantee/security of the Group’s exposure vis-à-vis the counterparty.

On this basis, and in the scope of the operations of derivative financial instruments with institutional counterparties, and as established in the respective contracts, as at 30 June 2026, the Banco Montepio Group holds the amount of Euro 32,318 thousand (31 December 2025: Euro 28,048 thousand) related to loans and advances to credit institutions given as collateral for the above-mentioned operations.

The caption Purchase operations with resale agreement refer to operations made with banks of the Eurozone.

The caption Loans and advances to credit institutions abroad – Other loans and advances, includes the amounts deposited by vehicles incorporated in the scope of the Group's securitization operations.

Impairment movements for credit risks of Loans and advances to credit institutions are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	121	1 040
Charge for the period	24	48
Reversals for the period	(106)	(864)
Exchange rate differences	-	(103)
Closing balance	39	121

In the first half of 2026, Loans and advances to credit institutions were remunerated at the implicit average rate of 2.98% (2025: 2.54%).

21 Loans and advances to customers

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Corporate		
Loans not represented by securities		
Loans	2 815 250	2 783 057
Current account loans	340 719	315 722
Finance lease	379 859	367 013
Discounted bills	17 243	14 931
Factoring	338 565	307 477
Overdrafts	1 178	1 210
Other loans	341 968	304 817
Loans represented by securities		
Commercial paper	455 168	431 371
Bonds	447 027	490 241
Retail		
Mortgage loans	6 778 815	6 276 347
Finance leases	26 859	29 034
Consumer credit and other loans	1 690 614	1 608 932
	13 633 265	12 930 152
Value correction of assets subject to hedging operations		
Other Loans	-	(19)
Past due loans and advances and interest		
Less than 90 days	3 314	15 145
More than 90 days	107 027	68 651
	110 341	83 796
	13 743 606	13 013 929
Impairment for credit risks	(177 133)	(177 108)
	13 566 473	12 836 821

As at 30 June 2026, the caption Loans and advances to customers includes the amount of Euro 2,125,100 thousand (31 December 2025: Euro 2,190,754 thousand) related to the issue of covered bonds realized by the Group, as referred to in note 36.

As at 30 June 2026, the loans and advances that the Group granted to its shareholders and to related parties amounted to Euro 5,062 thousand (31 December 2025: Euro 5,208 thousand), as described in note 48. The celebration of business between the Group and its shareholders or with individual or legal persons related to these, according to article 20 of the Portuguese Securities Code, regardless of the amount, is always submitted to deliberation and assessment by the Board of Directors and the Audit Committee, under a proposed made by the commercial network, supported by analyses and opinions as to the compliance with the limit established in article 109 of the Legal Framework of Credit Institutions and Financial Companies issued by the Risk Directorate. The impairment for credit risks related to these contracts amounts to Euro 3 thousand as at 30 June 2026 (31 December 2025: Euro 6 thousand).

As at 30 June 2026, the caption Loans and advances to customers includes the amount of Euro 57,168 thousand (31 December 2025: Euro 73,820 thousand) related to loans and advances that were the object of securitization and that, in accordance with the accounting policy outlined in note 1 c), were not the object of derecognition, as referred in note 49.

The caption Value correction of assets subject to hedge operations registers the fair value of the part of the portfolio that is hedged. This appreciation is accounted for through the income statement, in accordance with the accounting policy described in note 1 c). The Group periodically tests the effectiveness of the existing hedging relationships.

The fair value of the Loans and advances to customers' portfolio is presented in note 45.

The analysis of the caption Loans and advances to customers, by interest rate type, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Variable-rate loans and advances	8 068 452	7 801 231
Fixed-rate loans and advances	5 675 154	5 212 698
	13 743 606	13 013 929

The analysis of Past due loans and advances and interest, by credit type, is presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Asset-backed loans	32 642	16 668
Other guaranteed loans	46 050	42 780
Finance leases	6 710	6 647
Secured loans	10 500	-
Other loans	14 439	17 701
	110 341	83 796

The analysis of Past due loans and advances and interest, by customer type and purpose, is presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Corporate		
Construction/Production	9 112	2 387
Investment	19 735	18 074
Treasury	50 097	38 728
Others	10 081	9 674
Retail		
Mortgage loans	2 955	1 920
Consumer credit	15 017	12 415
Others	3 344	598
	110 341	83 796

The analysis of the caption Loans and advances to customers, by maturity and by credit type, as at 30 June 2026 and 31 December 2025, is as follows:

(Euro thousand)

	Jun 2026				
	Up to 1 year	1 to 5 years	More than 5 years	Undetermined	Total
Asset-backed loans	111 587	663 565	9 460 125	32 642	10 267 919
Other guaranteed loans	475 002	243 714	146 827	46 050	911 593
Finance leases	20 936	236 250	149 532	6 710	413 428
Secured loans	453 974	251 294	196 927	10 500	912 695
Other loans and advances	305 425	188 381	729 726	14 439	1 237 971
	1 366 924	1 583 204	10 683 137	110 341	13 743 606

(Euro thousand)

	Dec 2025				
	Up to 1 year	1 to 5 years	More than 5 years	Undetermined	Total
Asset-backed loans	135 381	543 697	8 820 126	16 668	9 515 872
Other guaranteed loans	378 692	245 543	147 348	42 780	814 363
Finance leases	15 489	220 831	159 727	6 647	402 694
Secured loans	431 627	232 730	257 255	-	921 612
Other loans and advances	241 305	229 751	870 631	17 701	1 359 388
	1 202 494	1 472 552	10 255 087	83 796	13 013 929

As at 30 June 2026 and 31 December 2025, the outstanding amount of finance leases, by residual maturity of instalments, is presented as follows:

(Euro thousand)

	Jun 2026			
	Up to 1 year	1 to 5 years	More than 5 years	Total
Outstanding rentals	61 787	266 583	108 271	436 641
Outstanding interest	(22 062)	(69 356)	(28 075)	(119 493)
Residual values	24 384	57 250	7 936	89 570
	64 109	254 477	88 132	406 718

(Euro thousand)

	Dec 2025			
	Up to 1 year	1 to 5 years	More than 5 years	Total
Outstanding rentals	63 597	259 403	92 462	415 462
Outstanding interest	(17 054)	(59 864)	(20 944)	(97 862)
Residual values	9 053	46 602	22 792	78 447
	55 596	246 141	94 310	396 047

As regards operating leases, the Group does not have significant agreements as lessor.

The movements in impairment for credit risk are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	177 108	216 891
Charge for the period	119 856	312 528
Reversals for the period	(115 679)	(303 461)
Utilization	(4 823)	(49 888)
Exchange rate differences	-	(46)
Stage 3 interest	370	766
Transfers and others	301	318
Closing balance	177 133	177 108

The use of impairment corresponds, essentially, to loan and advance operations written off and to loan sale operations to third-party entities, made within the scope of the non-performing exposure reduction strategy.

The impairment for credit risk, by credit type, is presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Asset-backed loans and Finance leases	136 224	84 884
Other guaranteed loans	40 859	51 080
Unsecured loans	50	41 144
	177 133	177 108

The analysis of impairment used, by credit type, is as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Asset-backed loans and Finance leases	1 488	20 801
Other guaranteed loans	3	5 104
Unsecured loans	3 332	23 983
	4 823	49 888

The Banco Montepio Group has adopted forbearance measures and practices, aligned in terms of risk, to adjust the disposable income or the financial capacity of customers to their debt service. On this basis, the recommendations legislated in the scope of the non-compliance regimes (Decree-Law no. 227/2012) and, for companies (SIREVE, PER), were adopted, with these being widely disclosed in the institutional website, in the internal rules and communications, to be disclosed and implemented vis-à-vis customers presenting evidence of financial difficulties.

Regarding the forbearance measures and in accordance with Implementing Regulation (EU) 2015/227, of 9 January 2015, contractual changes were considered (grace period of the principal, extension of the term, deferral of the principal, etc.) as were the consolidation of debts in another contract with conditions adjusted to the customer's current situation.

As at 30 June 2026, the loan and advances portfolio includes loans that, given the financial difficulties of the customer, were subject to amendments of the initial conditions of the contract and these amount to Euro 126,023 thousand (31 December 2025: Euro 127,788 thousand) and present an impairment of Euro 34,362 thousand (31 December 2025: Euro 29,048 thousand).

Additionally, the restructured loans and advances to customers' portfolio includes contracts that resulted in a formal restructuring with the customers and the consequent celebration of a new loan to replace the previous loans. The restructuring may result from a reinforcement of guarantees and/or liquidation of part of the loan and involve an extension of maturities or a change in the interest rate.

The analysis of restructured loans as at 30 June 2026 and 31 December 2025, by credit type, is presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Corporate		
Loans not represented by securities		
Loans	15 733	27 349
Current account loans	452	19 898
Finance leases	244	4 612
Other loans	2 996	2 542
Retail		
Mortgage loans	1 328	3 045
Consumer credit and other loans	1 352	996
	22 105	58 442

As at 30 June 2026, impairment associated with restructured loans not yet due amounts to Euro 9,409 thousand, corresponding to an impairment rate of 42.6% (31 December 2025: Euro 16,303 thousand, impairment rate of 27.9%).

Synthetic securitization

On 21 December 2022, Banco Montepio carried out an operation that configures a synthetic securitization structure, based on a portfolio of loans to individuals with mortgage guarantee. The legal maturity date of the operation is 29 December 2050, and the respective amount is Euro 455,430 thousand as at 30 June 2026 (31 December 2025: Euro 491,507 thousand).

On 31 May 2023, Banco Montepio carried out a synthetic securitization, with an underlying portfolio of loans to individuals with mortgage guarantee. The legal maturity date of the operation is 4 February 2066, and the amount is Euro 576,980 thousand as at 30 June 2026 (31 December 2025: Euro 604,724 thousand).

22 Financial assets and liabilities held for trading

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
Financial assets held for trading		
Securities		
Shares	2 644	838
Bonds	17 880	6 393
Investment Units	436	1 303
	20 960	8 534
Derivatives instruments		
Derivative instruments with positive fair value	5 437	5 321
	26 397	13 855
Financial liabilities held for trading		
Derivatives instruments		
Derivative instruments with negative fair value	5 936	5 870
	5 936	5 870

As provided for in IFRS 13, as at 30 June 2026 and 31 December 2025, the financial instruments measured in accordance with the valuation levels described in note 45, are presented as follows:

(Euro thousand)

	Jun 2026			
	Level 1	Level 2	Level 3	Total
Financial assets held for trading				
Securities				
Shares	2 644	-	-	2 644
Bonds	17 880	-	-	17 880
Investment Units	436	-	-	436
	20 960	-	-	20 960
Derivatives instruments				
Derivatives instruments with positive fair value	-	5 437	-	5 437
	20 960	5 437	-	26 397
Financial liabilities held for trading				
Derivatives instruments				
Derivatives instruments with negative fair value	-	5 936	-	5 936
	-	5 936	-	5 936

(Euro thousand)

	Dec 2025			
	Level 1	Level 2	Level 3	Total
Financial assets held for trading				
Securities				
Shares	838	-	-	838
Bonds	6 393	-	-	6 393
Investment Units	1 303	-	-	1 303
	8 534	-	-	8 534
Derivatives instruments				
Derivatives instruments with positive fair value	-	5 175	146	5 321
	8 534	5 175	146	13 855
Financial liabilities held for trading				
Derivatives instruments				
Derivatives instruments with negative fair value	-	5 870	-	5 870
	-	5 870	-	5 870

As at 30 June 2026, no assets had been given to the European Central Bank as collateral for possible liquidity-providing operations and, as such, no amount was recorded in this caption (31 December 2025: Euro 3,762 thousand) after the application of a haircut.

As at 30 June 2026, securities given as collateral to the EIB and recorded under the caption Financial assets held for trading, amounted to Euro 200 thousand, as described in note 34.

These financial assets given as collateral may be executed in the event of non-compliance with the contractual obligations assumed by Banco Montepio under the terms of the contracts entered.

The book value of the derivative financial instruments as at 30 June 2026, and their comparison with the respective assets and liabilities recorded at fair value, can be analysed as follows:

(Euro thousand)

		Jun 2026								
		Fair value of the Derivative					Related Asset/ Liability			
Derivative	Related financial asset/ liability	Notional	Positive	Negative	Total	Changes in the year (1)	Fair value	Changes in fair value in the financial year	Book value	Reimbursement amount at maturity date
Interest rate swap	Deposits from customers	115 626	675	(1 232)	(557)	(386)	-	-	114 268	115 419
Interest rate swap	Loans and advances to customers	37 552	359	(357)	2	280	1	20	-	-
Interest rate swap	-	92 590	2 129	(2 127)	2	(21)	-	-	-	-
Currency Swap (Short)	-	76 466	345	(87)	258	96	-	-	-	-
Currency Swap (Long)	-	76 772	-	-	-	-	-	-	-	-
Futures (Short)	-	7 329	-	-	-	-	-	-	-	-
Futures (Long)	-	1 993	-	-	-	-	-	-	-	-
Forwards (Short)	-	3 378	-	-	-	-	-	-	-	-
Forwards (Long)	-	3 381	-	-	-	-	-	-	-	-
Options (Short)	-	193 166	1 929	(2 133)	(204)	80	-	-	-	-
Options (Long)	-	194 400	-		-	-	-	-	-	-
		802 653	5 437	(5 936)	(499)	49	1	20	114 268	115 419

(1) Includes the result of derivatives disclosed in note 5

The book value of the derivative financial instruments as at 31 December 2025, and their comparison with the respective assets and liabilities recorded at fair value, can be analysed as follows:

		Dec 2025								
		Fair value of the Derivative					Related Asset/ Liability			
Derivative	Related financial asset/ liability	Notional	Positive	Negative	Total	Changes in the year (1)	Fair value	Changes in fair value in the year	Book value	Reimbursement amount at maturity date
Interest rate swap	Deposits from customers	101 599	609	(780)	(171)	(2 177)	-	1 285	100 570	101 563
Interest rate swap	Loans and advances to customers	38 577	269	(547)	(278)	202	(19)	6	605	582
Interest rate swap	-	122 598	2 233	(2 210)	23	(379)	-	-	-	-
Currency Swap (Short)	-	61 119	174	(12)	162	271	-	-	-	-
Currency Swap (Long)	-	61 371	-	-	-	-	-	-	-	-
Futures (Short)	-	-	-	-	-	-	-	-	-	-
Futures (Long)	-	5 401	-	-	-	-	-	-	-	-
Forwards (Short)	-	1 283	-	-	-	-	-	-	-	-
Forwards (Long)	-	1 284	-	-	-	-	-	-	-	-
Options (Short)	-	178 523	2 036	(2 321)	(285)	(22)	-	-	-	-
Options (Long)	-	178 606	-	-	-	-	-	-	-	-
		750 361	5 321	(5 870)	(549)	(2 105)	(19)	1 291	101 175	102 145

(1) Includes the result of derivatives disclosed in note 5

Derivatives held for risk management were contracted for the purpose of hedging certain financial assets and liabilities but were not designated as hedging derivatives.

The fair value of options corresponds to their respective market value, given that these are derivatives traded on organized markets, with daily settlement against the margin account. The fair value of Forwards - Foreign exchange derivatives refers to instruments with short residual maturities, to be settled at maturity.

23 Financial assets not held for trading mandatorily at fair value through profit or loss

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
Variable income securities		
Investment units	89 951	88 962
Loans and advances to customers at fair value		
Loans not represented by securities	9 857	10 183
	99 808	99 145

The caption Variable-income securities – Investment units includes investments made in Real Estate Investment Funds, Specialized Credit Recovery Funds and Venture Capital Funds that are valued according to the amount of the Net Asset Value of the Fund ("NAVF") disclosed, determined by the management company, in the amount of Euro 89,951 thousand (31 December 2025: Euro 88,962 thousand), of which the amount of Euro 41,911 thousand (31 December 2025: Euro 40,193 thousand) refers to investment units in Specialized Credit Funds acquired in the scope of the sale of loans and advances to customers, as referred in note 53 and the amount of Euro 30,850 thousand (31 December 2025: Euro 30,605 thousand) refers to Real Estate Investment Funds.

As set out in IFRS 13, financial instruments are measured in accordance with the valuation levels described in note 45, and all are classified as level 3.

The net assets of Specialized Credit Recovery Funds represent a diversified set of assets and liabilities, which are valued in the respective Funds' accounts at fair value determined using internal methodologies adopted by the management entity.

The net assets of the Real Estate Investment Funds are valued by the management company based on valuation reports prepared by experts registered with the Portuguese Securities Commission (Comissão do Mercado de Valores Mobiliários ("CMVM")).

As at 30 June 2026, for Variable-income securities recorded under level 3, considering a 10% change in the value of the financial assets, an impact of Euro 8,995 thousand (31 December 2025: Euro 8,896 thousand) was determined.

The movements occurring in the Financial assets at fair value through profit or loss – Variable-income securities, recorded under level 3, are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	88 962	93 083
Acquisitions	757	4 114
Remeasurements	2 117	(4 968)
Disposals	(1 885)	(3 267)
Closing balance	89 951	88 962

The movements occurring in level 3 of the Loans and advances to customers at fair value relate, in their entirety, to revaluations made in the first half of 2026 and financial year 2025.

24 Financial assets at fair value through other comprehensive income

This caption has the following breakdown:

(Euro thousand)

	Jun 2026				
	Cost [1]	Fair value reserve		Impairment losses	Book value
		Positive	Negative		
Fixed income securities					
Bonds issued by public entities					
Domestic	44 088	1	(729)	(63)	43 297
Foreign	432 203	462	(2 613)	(355)	429 697
Bonds issued by other entities					
Domestic	3 914	258	(1)	(24)	4 147
Foreign	315	-	(9)	-	306
	480 520	721	(3 352)	(442)	477 447
Variable income securities					
Shares					
Domestic	4 907	15 672	-	-	20 579
Foreign	6 214	364	(2 229)	-	4 349
	11 121	16 036	(2 229)	-	24 928
	491 641	16 757	(5 581)	(442)	502 375

[1] Acquisition cost related to variable income securities and amortised cost by debt securities.

(Euro thousand)

	Dec 2025				
	Cost [1]	Fair value reserve		Impairment losses	Book value
		Positive	Negative		
Fixed income securities					
Bonds issued by public entities					
Domestic	43 720	20	(718)	(63)	42 959
Foreign	431 662	189	(929)	(366)	430 556
Bonds issued by other entities					
Domestic	6 446	772	-	(512)	6 706
Foreign	341	-	(6)	-	335
	482 169	981	(1 653)	(941)	480 556
Variable income securities					
Shares					
Domestic	5 001	15 672	-	-	20 673
Foreign	6 214	364	(2 251)	-	4 327
	11 215	16 036	(2 251)	-	25 000
	493 384	17 017	(3 904)	(941)	505 556

[1] Acquisition cost related to variable income securities and amortised cost by debt securities.

As at 30 June 2026 and 31 December 2025, the analysis of financial assets at fair value through other comprehensive income, net of impairment, by valuation levels, is presented as follows:

(Euro thousand)

	Jun 2026				
	Level 1	Level 2	Level 3	Financial instruments at cost	Total
Fixed income securities					
Bonds issued by public entities					
Domestic	43 296	-	-	-	43 296
Foreign	429 697	-	-	-	429 697
Bonds issued by other entities					
Domestic	4 147	-	-	-	4 147
Foreign	-	307	-	-	307
	477 140	307	-	-	477 447
Variable income securities					
Shares					
Domestic	-	-	20 579	-	20 579
Foreign	-	-	4 349	-	4 349
	-	-	24 928	-	24 928
	477 140	307	24 928	-	502 375

(Euro thousand)

	Dec 2025				
	Level 1	Level 2	Level 3	Financial Instruments at cost	Total
Fixed income securities					
Bonds issued by public entities					
Domestic	42 959	-	-	-	42 959
Foreign	430 556	-	-	-	430 556
Bonds issued by other entities					
Domestic	4 247	-	2 459	-	6 706
Foreign	-	335	-	-	335
	477 762	335	2 459	-	480 556
Variable income securities					
Shares					
Domestic	-	-	19 987	686	20 673
Foreign	-	-	3 961	366	4 327
	-	-	23 948	1 052	25 000
	477 762	335	26 407	1 052	505 556

As provided for in IFRS 13, financial instruments are measured according to the valuation levels described in note 45.

As at 30 June 2026, for securities recorded under level 3, when considering a 10% change in the value of financial assets, an impact of Euro 2,493 thousand (31 December 2025: Euro 2,641 thousand) was determined.

Instruments classified under level 3 have associated unrealized gains and losses in the positive net amount of Euro 13,807 thousand (31 December 2025: positive amount of Euro 14,322 thousand) recognized in fair value reserves.

As at 31 December 2025, in this caption, the Group has some securities measured at acquisition cost and it is the Group's understanding that the book value presented for financial instruments at acquisition cost does not differ materially from the fair value, with the respective fair value not having been determined given the reduced value of the positions.

As at 30 June 2026, no impairment was recorded for level 3 securities (31 December 2025: Euro 488 thousand).

The movements occurring in financial assets at fair value through other comprehensive income recorded in level 3 are analysed as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Opening balance	26 407	26 254
Remeasurements	22	153
Transfers to level 3	1 051	-
Disposables	(93)	-
Amortization at nominal value	(2 459)	-
Closing balance	24 928	26 407

The movements occurring in impairment of financial assets at fair value through other comprehensive income are analysed as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Opening balance	941	594
Charge for the period	127	512
Reversals for the period	(102)	-
Utilization	(524)	(165)
Closing balance	442	941

Within the scope of liquidity-providing operations, the nominal value of the assets pledged as collateral to the European Central Bank included in this caption, as at 30 June 2026, amounts to Euro 441,656 thousand after haircut (31 December 2025: Euro 416,506 thousand).

As at 30 June 2026, the collateral for the loan obtained from the EIB includes a set of Spanish sovereign bonds with a nominal value of Euro 15,000 thousand, given in guarantee and recorded under the caption Financial assets at fair value through other comprehensive income, as described in note 34. As at 31 December 2025, no bonds had been given as collateral.

These financial assets pledged as collateral can be executed in the event of non-compliance with contractual obligations assumed by the Group under the terms and conditions of the contracts celebrated.

25 Hedging derivatives

This caption has the following breakdown:

	(milhares de euros)	
	Jun 2026	**Dec 2025**
Assets		
Interest rate swaps	1 227	23 434
Liabilities		
Interest rate swaps	31 966	28 031
	(30 739)	(4 597)

The Banco Montepio Group contracted interest rate swaps to hedge its interest rate risk arising from bond issues at fixed rate. The accounting method depends on the nature of the hedged risk, namely whether the Group is exposed to fair value changes, or whether it is hedging future transactions. The Group performs periodic effectiveness tests of the hedging relationships.

The Banco Montepio Group contracted hedging operations for interest rate risk on bonds issued and debt instruments recognized in the Other financial assets at amortized cost portfolio. As at 30 June 2026, the fair value hedging operations can be analysed as follows:

(Euro thousand)

	Jun 2026						
Derivative	**Hedged item**	**Hedged risk**	**Notional**	**Fair value of derivative [1]**	**Changes in fair value of derivative in the financial period**	**Fair value of hedge element [2]**	**Changes in fair value of the hedged item in the financial period [2]**
Interest rate swap	Debt securities issued	Interest rate	250 000	1 127	(9 361)	989	(2 107)
Interest rate swap	Other subordinated debt	Interest rate	250 000	100	(12 845)	89	(2 133)
Interest rate swap	Other financial assets at amortized cost	Interest rate	150 000	(31 966)	(3 935)	(30 683)	(2 543)
			650 000	(30 739)	(26 141)	(29 605)	(6 783)

[1] Includes accured interest.
[2] Attributable to the hedge risk.

As at 31 December 2025, the fair value hedging operations can be analysed as follows:

(Euro thousand)

	Dec 2025						
Derivative	**Hedged item**	**Hedged risk**	**Notional**	**Fair value of derivative [1]**	**Changes in fair value of derivative in the financial period**	**Fair value of hedge element [2]**	**Changes in fair value of the hedged item in the financial period [2]**
Interest rate swap	Debt securities issued	Interest rate	250 000	10 489	(4 528)	3 097	(4 339)
Interest rate swap	Other subordinated debt	Interest rate	250 000	12 945	(2 295)	2 222	(2 360)
Interest rate swap	Other financial assets at amortized cost	Interest rate	150 000	(28 031)	(994)	(28 141)	(1 022)
			650 000	(4 597)	(7 817)	(22 822)	(7 721)

[1] Includes accured interest.
[2] Attributable to the hedge risk.

26 Other financial assets at amortized cost

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Fixed income securities		
Bonds issued by public entities		
Domestic	885 451	839 523
Foreign	3 041 822	2 497 677
Bonds issued by other entities		
Domestic	38 587	40 162
Foreign	354 406	344 897
Commercial paper		
Domestic	9 965	8 969
Foreign	83 533	108 741
	4 413 764	3 839 969
Impairment for other financial assets at amortized cost	(4 622)	(4 099)
	4 409 142	3 835 870

Other financial assets at amortized cost are recognized in accordance with the accounting policy described in note 1 c) and their fair value is presented in note 45.

As at 30 June 2026, the loan obtained from the EIB is collateralized by Italian, Spanish, French and Greek sovereign bonds with a nominal value of Euro 270,769 thousand (31 December 2025: Euro 172,182 thousand by Italian, Spanish and French sovereign bonds), provided as collateral and recorded in the caption Other financial assets at amortized cost, as disclosed in note 34.

Within the scope of the liquidity-providing operations, the nominal value of the assets pledged as collateral to the European Central Bank recorded under this caption, as at 30 June 2026, amounts to Euro 3,066,401 thousand (31 December 2025: Euro 3,870,025 thousand) after the application of a haircut.

These financial assets pledged as collateral may be forfeited in the event of non-compliance with the contractual obligations assumed by the Group under the terms and conditions of the contracts signed.

As at 30 June 2026 and 31 December 2025, securities given in guarantee to the Portuguese Securities Market Commission ("CMVM") within the scope of the Investors' Compensation System, recorded under Other financial assets at amortized cost, have a nominal value of Euro 1,000 thousand.

The movements in Impairment of other financial assets at amortized cost are analysed as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Opening balance	4 099	4 740
Charge for the period	1 035	1 971
Reversals for the period	(511)	(2 612)
Utilization	(1)	-
Closing balance	4 622	4 099

27 Investments in associates

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	Dec 2025
HTA - Hotés, Turismo e Animação dos Açores, S.A.	-	5 197
CESource, A.C.E [1]	-	-
	-	5 197

[1] As an Economic Interest Grouping (ACE), CESource does not have share capital.

On 13 May 2026, the shareholding in the entity H.T.A – Hotéis, Turismo e Animação dos Açores, S.A. was disposed of, resulting in a capital gain of euro 3,072 thousand (see note 8).

Associates included in the Group's consolidation perimeter are listed in note 55. The financial information of Associates is presented in the following tables:

	(Euro thousand)					
	Assets	Liabilities	Equity	Income	Net profit / (loss)	Acquisition cost
31 December 2025						
HTA - Hóteis, Turismo e Animação dos Açores, S.A.	34 180	8 195	25 984	15 252	3 474	5 197

	(Euro thousand)					
	Percentage held		Book value		Profit / Loss	
	Jun 2026	Dec 2025	Jun 2026	Dec 2025	Jun 2026	Dec 2025
HTA - Hóteis, Turismo e Animação dos Açores, S.A. [1]	-	20,0%	-	5 197	(405)	695

[1] The result recognised as at June 2026 corresponds to the result as of the disposal date.

28 Non-current assets held for sale

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	Dec 2025
Properties and other assets resulting from the resolution of customer loan agreements	602	251
Impairment for non-current assets held for sale	(255)	(210)
	347	41

The assets included in this caption are accounted for in accordance with the accounting policy described in note 1 h).

The movements occurring in non-current assets held for sale in the first half of 2026 and financial year 2025 are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	251	194
Acquisitions	4 279	358
Disposals	(3 928)	(301)
Closing balance	602	251

The movements in impairment of non-current assets held for sale are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	210	160
Charge for the period	111	130
Reversal for the period	(66)	(80)
Closing balance	255	210

29 Investment properties

The caption Investment properties includes the real estate owned by "Valor Arrendamento – Fundo de Investimento Imobiliário Fechado para Arrendamento Habitacional", by "Polaris – Fundo de Investimento Imobiliário Fechado de Subscrição Particular" and by "Carteira Imobiliária – Fundo Especial de Investimento Imobiliário Aberto", all of which are consolidated by the full consolidation method, according to the accounting policy described in note 1 b) and also the real estate held by SSAGINCENTIVE – Sociedade de Serviços Auxiliares e de Gestão de Imóveis, S.A..

As at 30 June 2026, the amount of rental income received related to investment properties totalled Euro 230 thousand (31 December 2025: Euro 585 thousand) and maintenance costs of leased and non-leased properties totalled Euro 777 thousand (31 December 2025: Euro 2,067 thousand), as described in note 9.

The movements in this caption are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening Balance	32 807	44 760
Revaluations	986	1 270
Disposables	(5 188)	(13 223)
Closing Balance	28 605	32 807

These investments are initially recognized at acquisition cost, including transaction costs, and are subsequently remeasured by external appraisers duly certified and registered with the Portuguese Securities Commission (Comissão do Mercado de Valores Mobiliários ("CMVM")).

Within the scope of the plan to reduce exposure to real estate risk, disposals with a balance sheet value of Euro 5,188 thousand (31 December 2025: Euro 13,223 thousand) were recorded as at 30 June 2026, resulting in a loss of Euro 377 thousand (31 December 2025: Euro 1,073 thousand) recorded in Net gains/(losses) arising from the sale of other assets (note 8).

30 Tangible assets

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Investiments		
Real estate		
For own use	158 636	158 681
Leasehold improvements in rented buildings	24 750	24 750
Equipment		
IT equipment	87 489	87 485
Fixtures	38 874	38 146
Furniture	18 899	18 854
Security equipment	4 603	4 239
Machinery and tools	2 753	2 750
Transportation equipment	211	295
Other equipment	5	5
Works of art	2 870	2 870
Assets in operating leases	39	39
Righ-of-use assets		
Real estate	35 070	38 460
Motor vehicles	19 346	19 128
Other tangible assets	525	525
Work in progress	5 520	4 011
	399 590	400 238
Accumulated depreciation		
For the current financial period	(8 928)	(16 858)
Relating to previous financial periods	(197 383)	(188 369)
	(206 311)	(205 227)
Impairment for other tangible assets	(271)	(271)
	193 008	194 740

The caption Right-of-use assets corresponds, essentially, to real estate (branches and central buildings) and to the car fleet, being depreciated according to the lease term of each agreement, as indicated in accounting policy 1 m).

The movements in impairment of Tangible assets are analysed as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Opening balance	271	1 101
Charge for the period	28	356
Utilization	-	(350)
Transfers	(28)	(836)
Closing balance	271	271

The caption Allocation for the period year considers, as at 30 June 2026 and 31 December 2025, the reduction to the recoverable value for some properties following the valuations carried out, as mentioned in note 15. When these properties cease to be used in the operations, either through disposal or transfer to the caption Other assets - Non-current assets held for sale, as described in note 33, the impairment is also considered.

As at 31 December 2025, an allocation of impairment was made in the amount of Euro 356 thousand related to the closure of branches in the scope of the Re-dimensioning Plan of the distribution network.

31 Intangible assets

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
Investiment		
Software	321 929	303 853
Other Intagible Assets	3 012	3 012
Work in progress	11 146	12 441
	336 087	319 306
Accumulated depreciation		
For the current financial year	(16 710)	(34 052)
Relating to previous financial years	(250 824)	(216 772)
	(267 534)	(250 824)
	68 553	68 482

As at 30 June 2026 and 31 December 2025, the caption Intangible assets in progress refers, essentially, to costs incurred with software being developed internally.

32 Taxes

This caption has the following breakdown:

(Euro thousand)

	Assets		Liabilities		Net	
	Jun 2026	Dec 2025	Jun 2026	Dec 2025	Jun 2026	Dec 2025
Deferred taxes not dependent on future profitability						
Impairment on loans granted	-	-	-	-	-	-
Post-employment and long-term employee benef	8 120	9 166	-	-	8 120	9 166
	8 120	9 166	-	-	8 120	9 166
Deferred taxes dependent on future profitability						
Financial instruments	5 065	6 175	(7 986)	-	(2 921)	6 175
Other tangible assets	6	8	-	-	6	8
Provisions / Impairment						
Impairment on loans granted	2 731	4 345	-	(8 245)	2 731	(3 900)
Other risks and charges	1 152	1 233	-	-	1 152	1 233
Impairment in securities and non-financial assets	5 414	5 643	(21)	(21)	5 393	5 622
Impairment in financial assets	615	715	-	-	615	715
Post-employment and long-term employee benef	5 037	42 386	-	-	5 037	42 386
Others	-	1 923	-	-	-	1 923
Tax Benefits	41 876	5 369	-	-	41 876	5 369
Taxes losses carried forward	183 684	192 902	-	-	183 684	192 902
	245 580	260 699	(8 007)	(8 266)	237 573	252 433
Net deferred tax assets/ (liabilities)	253 700	269 865	(8 007)	(8 266)	245 693	261 599

Special regime applicable to deferred tax assets

On 6 July 2016, the Extraordinary General Meeting of Banco Montepio was held, approving the adherence to the Special Regime Applicable to Deferred Tax Assets ("Regime" or "READ"), approved by Law no. 61/2014, of 26 August, which is applicable to costs and negative equity changes recorded in tax periods

beginning on or after 1 January 2015, as well as to deferred tax assets recorded in the annual accounts for the last tax period prior to that date and to the part of the costs and negative equity changes associated with same.

In accordance with Law no. 23/2016, of 19 August, the READ is not applicable to costs and negative equity changes recorded in tax periods beginning on or after 1 January 2016 nor to their associated deferred tax assets.

Law no. 61/2014, of 26 August, determines an optional framework with a subsequent waiving option, in accordance with which, in some cases (i.e. net loss in separate annual accounts or in settlement accounts on the voluntary winding-up, insolvency decided by law or withdrawal of the respective authorization), there will be a conversion into tax credits of deferred tax assets that resulted from the non-deduction of costs and of deductions of asset values resulting from credit impairment losses and post-employment and long-term employee benefits. In such case, a special reserve corresponding to 110% of their amount shall be constituted, requiring the simultaneous constitution of conversion rights attributable to the State in the same amount. These rights can be acquired by the shareholders upon payment to the State of the same amount. Tax credits may be offset against tax debts of the beneficiaries (or of an entity based in Portugal of the same prudential consolidation perimeter) or reimbursable by the State. The recovery of deferred tax assets covered by the regime approved by Law no. 61/2014, of 26 August, is not dependent upon future profits.

The aforementioned legal framework was regulated by Ordinance no. 259/2016, of 4 October, on the control and use of tax credits, and by Ordinance no. 293-A/2016, of 18 November, the latter altered by Ordinance no. 272/2017, of 13 September, determining the conditions and procedures for the acquisition of the referred State rights by the shareholders.

According to this legislation, those rights are, among other factors, subject to a right of acquisition by the shareholders on their inception date, exercisable in periods to be established by the Board of Directors up to 10 years after the respective constitution, with the issuing bank depositing in the State's name the full amount corresponding to the rights issued, within 3 months from the confirmation date of the deferred tax asset conversion into tax credit. This deposit shall be redeemed when and to the extent that the State rights are acquired by the shareholders or exercised by the State.

Bearing in mind that Banco Montepio recorded a net accounting loss in 2020 and 2021, and following the approval of the annual accounts by the corporate bodies and, consequently, the application of said Regime, in financial years 2021 and 2022, there was a conversion into tax credits of deferred tax assets that resulted from the non-deduction of expenses and from deductions in respect of the value of assets resulting from impairment losses on credits and of post-employment and long-term employee benefits; with a special reserve corresponding to 110% of their amount being constituted for this purpose, as described in note 42.

As at 31 December 2024, under the terms of article 8 of the annex to Law no. 61/2014, of 26 August, the Banco Montepio Group had a special reserve in the amount of Euro 4,809 thousand.

Following deliberation by the Extraordinary General Meeting of 31 July 2025, the capital increase of Banco Montepio, through the incorporation of the entirety of this special reserve, under the Special Regime applicable to Deferred Tax Assets ("READ"), was finalized in September 2025.

Deferred taxes are calculated based on the tax rates expected to be in force on the date of reversal of the timing differences, which correspond to the rates approved or substantially approved at the balance sheet date.

The caption Post-employment and long-term employee benefits includes the amount of Euro 1,089 thousand (31 December 2025: Euro 1,192 thousand) related to deferred taxes associated with the cost generated by the transfer of liabilities with pensioners to the General Social Security System.

The cost generated by the transfer of liabilities with pensioners to the General Social Security System is deductible for tax purposes, in equal parts, starting on 1 January 2012, according to the number of years of life expectancy of the pensioners whose liabilities were transferred (20 years in the case of the Banco Montepio Group).

As at 30 June 2026, deferred taxes recorded in the caption Post-employment and long-term employee benefits include the amount of Euro 31,374 thousand (31 December 2025: Euro 31,374 thousand) related to the referred benefits in excess of the existing limits, of which Euro 4,637 thousand (31 December 2025: Euro 5,162 thousand) do not depend on future profitability.

In financial years 2025 and 2024, and in function of: (i) the IRC tax rate decrease for the year 2025 et. sec. foreseen in the State Budget for 2025 (Law no. 45-A/2024, of 31 December); (ii) the expectation of the conversion into tax-accepted costs and profits and (iii) the prospects of tax profits or tax losses in each one of the subsequent periods, the rate (considering the base rate and the surcharges) used by Banco Montepio to calculate deferred taxes, depending on the specific cases associated with timing differences or tax loss carry-forwards, corresponds, respectively, to 26.5% and 17.0%.

Analysis of the recoverability of deferred tax assets

Deferred tax assets related to losses carried forward are recognized only if the existence of future taxable income is probable, for which reason the uncertainty associated with the recoverability of the tax losses carried forward is considered in the calculation of deferred tax assets.

As referred in the accounting policy described in note 1 r), and in accordance with the requirements defined in IAS 12, the deferred tax assets recognized in Banco Montepio's financial statements have an underlying high expectation of recoverability.

The assessment of the recoverability of deferred tax assets is based on Banco Montepio's medium- and long-term business plan, which constitutes an extension of the strategic planning exercise drawn up by Banco Montepio for the triennium. The financial projections reflect management's perspectives as to the evolution of the activity and the business model's sustainability and, considering the macroeconomic context and financial variables, the evolution of economic activity and of the credit risk, among others.

Following the completion of the normalization cycle, Banco Montepio began a new cycle, based on 5 guiding principles approved at the General Meeting, through the execution of a Strategic Program, under the designation Triple A, to deliver an Ambitious, Agile and Authentic bank. To achieve the Program, 27 operational initiatives, grouped into 8 pillars, were defined.

In this context, the prospects of sustainable improvements in the profitability levels derive from the aforementioned 5 guiding principles, namely:

- Grow the business and market share: (i) increase the active customer base and the equipment level in core growth segments; (ii) strengthen the distribution capacity and generate complementary margins by boosting internal and external partnerships; (iii) promote an integrated ESG vision, leveraging the mutualistic nature of the Bank and fostering growth;
- Accentuate the digitalization of the new business model: (i) evolve service capabilities and deliver omnichannel experiences; (ii) automate customer journeys for key processes;
- Converge to average market profitability: (i) boost productivity and efficiency, combining simplicity and digitalization; (ii) implement a dynamic of detecting and tactically exploiting pockets of efficiency, with an always-on approach;
- Simplify the Bank and interactions with customers: (i) accelerate the front-to-back simplification and digitalization process; (ii) promote focus and pragmatism at all levels of the organization, aligned with business priorities; (iii) create an agile IT organizational culture with greater delivery capacity and a greater degree of integration with the business units; and
- Valorise the brand, reputation and talent: (i) strengthen its presence in the lives and key moments of families and be a leading partner for the Portuguese business community and the Social Economy; (ii) improve external recognition by independent stakeholders; (iii) enhance the talent value proposition and foster rejuvenation and attraction/retention for specific roles.

The Strategic Program is focused on a sustainable growth cycle:

- Ambitious: Ambition for sustainable growth and optimization of business productivity, ensuring greater relevance in strategic/key segments;
- Authentic: A brand rooted in a historical and social legacy with Portuguese DNA, leveraged to attract customers, mobilize people and reinforce ongoing support for communities; and
- Agile: Ability to respond efficiently and quickly to market changes, defining the path to evolve into a more streamlined bank.

Following this assessment, and with reference to financial year 2025, the Banco Montepio Group recognized all deferred tax assets; hence, there are no deferred tax assets to be recognized.

In addition, a sensitivity analysis was carried out considering a scenario in which profit or loss before tax evolved at a rate 10% lower than that considered in the aforementioned projections, with no impact at the level of deferred taxes being determined.

The deferred tax assets associated with tax losses carried forward, by expiry year, are analysed as follows:

(Euro thousand)

Expiry Date	Jun 2026	Dec 2025
2032	-	8 212
2033	21 997	22 346
Undetermined	161 687	162 344
	183 684	192 902

The expiry years indicated above reflect that stipulated in the State Budget Law for 2023 (Law no. 24-D/2022, of 30 December), which came into force on 1 January 2023, and that establishes that tax losses calculated in fiscal years beginning on or after 1 January 2023, as well as those calculated previously that have not expired, are carried forward to future years without any time limitation, no longer being subject to a maximum period of deduction. Additionally, it also establishes that the deduction limit against taxable income is reduced to 65%, maintaining the increase of 10 percentage points for tax losses calculated in the 2020 and 2021 tax periods (i.e., the deduction can be made up to 75% of taxable income).

However, regarding the time limitation referred to in the previous paragraph, this does not apply to tax losses calculated in tax periods prior to 1 January 2023 in which one of the situations provided for in paragraph 1 of article 6 of the REAID is verified, with the deduction period in force on 31 December 2022 being applied to tax losses calculated in those tax periods (12 years).

Tax recognized in profit or loss and in reserves as at 30 June 2026 and 2025, as well as at 31 December 2025, originated as follows:

(Euro thousand)

	Jun 2026		Dec 2025	
	Recognized in net income/ (loss)	Recognized to reserves and retained earnings	Recognized in net income/ (loss)	Recognized to reserves and retained earnings
Financial instruments	(1 364)	513	894	1 465
Impairment / Provisions	(1 973)	-	(22 453)	-
Post-employment and long-term employee benefits [1]	(1 557)	-	4 122	(4 452)
Tax losses carried forward	(9 218)	-	(40 572)	-
Others	(2 308)	-	(1 095)	-
Deferred taxes/ recognized as profit/ (losses)	(16 420)	513	(59 104)	(2 987)
Current taxes	(7 596)	-	(2 310)	-
	(24 016)	513	(61 414)	(2 987)

[1] The amount of Euro 4.452 thousand relates to the utilization of unrecognized losses associated with post-employment benefits, which had been previously recorded in equity.

The reconciliation of the effective tax rate, as regards the amount recognized in the income statement, can be analysed as follows:

(Euro thousand)

	Jun 2026		Dec 2025	
	%	Value	%	Value
Profit/ (Loss) before income tax		82 457		165 194
Income tax based on the current nominal tax rate	(19.0)	(15 667)	(20.0)	(33 039)
Municipal and state tax	(6.6)	(5 407)	(1.8)	(2 895)
Capital gains and losses for tax purposes [1]	2.4	2 007	1.1	1 771
Extraordinary and additional solidarity contribution on the banking sector	(2.1)	(1 718)	0.0	35
Post-employement benefits and Pension Fund	1.5	1 197	1.7	2 770
Tax Benefits	2.3	1 923	2.4	3 964
Taxable provisions/impairment	2.7	2 247	7.3	12 127
Autonomous taxation	(0.4)	(289)	(0.3)	(516)
Corrections to previous year	-	-	0.0	18
Effect of differences in income tax for the year	(9.2)	(7 626)	(25.0)	(41 273)
Deductions / (add-backs) for taxable income purposes [2] [3]	(0.8)	(683)	(2.6)	(4 376)
Income tax for the period	(29.1)	(24 016)	(37.2)	(61 414)

[1] It encompasses tax capital gains arising from participation units and shares of capital.
[2] Includes the non-deducted loss utilised under the REAID regime.
[3] It includes, in particular, the value of the adjustment of the Taxable Patrimonial Value, the fair value of the Participation Units and fines not accepted for tax.

The Tax and Customs Authority can review Banco Montepio's taxable income during a period of four years, except in the event of the carry-forward of tax losses, as well as any other deduction or tax credit, in which case the relevant period is the period of the exercise of that right.

The Banco Montepio Group was subject to inspections by the Tax and Customs Authority under the Special Taxation Regime of Groups of Companies (Regime Especial de Tributação dos Grupos de Sociedades ("RETGS")), up to and including the 2021 financial year.

Banco Montepio became the dominant company of the Tax Group under the RETGS in 2018, with the former dominant company being Montepio Holding, S.G.P.S., S.A.

In this scope, the Group considers that the effects of the calculation of the taxable income according to the RETGS are reflected in the amount of the current tax of the period of each entity, including the effect on the calculation of the current tax of the period arising from the use of tax losses generated by another entity of the Group.

The caption Current tax assets, amounting to Euro 513 thousand (31 December 2025: Euro 755 thousand) relates, essentially, to IRC recoverable, additional payments on account, special payments on account and payments on account.

33 Other assets

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Non-curret assets help for sale	147 973	164 615
Post-employment benefits	77 578	71 997
Other debtors	38 533	31 118
Sundry debtors	14 180	12 885
Price deposits	4 661	4 661
Bonifications to be received from the Portuguese State	6 168	5 377
Deferred costs	14 006	6 930
Other amounts receivable	4 404	4 484
	307 503	302 067
Impairment for assets received in recovery for credit	(66 422)	(68 261)
Impairment for other assets	(33 479)	(31 483)
	207 602	202 323

The caption Non-current assets held for sale is presented as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Non-curret assets help for sale	147 973	164 615
Impairment for Assets received in recovery of credit	(66 422)	(68 261)
	81 551	96 354

The assets included in the caption Non-current assets held for sale are accounted for in accordance with the accounting policy described in note 1 h).

The resolution of loans and advances to customers' contracts results from: (i) the simple foreclosure, delivery with a repurchase option or delivery with a leasing option, being accounted for upon the celebration of the

contract or the promissory contract to deliver the asset and the respective irrevocable power of attorney issued by the customer in the Group's name or (ii) the adjudication of the assets as a result of a judicial guarantee execution process, being accounted for based on the title of adjudication or the adjudication request after having registered the first pledge.

The Group has implemented a plan aimed at the immediate sale of the non-current assets held for sale. According to the Group's expectation, it is intended that these assets be sold in under one year and that there is a strategy to this end. Nevertheless, given current market conditions, in some situations it is not possible to materialize these sales within the expected time period. The referred caption includes, as at 30 June 2026, properties for which promissory contracts to buy and sell, in the amount of Euro 13,853 thousand (31 December 2025: Euro 18,326 thousand), have already been celebrated.

The movements, in the half year ended 30 June 2026 and in financial year 2025, in Non-current assets held for sale, are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	164 615	231 470
Acquisitions	417	2 347
Disposals	(17 154)	(69 112)
Other movements	95	(2 841)
Transfers	-	2 751
Closing Balance	147 973	164 615

The movements, in the half year ended 30 June 2026 and in financial year 2025, in impairment of Non-current assets held for sale, are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	68 261	86 998
Charge for the period	3 285	2 954
Reversals for the period	(930)	(1 318)
Utilization	(4 241)	(21 209)
Transfers	28	836
Other	19	-
Closing Balance	66 422	68 261

The caption Transfers considers the impairment associated with branches closed that were transferred to Tangible assets as described in note 30.

The caption Post-employment and long-term employee benefits corresponds to the net value of the assets and of the liabilities of the Pension Fund, as presented in note 46.

As at 30 June 2026 and 31 December 2025, the caption Other debtors is presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Supplementary capital contributions	14 910	14 910
Other	23 623	16 208
	38 533	31 118

The caption Ancillary capital contributions considers the amounts subscribed in the scope of a loans and advances sales operation in the amount of Euro 14,910 thousand (31 December 2025: Euro 14,910 thousand), with these loans being fully provided against.

The caption Other debtors includes the amounts outstanding related to factoring and confirming operations, advances to suppliers and other debtors.

The captions Other debtors, Miscellaneous accounts, Grants recoverable from the Portuguese State and Other amounts receivable, include, in aggregate, the net amount of Euro 27,976 thousand (31 December 2025: Euro 46,606 thousand) related to the Group's exposure to credit risk, as presented in note 51.

As at 30 June 2026 and 31 December 2025, the caption Grants recoverable from the Portuguese State is presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Bonifications overdue and not yet claimed	2 174	2 226
Bonifications claimed from State not yet settled	3 796	3 116
Bonifications processed and not yet claimed	198	35
	6 168	5 377

The caption Grants recoverable from the Portuguese State corresponds to recoverable grants in respect of mortgage and SME loans, which amounts were determined in accordance with the legal provisions applicable to low-interest loans, and which do not bear interest and are regularly claimed.

The movements in the impairment of Other assets are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	31 483	29 901
Charge for the period	2 415	10 352
Reversals for the period	(249)	(5 593)
Utilization	(149)	(3 177)
Others	(21)	-
Closing balance	33 479	31 483

As at 30 June 2026, the impairment of Other assets includes the impairment constituted for the Ancillary capital contributions of Euro 14,910 thousand (identical amount as at 31 December 2025), for Price deposits of Euro 5,467 thousand (identical amount as at 31 December 2025), for Guarantee commissions of Euro 357 thousand (31 December 2025: Euro 444 thousand), for Factoring operations of Euro 498 thousand (identical amount as at 31 December 2025), for Grants recoverable from the Portuguese State of Euro 2,597 thousand (identical amount as at 31 December 2025) and for Other debtors of Euro 9,650 thousand (31 December 2025: Euro 7,567 thousand).

34 Deposits from other credit institutions

This caption has the following breakdown:

(Euro thousand)

	Jun 2026			Dec 2025		
	Non-interest bearing	Interest bearing	Total	Non-interest bearing	Interest bearing	Total
Deposits from credit institutions in Portugal						
Deposits repayable on demand	11 329	-	11 329	9 563	-	9 563
Term deposits	35	-	35	-	3 295	3 295
	11 364	-	11 364	9 563	3 295	12 858
Deposits from credit institutions abroad						
EIB loan	-	262 500	262 500	-	262 500	262 500
Deposits repayable on demand	16 172	-	16 172	11 636	-	11 636
Sales operations with repurchase agreement	-	428 069	428 069	-	446 149	446 149
Others deposits	2 155	-	2 155	23 410	-	23 410
	18 327	690 569	708 896	35 046	708 649	743 695
	29 691	690 569	720 260	44 609	711 944	756 553

As at 30 June 2026, the Group had entered Sales operations with repurchase agreement totalling Euro 428,069 thousand (31 December 2025: Euro 446,149 thousand).

The EIB loan amount has as its main objective the financing of SMEs and considers the loan obtained in November 2020, in the amount of Euro 262,500 thousand, which has a term of twelve years, a grace period of four years, constant amortizations and a rate of 0.019%.

The amount of the EIB loan is collateralized by Italian, Spanish, French and Greek sovereign bonds in the nominal amount of Euro 285,969 thousand (31 December 2025: Euro 280,324 thousand, by Italian, Spanish and French sovereign bonds), recorded in the captions of Financial assets and liabilities held for trading (Euro 200 thousand as described in note 22), Financial assets at fair value through other comprehensive income (Euro 15,000 thousand as described in note 24) and Other Financial assets at amortized cost (Euro 270,769 thousand as described in note 26).

35 Deposits from customers

This caption has the following breakdown:

(Euro thousand)

	Jun 2026			Dec 2025		
	Non-interest bearing	Interest bearing	Total	Non-interest bearing	Interest bearing	Total
Deposits repayable on demand	6 282 814	364 869	6 647 683	6 114 617	272 931	6 387 548
Term deposits	-	9 726 515	9 726 515	-	9 518 333	9 518 333
Saving accounts	-	136 959	136 959	-	132 547	132 547
Other deposits	51 395	-	51 395	25 331	-	25 331
Adjustments from operations ao fair value option	-	-	-	-	-	-
	6 334 209	10 228 343	16 562 552	6 139 948	9 923 811	16 063 759

Ordinance no. 180/94, of 15 December, gave rise to the incorporation of the Deposits Guarantee Fund to guarantee the reimbursement of funds deposited at credit institutions authorized to receive deposits, pursuant

to that stipulated in said Ordinance. The criteria to calculate the annual contributions to the Deposits Guarantee Fund are defined in Bank of Portugal Notice no. 11/94, of 21 December.

In the first half of 2026, deposits from customers were remunerated at the implicit average rate of 1.00% (in 2025: 1.15%).

36 Debt securities issued

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
EMTN bonds	950 207	616 124
Securitizations	55 727	72 286
	1 005 934	688 410

The fair value of the debt securities issued is presented in note 45.

The caption EMTN Bonds includes issues which contribute to meeting the minimum requirement for eligible own funds ('MREL' or Minimum Requirement for own funds and eligible liabilities). As at 30 June 2026, Banco Montepio realized a new issue of Euro 350,000 thousand. In 2025, an identical issue was realized as was an early redemption of an issue of Euro 200,000 thousand, issued in October 2023, with the impacts arising from this redemption reflect in Other operating income/expense, as described in note 9.

Under the Issuance of Covered Bonds Program, with a maximum amount of Euro 5,000,000 thousand, Banco Montepio has issues in a total of Euro 1,250,000 thousand, at nominal value, as at 30 June 2026 and 31 December 2025 which are held by the Group at both reporting dates.

As at 30 June 2026, the main characteristics of the covered bonds issues in circulation are presented as follows:

(Euro thousand)

	Jun 2026						
Description	Nominal value	Value at amortized cost	Issue date	Maturity date	Interest payment	Interest rate	*Rating (Moody´s/Fitch/Dbrs)*
Covered bonds - 8S	1 250 000	1 251 994	december 2016	december 2026	quarterly	Euribor 3M + 0,90%	Aaa/AAA
	1 250 000	1 251 994					

As at 31 December 2025, the main characteristics of the covered bonds issues in circulation are presented as follows:

(Euro thousand)

	Dec 2025						
Description	Nominal value	Value at amortized cost	Issue date	Maturity date	Interest payment	Interest rate	*Rating (Moody´s/Fitch/Dbrs)*
Covered bonds - 8S	1 250 000	1 251 553	december 2016	december 2026	quaterly	Euribor 3M + 0,90%	Aaa/AAA
	1 250 000	1 251 553					

The covered bonds are guaranteed by a pool of mortgage loans which are segregated as an autonomous asset in the Group's accounts, thus providing a statutory special creditor privilege to the holders of these securities over any other creditor.

The legal and regulatory framework of these bonds is set out in Decree-Law no. 59/2006, in Bank of Portugal Notices no. 5/2006, of 20 March, no. 6/2006, of 11 October, no. 7/2006, of 11 October, and no. 8/2006, of 11 October and Instruction no. 13/2006, of 15 November, of the Bank of Portugal.

As at 30 June 2026, the value of the loans collateralizing these issues amounted to Euro 2,125,100 thousand (31 December 2025: Euro 2,190,754 thousand), according to note 21.

The movements in Debt securities issued, during the first half of 2026, are analysed as follows:

(Euro thousand)

	Balance on 1 January	Issues	Reimbursements	Other movements [1]	Balance on 30 June
EMTN bonds	616 124	350 000	-	(15 917)	950 207
Securitisations	72 286	-	(16 559)	-	55 727
	688 410	350 000	(16 559)	(15 917)	1 005 934

[1] Include accrued interest not yet settled.

The movements in Debt securities issued, during financial year 2025, are analysed as follows:

(Euro thousand)

	Balance on 1 January	Issues	Reimbursements	Other movements [1]	Balance on 31 December
EMTN bonds	467 647	350 000	(200 000)	(1 523)	616 124
Securitisations	120 729	-	(48 443)	-	72 286
	588 376	350 000	(248 443)	(1 523)	688 410

[1] Include accrued interest not yet settled.

In accordance with the accounting policy described in note 1 c), the purchase of debt securities issued by the Group is written off from liabilities and the difference between the acquisition cost and the respective book value is recognized in the income statement.

As at 30 June 2026, the caption Debt securities issued is composed of the following issues:

(Euro thousand)

		Jun 2026		
Description	Issue date	Maturity	Interest rate	Book value
PELICAN FINANCE no 2 A	06/12/2021	25/01/2035	Euribor 1M + 0.7%	44 142
PELICAN FINANCE no 2 B	06/12/2021	25/01/2035	Euribor 1M +1.35%	3 202
PELICAN FINANCE no 2 C	06/12/2021	25/01/2035	Euribor 1M + 2.25%	2 707
PELICAN FINANCE no 2 D	06/12/2021	25/01/2035	Euribor 1M + 4.25%	2 985
PELICAN FINANCE no 2 E	06/12/2021	25/01/2035	Fixed rate 6.4%	2 691
EMTN BONDS 29/05/2028	29/05/2024	29/05/2028	Annual fixed rate of 5.625% [1]	250 000
EMTN BONDS 25/06/2029	25/06/2025	25/06/2029	Annual fixed rate of 3.5% [2]	350 000
EMTN BONDS 22/06/2031	22/06/2026	22/06/2031	Annual fixed rate of 3.625% [3]	350 000
				1 005 727
			Accrual based accounting, deferred income and costs and others	207
				1 005 934

[1] If the early redemption option is not exercised at the end of the third year, the interest rate for the remaining period will be indixed to the 3-month Euribor plus a spred of 2.6%.

[2] If the early redemption option is not exercised at the end of the third year, the interest rate for the remaining period will be indixed to the 3-month Euribor plus a spred of 1.48%.

[3] The issue was priced against the 2.40% PGB due April 2030, at a spread of 107.5 basis points. The reference price was 99.22%, with a haircut of 102%.

As at 31 December 2025, the caption Debt securities issued is composed of the following issues:

(Euro thousand)

Description	Issue date	Dec 2025 Maturity	Interest rate	Book value
PELICAN FINANCE no 2 A	06/12/2021	25/01/2035	Euribor 1M + 0.7%	57 259
PELICAN FINANCE no 2 B	06/12/2021	25/01/2035	Euribor 1M +1.35%	4 153
PELICAN FINANCE no 2 C	06/12/2021	25/01/2035	Euribor 1M + 2.25%	3 511
PELICAN FINANCE no 2 D	06/12/2021	25/01/2035	Euribor 1M + 4.25%	3 872
PELICAN FINANCE no 2 E	06/12/2021	25/01/2035	Fixed rate 6.4%	3 491
EMTN BONDS 29/05/2028	29/05/2024	29/05/2028	Annual fixed rate of 5.625% (1)	250 000
EMTN BONDS 25/06/2029	25/06/2025	25/06/2029	Annual fixed rate of 3.5% (2)	350 000
				672 286
			Accrual based accounting, deferred income and costs and others	16 124
				688 410

(1) If the early redemption option is not exercised at the end of the third year, the interest rate for the remaining period will be indexed to the 3-month Euribor plus a spread of 2.6%.

(2) If the early redemption option is not exercised at the end of the third year, the interest rate for the remaining period will be indexed to the 3-month Euribor plus a spread of 1,48%.

37 Provisions

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
Provisions for guarantees and commitments	5 342	6 102
Provisions for other risks and charges	6 505	6 802
	11 847	12 904

The Provisions for other risks and charges were set up based on the probability of the occurrence of certain contingencies related to risks inherent to the Group's activity, being revised at each reporting date to reflect the best estimate of the amount and probability of payment and includes provisions for legal cases, tax contingencies and fraud.

The movements in provisions for guarantees and commitments assumed, are analysed as follows:

(Euro thousand)

	Jun 2025	Dec 2025
Opening balance	6 102	10 860
Charge for the period	4 385	14 480
Reversal for the period	(5 145)	(19 236)
Utilization	-	(2)
Closing balance	5 342	6 102

The movements in provisions for other risk and charges are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	6 802	19 638
Charge for the period	1 072	1 916
Reversal for the period	(1 322)	(2 170)
Utilization	(47)	(12 582)
Closing balance	6 505	6 802

As at 31 December 2025, the caption Other risks and charges included the payment of Euro 11,384 thousand, related to the remaining value of irrevocable payment commitments associated with the Deposit Guarantee Fund.

38 Other subordinated debt

This caption has the following breakdown:

(Euro thousand)

Issue	Issue date	Maturity date	Issue amount	Interest rate	Jun 2026	Dec 2025
CX ECONOMICA MONTEPIO GERAL 8.50 12/06/2034	Mar 2024	Jun 2034	250 000	8.5% the first 5 years and at EurSwap for 5y + 5.815% for the remaining years	250 872	263 630
FINIBANCO VALOR INVEST 2010	Feb 2010	-	15 000	7% for the first 4 coupon dates and Max[Euribor 6M + 2.75%; 5%] for the remaining years	6 454	6 454
					257 326	270 084

In financial year 2024, under the EMTN (Euro Medium Term Note) Program, Banco Montepio issued subordinated debt securities in the amount of Euro 250,000 thousand, with a fixed interest rate of 8.5% in the first 5 years and a term of ten years. If the early repayment option is not exercised at the end of the fifth year, the interest rate for the remaining period will be indexed to the five-year swap rate plus a spread of 5.815%. In financial year 2025, the Bank decided to exercise the early repayment option of subordinated debt issues “EMTN SUB 2018/2028”, “EMTN SUB 2019/2029” and “EMTN SUB 2020/2030”, in the aggregate amount of Euro 200,000 thousand.

The movements in Other subordinated debt during the first half of 2026 and in financial year 2025, were as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
	Balance at 1 January	Other movements [1]	Balance at 30 June	Balance at 1 January	Other movements [1]	Balance at 31 December
CX ECONOMICA MONTEPIO GERAL 8.50 12/06/2034	263 630	(12 758)	250 872	265 333	(1 703)	263 630
FINIBANCO VALOR INVEST 2010	6 454	-	6 454	6 491	(37)	6 454
	270 084	(12 758)	257 326	271 824	(1 740)	270 084

[1] Includes accrued interest

Regarding the Finibanco Valor Invest 2010 issue, the redemption is at nominal value and, as a result of applicable Laws or Regulations, including any European Union Directives or Regulations, which establish a

legal regime for the recovery and liquidation of credit institutions (Directive 2015/59/EU of the European Parliament and of the Council, of 15 May 2014 and Law no. 23-A/2015, of 26 March), or any implementation of those in Portugal, the amounts may be used to cover the issuer's losses, and may be called upon to absorb losses.

39 Other liabilities

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
Domestic and foreign operations pending settlement	170 971	115 288
Sundry creditors	44 709	55 126
Staff costs payable	33 632	34 717
Other expenses	13 575	15 425
Lease liabilities	7 492	8 667
Administrative public sector	17 024	14 933
Suppliers	7 569	11 361
Deferred income	608	714
	295 580	256 231

As at 30 June 2026, the caption Staff charges payable includes the amount of Euro 20,174 thousand (31 December 2025: Euro 19,897 thousand), related to holiday pay and subsidy, Euro 9,519 thousand related to accrued termination charges and variable remuneration (31 December 2025: Euro 11,381 thousand) and Euro 3,574 thousand (31 December 2025: Euro 3,439 thousand) related to end-of-career awards.

As at 30 June 2026 and 31 December 2025, the caption Lease liabilities corresponds to the amount of lease liabilities recognized in the scope of IFRS 16, as described in accounting policy 1 i), and relates to operating leases of real estate and motor vehicles.

The residual maturity of the lease liabilities is as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Up to 1 year	2 615	1 007
1 to 5 years	3 060	6 083
More than 5 years	1 817	1 577
	7 492	8 667

40 Share capital

As at 30 June 2026 and 31 December 2025, Banco Montepio's share capital, which is fully realized, amounts to Euro 1,214,810 thousand, with a share capital increase having taken place during financial year 2025 in the amount of Euro 4,810 thousand over that existing at the end of 2024.

Following the deliberation of the Extraordinary General Meeting of 31 July 2025, a share capital increase of Banco Montepio was realized through the incorporation of the entire Special Reserve, under the Special Regime for Deferred Tax Assets ("READ"), said realization having been finalized in September 2025.

The shareholder structure of Banco Montepio's share capital as at 30 June 2026 and 31 December 2025, is as follows:

	Jun 2026		Dec 2025	
	Number of shares	Percentage	Number of shares	Percentage
Montepio Geral Associação Mutualista	2 429 449 510	99.993%	2 429 449 510	99.993%
Other Shareholders	169 578	0.007%	169 578	0.007%
	2 429 619 088	100.00%	2 429 619 088	100.00%

41 Legal reserve

In accordance with article 97 of the Legal Framework of Credit Institutions and Financial Companies (Regime Geral das Instituições de Crédito e Sociedades Financeiras – ("RGICSF")), approved by the Decree-Law no. 298/92, of 31 December and amended by the Decree-Law no. 201/2002, Banco Montepio shall reinforce the legal reserve annually with, at least, 10% of the annual net income, up to the limit equal to the amount of the share capital or to the sum of the free reserves and retained earnings, if higher. This reserve cannot, normally, be distributed.

As at 30 June 2026, the legal reserve amounts to Euro 229,719 thousand (31 December 2025: 217,697 thousand).

42 Fair value reserves, Other reserves and Retained earnings

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
Fair value reserves		
Financial assets at fair value through other comprehensive income		
Debt instruments	(2 631)	(672)
Equity instruments	13 807	13 785
	11 176	13 113
Taxes		
Financial assets at fair value through other comprehensive income	(2 901)	(3 414)
	(2 901)	(3 414)
	8 275	9 699
Other reserves and retained earnings		
Post-employment benefits (note 46)	29 073	24 235
Other reserves and retained earnings	261 315	205 638
	290 388	229 873

Fair value reserves related to financial assets at fair value through other comprehensive income represent the potential gains and losses in the portfolio of financial assets at fair value through other comprehensive income.

The movements in the fair value reserve related to financial assets at fair value through other comprehensive income are presented as follows:

(Euro thousand)

	Jun 2026					
	Balance on 1 January	Revaluation	Acquisitions	Disposals	Impairment recognised in the period	Balance on 30 June
Fixed income securities						
Bonds issued by Portuguese public entities	(698)	(30)	-	-	-	(728)
Bonds issued by foreign public entities	(740)	(1 588)	322	(156)	11	(2 151)
Bonds issued by other entities:						
Domestic	772	(69)	-	(934)	488	257
Foreign	(6)	(3)	-	-	-	(9)
	(672)	(1 690)	322	(1 090)	499	(2 631)
Variable income securities						
Shares						
Domestic	15 672	-	-	-	-	15 672
Foreign	(1 887)	-	-	22	-	(1 865)
	13 785	-	-	22	-	13 807
	13 113	(1 690)	322	(1 068)	499	11 176

(Euro thousand)

	Dec 2025					
	Balance on 1 January	Revaluation	Acquisitions	Disposals	Impairment recognised in the year	Balance on 31 December
Fixed income securities						
Bonds issued by Portuguese public entities	(1 173)	463	38	-	(26)	(698)
Bonds issued by foreign public entities	3 787	(1 743)	(67)	(2 631)	(86)	(740)
Bonds issued by other entities:						
Domestic	(382)	1 389	-	-	(235)	772
Foreign	(11)	2	-	3	-	(6)
	2 221	111	(29)	(2 628)	(347)	(672)
Variable income securities						
Shares						
Domestic	15 385	287	-	-	-	15 672
Foreign	(837)	(1 050)	-	-	-	(1 887)
	14 548	(763)	-	-	-	13 785
	16 769	(652)	(29)	(2 628)	(347)	13 113

Fair value reserves related to financial assets at fair value through other comprehensive income are detailed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Financial assets at fair value through other comprehensive income		
Amortized cost	491 641	493 384
Recognised accumulated impairment	(442)	(941)
Amortized cost net of impairment	491 199	492 443
Market value	502 375	505 556
Potential realised gains/ (Losses) recognised in the fair value reserve	11 176	13 113

The movements in deferred taxes related to Financial assets at fair value through other comprehensive income are presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	(3 414)	(4 879)
Taxes related to changes in fair value	513	1 465
Closing balance	(2 901)	(3 414)

Following the deliberation of the Extraordinary General Meeting of 31 July 2025, a share capital increase of Banco Montepio was realized through the incorporation of the entire Special Reserve, under the Special Regime for Deferred Tax Assets (“REAID”), said realization having been finalized in September 2025.

The movements of Other reserves related to post-employment benefits are presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	24 235	(9 842)
Remeasurements for the period (note 46)	4 838	34 077
Closing balance	29 073	24 235

The caption Other reserves related to post-employment benefits shows a positive balance as at 30 June 2026 and 31 December 2025, resulting from (i) the share capital decrease carried out during the 2023 financial year to cover losses, with an increase of Euro 135,667 thousand, and (ii) the proposal for the appropriation of the 2023 financial year results, with an increase of Euro 76,649 thousand to cover actuarial deviations related to the Pension Fund.

The movements of Other reserves and Retained earnings are presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	205 638	140 127
Applications of results	55 677	69 064
Taxes related to defined benefit plan remeasurements	-	(4 452)
Realised gains on equity instruments	-	899
Closing balance	261 315	205 638

43 Distribution of dividends

The Annual General Meeting held on 29 April 2026 approved the proposal to apply the Net income for financial year 2025, in the positive amount of Euro 120,222,396, to reinforce the Legal reserve in Euro 12,022,239.62, to Retained earnings in Euro 72,120,313.10 and to distribute dividends in Euro 36,079,843.46.

44 Guarantees and other commitments

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
Guarantees granted	496 176	509 601
Commitments to third parties	2 415 059	2 018 693
Deposit and custody of securities	8 741 879	8 256 618
	11 653 114	10 784 912

The amounts of Guarantees granted, and Commitments assumed vis-á-vis third parties are analysed as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Garantees granted		
Guarantees	476 591	486 005
Letters of credit	19 585	23 596
	496 176	509 601
Commitments to third parties		
Irrevocable commitments		
Irrevocable credit facilities	1 004 530	842 436
Potential liability with the Investor's Indemnity System	884	884
Securities subscription	1 456	2 376
Revocable commitments		
Revocable credit facilities	1 408 189	1 172 997
	2 415 059	2 018 693

Guarantees and standby letters granted are banking transactions essentially related to credit transactions in which the Group provides a guarantee in relation to credit granted to a customer by a third party. In accordance with the specific nature of these transactions, some of these guarantees are expected to expire without having been required and, therefore, these transactions do not necessarily represent a cash outflow. Estimated liabilities are recorded under Provisions, as described in note 37.

Documentary credits correspond to irrevocable commitments, by the Group, on behalf of its customers, to pay/order to pay a certain amount to the supplier for a certain good or service, within a defined period, against the presentation of the documentation confirming the shipment of goods or the rendering of services. The irrevocable condition arises from the fact that the commitment is not cancellable or alterable without the express agreement of all parties involved.

Revocable and irrevocable commitments represent contractual agreements to extend credit to the Group's customers, for example unused credit facilities. These agreements are generally contracted for fixed periods of time or with other expiring requirements and, usually, impose the payment of a commission. Credit concession commitments require, substantially, that customers maintain compliance with certain conditions defined at the time of their contracting.

Notwithstanding the particular characteristics of these commitments, the analysis of these operations follows the same basic principles of any commercial operation, namely the solvency of the underlying customer and business, with the Group requiring, when necessary, that these operations be adequately covered by collaterals. Considering that it is expected that the majority of the commitments expire without having been used, the indicated amounts do not necessarily represent future cash-flow needs.

In financial year 2025, Banco Montepio handed over to the Deposits Guarantee Fund an amount of Euro 11,384 thousand, having used a provision in the same amount, as described in note 37, corresponding to the amount of the irrevocable payment commitments outstanding as at 31 December 2024.

As at 31 December 2025, in the scope of the Deposits Guarantee Fund, the Group pledged treasury bonds (TB October 2030), recorded as Other financial assets at amortized cost, with a nominal value of Euro 15,000 thousand, as described in note 26.

As at 31 December 2025 and 2024, the caption Potential liability - Investors' Compensation System refers to the irrevocable obligation that the Group assumed, as required by law, to deliver to that System, if actioned by same, the amounts necessary to pay its share of the indemnities due to investors.

The financial instruments accounted for as Guarantees and other commitments are subject to the same approval and control procedures applied to the loans and advances to customers' portfolio, namely regarding

the assessment of the adequacy of the impairment constituted, as referred in the accounting policy described in note 1 c). The maximum credit exposure is represented by the nominal amount that could be lost related to contingent liabilities and other commitments assumed by the Group in the event of default by the respective counterparties, without considering potential loan or collateral recoveries.

45 Fair value

Fair value is based on market prices, whenever these are available. If market prices are not available, as is the case with many products sold to customers, fair value is estimated through internal models based on cash-flow discounting techniques. Cash flows for the different instruments sold are calculated according to their financial characteristics and the discount rates used include both the market interest rate curve and the current conditions of the pricing policy of the Group.

Therefore, the fair value obtained is influenced by the parameters used in the valuation model that, necessarily, have some degree of judgement and reflect, exclusively, the value attributed to the different financial instruments. However, it does not consider prospective factors, like the future business evolution. Consequently, the values presented cannot be understood as an estimate of the economic value of the Group.

Financial instruments recorded in the balance sheet at fair value

Financial instruments accounted for in the balance sheet at fair value were classified by levels in accordance with IFRS 13, as follows:

Debt and equity instruments

- Level 1: In addition to financial instruments admitted to trading on a regulated market, bonds and investment units in harmonized funds, valued based on active market prices/quotations, disclosed through trading platforms, are included in this category.

  The aforementioned financial instruments are traded on an active market whenever the financial instruments in question are quoted through multi-contributed sources for bonds and the primary exchange for shares.

- Level 2: Financial instruments that are not traded on an active market or valued using valuation techniques supported by observable data in active markets, whether direct data (prices, rates, spreads, etc.) or indirect (derivatives), and valuation assumptions similar to those that an unrelated party would use in estimating the fair value of the same financial instrument, are considered Level 2. The classification of fair value in Level 2 is made according to the following rules:

  a) Financial instruments shall be classified in level 2 if they are:
     i. valued based on models using observable market data (such as interest rate curves or exchange rates). Market interest rates are calculated based on information disseminated by financial content providers, such as, for example, Bloomberg, namely those resulting from interest rate swap quotations. The values for very short-term rates are obtained from a similar source, but with reference to the interbank money market. The interest rate curve obtained is further calibrated against the values of short-term interest rate futures. Interest rates for specific cash-flow periods are determined by appropriate interpolation methods. The same interest rate curves are also used to project non-deterministic cash flows, such as indexers; or
     ii. valued using indicative third-party purchase prices, based on observable market data.

  b) For financial instruments that do not have a 30-day history available in the system, the fair value level is assigned based on the available history.

- Level 3: Financial instruments are classified in level 3 whenever they do not meet the criteria to be classified in level 1 or level 2, or fair value is determined based on unobservable data in active markets, using techniques and assumptions that market participants would use to assess the same instruments namely:

  a) financial instruments not admitted to trading on a regulated market that are valued using valuation models and for which there is no generally accepted consensus on the criteria to be used, namely:
     i. valuation prepared in accordance with the Net Asset Value of non-harmonized funds, updated and disclosed by the respective management companies;
     ii. valuation prepared in accordance with indicative prices disclosed by the entities that participated in the issuance of certain financial instruments, without an active market; or
     iii. valuation prepared in accordance with the realization of impairment tests, using the performance indicators of the underlying operations (e.g., degree of protection by subordination of the tranches held, delinquency rates of underlying assets, evolution of ratings, etc.).

  b) financial instruments valued through indicative purchase prices based on theoretical valuation models disclosed by specialized third parties.

Derivative financial instruments

Operations involving financial derivatives, in the form contracts in respect of exchange rate, interest rate, share or share indices, inflation or a combination of these are traded over the counter (OTC) and in organized markets (especially stock markets). For OTC derivative operations (swaps and options), their valuation is based on generally accepted methods, always favouring market values.

- Level 1: This classification includes futures, options and other derivative financial instruments traded on a regulated market;
- Level 2: This level includes derivative financial instruments traded on unregulated (OTC) markets that do not have an optional component.

  The valuation of these derivatives is made by discounting the cash flows from operations, using as a discounting base the market interest rate curves deemed appropriate for the currency in force at the time of the calculation. Interest rates are obtained from Bloomberg or Reuters.
  Market interest rates are calculated based on information disseminated by financial content providers - Bloomberg or Reuters - specifically those resulting from interest rate swap quotations. The values for very short-term rates are obtained from a similar source, but with reference to the interbank money market. The interest rate curve obtained is further calibrated against the values of short-term interest rate futures. Interest rates for specific cash-flow periods are determined by appropriate interpolation methods. Interest rate curves are also used to project non-deterministic cash flows such as indexers.
- Level 3: This level includes options and derivatives traded on an unregulated (OTC) market, incorporating optional elements.
  Options are valued based on statistical models that consider the market values of the underlying assets and their volatilities (assuming that they are not directly observable in the market). The theoretical models used in the valuation of derivatives classified in level 3 are presented as follows:

  i. For simple options, the Black-Scholes, Black, Ho and other models are used, considering the applicable volatility surfaces for their derivatives (models commonly used by the market in valuing this type of operations). Unobservable market inputs used in the valuation (implied volatilities of the subjacent) are taken from Bloomberg; and
  ii. For exotic options or for complex derivatives with embedded optional elements for which no valuation models are available, Banco Montepio hires specialized entities that value such assets using specific models that they develop according to generally accepted criteria and methodologies.

The valuations thus obtained are, in the case of interbank operations, compared with those used by the counterparties and, whenever it is understood that there are insufficient quality market references or that the available models do not fully apply to the characteristics of the financial instrument, specific quotations provided by an external entity, typically the counterparty of the business, are used.

The valuation of non-optional components, not adjusted for credit risk, (cash flows from the operations), is made based on their respective discounting, using a methodology similar to that used for derivatives without an optional component; even so, the derivative in question is still considered in level 3.

Financial instruments recorded in the balance sheet at amortized cost

For financial instruments recorded in the balance sheet at amortized cost, the Group calculates their fair value using valuation techniques that seek to be based on the market conditions applicable to similar operations at the reference date of the financial statements, namely the value of the respective cash flows discounted based on the interest rates considered most appropriate, that is:

- *Loans and advances to credit institutions, Deposits from central banks, Deposits from other credit institutions and Assets with repurchase agreements*

The fair value of these financial instruments is calculated discounting the expected cash flows of principal and interest of these instruments, considering that the payments of the instalments occur on the contractually defined dates.

As at 30 June 2026, no funds had been taken from the European Central Bank. The interest rate of the main refinancing operations from the European Central Bank was 2.40% at the end of the first half of 2026 (as at 31 December 2025 the rate was 2.15%).

For the remaining funds from credit institutions, the discount rate used reflects the current conditions applied by the Group to identical instruments for each of the different residual maturities. The discount rate includes the market rates for the residual maturity dates (money market or interest rate swap market rates, at the end of the financial period). As at 30 June 2026, the average discount rate for the remaining deposits was 3.02% (31 December 2025: 2.83%).

For Loans and advances to credit institutions a discount rate reflecting the conditions in use by Banco Montepio for the most significant residual term operations was applied. Considering the short-term maturity of these financial instruments, the book value is a reasonable estimate of their fair value.

- *Other financial assets at amortized cost*

These financial instruments are accounted for at amortized cost net of impairment. Fair value is based on market prices, whenever these are available. If market prices are not available, fair value is estimated through numerical models based on cash-flow discounting techniques, using the market interest rate curve adjusted for associated factors, predominantly the credit and liquidity risks, determined in accordance with the respective market conditions and periods.

- *Loans and advances to customers without a defined maturity date and Deposits from customers repayable on demand*

Considering the short-term maturity of this type of financial instruments, the conditions of this portfolio are similar to those in force at the reporting date; their book value is, therefore, a reasonable estimate of their fair value.

- *Loans and advances to customers with a defined maturity date*

The fair value of these financial instruments is calculated by discounting the expected future cash flows of principal and interest of these instruments, considering that the payments of the instalments occur on the contractually defined dates. For loans in default, the value, net of impairment, of these operations is a reasonable estimate of their fair value, given the economic valuation performed for the calculation of this impairment for individually significant customers. The discount rate used reflects the current conditions

applied by the Group to similar instruments for each of the homogeneous classes of this type of instrument and with a similar residual maturity.

The discount rate includes the market rates for the residual maturity periods (money market or interest rate swap market rates, at the end of the financial period) and the spread used at the reporting date, calculated based on the average production of the last half year. As at 30 June 2026, the average discount rate was 3.66% for mortgage loans (31 December 2025: 3.72%), 7.87% for private individual loans (31 December 2025: 7.62%) and 4.24% for the remaining loans (31 December 2025: 4.23%), assuming a projection of the variable rates that is based on macroeconomic fundamentals and on market forward rates. The calculations also include the credit risk spread.

- *Deposits from customers*

The fair value of these financial instruments is calculated discounting the expected future cash flows of principal and interest of these instruments, considering that the payments of the instalments occur on the contractually defined dates. The discount rate used reflects the current conditions applied by the Group to identical instruments with a similar residual maturity. The discount rate includes the market rates for the residual maturity periods (money market or interest rate swap market rates, at the end of the financial period) and the spread of the Group at the reporting date, calculated based on the average production of the last quarter. The average discount rate as at 30 June 2026 was 1.86% (31 December 2025: 1.66%).

- *Debt securities issued and Other subordinated debt*

For these financial instruments, the fair value was calculated for the components which fair value is not yet reflected in the balance sheet. For the fixed interest rate instruments in respect of which the Group applies hedge accounting, the fair value related to the interest rate risk is already accounted for.

In the fair value calculation, the other risk components were also considered, besides the interest rate risk already accounted for. Fair value is based on market quotations, whenever these are available. If these are not available, fair value is estimated using internal models, based on cash-flow discounting techniques, using the market interest rate curve adjusted by the associated factors, predominantly the credit risk and the trading margin, the latter only in the case of issues sold to non-institutional customers of the Group.

As original reference, the interest rate swaps market curves for each specific currency are used. The credit risk (credit spread) is represented by an excess over the interest rate swaps' curve, calculated specifically for each term and class of instruments based on the market prices of equivalent instruments.

In the case of covered bond issues, the fair value is determined based on quotations disseminated by the financial content provider Bloomberg.

As regards subordinated issues, the fair value was determined to reflect the spreads observed on the market for comparable issues increased by a liquidity premium, considering the lower depth of the market for the subordinated debt issued by Banco Montepio.

- *Cash, Deposits at central banks and Deposits and deposit equivalents at other credit institutions*

Considering the extremely short-term maturity of these financial instruments, the book value is a reasonable estimate of their fair value. It should be noted that the fair value presented may not correspond to the realization value of these financial instruments in a sale or liquidation scenario, since it has not been calculated for this purpose.

The main valuation methods, assumptions and inputs used to calculate the fair value estimate for levels 2 and 3, depending on the type of financial instrument, are presented as follows:

	Type of instruments		Valuation methods	Main assumptions
Financial assets and liabilities held for trading	Derivatives [1]	Swaps	Discounted Cash Flow Method (2)	Interest rate curves
		Exchange rate options	Black-Scholes Model	Implied Volatilities
		Interest rate options	Normal Model	Probability of default for CVA and DVA calculation
	Debt representative financial instruments		Discounted Cash Flow Method [2]	Interest rate curves Risk premiums Comparable assets [3] Market Observable Prices
Financial assets at fair value through profit or loss	Equity representative financial instruments Debt representative financial instruments		Discounted Cash Flow Method [2]	Interest rate curves Risk premiums Comparable assets [3] Market Observable Prices
Financial assets at fair value through other comprehensive income	Equity representative financial instruments Debt representative financial instruments		Discounted Cash Flow Method [2]	Interest rate curves Risk premiums Comparable assets [3]
Financial assets at amortized cost	Debt securities Loans and advances outstanding		Discounted Cash Flow Method [2]	Interest rate curves Comparable assets [3] Spreads
Derivatives - Hedge accounting	Swaps [1]		Discounted Cash Flow Method [2]	Interest rate curves Implied Volatilities Probability of default for CVA and DVA calculation
Financial liabilities at amortized cost	Term deposits Debt securities issued		Discounted Cash Flow Method [2]	Interest rate curves Spreads

[1] The Bank incorporates specific adjustments (add-ons) into the valuation of derivative instruments held for trading and hedging to reflect its own credit risk based on a market discount curve that reflects its associated risk profile. At the same time, the Bank adopts an analogous methodology to reflect the credit risk of counterparties in derivatives with positive fair value. Therefore, the fair value obtained is composed of the unaffected risk-free valuation of this additional amount. The Credit Value Adjustment and Debt Value Adjustment – CVA/DVA are determined based on the estimated exposure at the time of default (Exposure at default, EAD) for each transaction and on the application of risk parameters to the estimated EAD in order to determine the expected loss for the Bank (CVA) and for the counterparty (DVA).

[2] Cash-flow discounting method (net present value): this model uses the cash flows of each instrument, established in the different contracts, and discounts them to calculate their present value.

[3] Comparable assets (prices of similar assets): comparable financial instrument prices or market benchmarks are used to calculate yield from the purchase price to its current valuation, making subsequent adjustments to consider possible differences between the revalued instrument and the reference instrument. It can also be assumed that the price of one instrument equals that of another.

Valuation adjustments for Credit Risk

Counterparty Credit Risk Valuation Adjustments ("CVA") and the Bank's Credit Risk Valuation Adjustments ("DVA") are incorporated in the valuation of OTC derivatives as a result of the risk associated with the credit exposure of the counterparty and its own, respectively.

The CVA value is calculated considering the expected exposure for each counterparty in each future term, with the CVA by counterparty being calculated by summing the various CVA values of the various future terms. The adjustments are then determined by estimating the counterparty's exposure at default (EAD), the respective probability of default (PD) and the loss given default (LGD) for all derivative financial instruments traded under the same contract negotiated with the Group with a netting clause (of the same netting set). Similarly, the DVA corresponds to the product of the negative expected exposure at default by the probability of default and by Banco Montepio Group's LGD.

The PD and LGD values are calibrated using market data, for the effect using the counterparty's rating and sector or historical information on the probability of default.

Changes in CVA/FVA and DVA/FVA adjustments are accounted for as gains or losses on assets and liabilities held for trading in the profit or loss. The detail of the movements of the CVA and DVA adjustments is presented as follows:

(Euro thousand)

	Jun 2026		Dec 2025	
	CVA	DVA	CVA	DVA
Adjustment	225	26	312	31
Of which: Derivates expiry	-	-	-	1

Fair value of Non-current assets held for sale and of Investment properties

The fair value and the impairment constituted for non-current assets held for sale are a function of the valuation amount and the book value of the properties. The valuation amount is equal to the lower of the following values:

- Value of an *in-situ* valuation; and
- Sale value (if a sale and purchase contract is celebrated).

Real estate valuations and revaluations are carried out by expert appraisers, regulated by Law no. 153/2015, of 14 September.

Pursuant to Decree-Law no. 74-A/2017, of 23 June, and for the purpose of article 18 thereof, in mortgage loan agreements for residential real estate, the borrower may request of the Bank a second valuation of the property.

Since the same appraisers are required to carry out surveys of works in progress subject to funding to determine the amount of the works realized to be financed, given the nature of this type of valuation, the training and professional qualifications of these experts shall, cumulatively, respect the professional qualifications defined by Law no. 31/2009, of 3 July, as amended by Law no. 40/2015, of 1 June.

External Appraiser Companies

The selection of appraiser companies is based on the universe of entities registered as "expert appraisers" with the CMVM and seeks to always ensure an adequate diversification and rotation in the performance of the valuations.

Independent external appraisers follow the principles defined by:

- Notice no. 5/2006 of the Bank of Portugal (Valuation of Mortgaged Properties as a Guarantee of Loans Assigned to Covered Bonds); and
- Regulation no. 575/2013 of the European Parliament and of the Council (Prudential Requirements).

Fair value determination is made by independent appraisers duly certified for this purpose, duly registered with the CMVM, and using at least two of the following methods.

Comparative market method

This method provides an estimate of the amount by which it is understood that a particular property may be traded, after an appropriate period of trading, between an interested seller and buyer, in which both parties act in an informed, prudent and unconditional or non-coerced manner.

The value of the property is determined after analysis of comparable transaction and property offer values, obtained through knowledge of the local market and the exhaustive collection of real estate market data that provides knowledge of the supply and demand situation for similar properties, and which constitute a decisive factor in determining the Market Value of the property under valuation.

Income method

In this method, the market value of a property corresponds to the present value of all the rights to future benefits arising from its ownership.

This method assumes that property management and operation is based on the principles of legality, rationality and competence. The purpose of the analysis is to determine its respective ability to generate revenue flows, as well as the frequency of their occurrence, as well as to infer all the inherent expenses.

Cost method

In this method, the estimated value of a property corresponds to the cost of constructing a property that fulfils the same functions and with the same material and technology characteristics, at current market prices. The value assessed includes the value of the land, construction costs and the investment promotion profit margin, as well as a deduction corresponding to the depreciation, or loss of property value, resulting from physical, functional, economic or environmental obsolescence or a combination of these.

For all valuations not based on all 3 valuation methods, the expert appraiser should consider the local market characteristics and the specific characteristics of the property under valuation. The valuation adopted shall be the lower of the values determined because it is the most prudent in terms of guarantee.

Investment properties

Fair value determination is made by independent appraisers duly certified for this purpose, duly registered with the CMVM, and using at least two of the following methods, as described in note 1 n):

- Comparative market method;
- Income method; and
- Cost method.

The valuation of investment properties follows models based on parameters not observable in the market and are, therefore, classified as level 3 in the fair value measurement hierarchy.

Interest rate curve of the main currencies

As at 30 June 2026, the following table presents the interest rates adopted in the calculation of the interest rate curve of the major currencies, namely Euro, United States Dollar, Pound Sterling, Swiss Franc and Yen, used to determine the fair value of financial assets and liabilities of the Group:

	Jun 2026				
	Currencies				
	Euro	United States Dollar	Sterling Pound	Swiss Franc	Yen
1 day	2.2500	3.6300	3.7700	-0.5200	0.7000
7 days	2.1850	3.6429	3.7900	-0.2200	0.7200
1 month	2.1910	3.7500	3.8000	0,0000	0.7200
2 months	2.1965	3.7700	3.9150	0.0100	0.8800
3 months	2.2265	3.7700	4.0100	0.0600	0.8900
6 months	2.3105	3.8000	4.1400	0.1200	1.0100
9 months	2.3605	4.2700	4.3150	0.0400	1.1400
1 year	2.3975	4.3750	4.4000	0.3000	1.2700
2 years	2.4175	4.3752	4.3526	0.1565	1.2652
3 years	2.4215	4.3755	4.3526	0.2260	1.2652
5 years	2.4751	4.3760	4.3526	0.3390	1.2652
7 years	2.5650	4.3765	4.3526	0.4528	1.2652
10 years	2.7070	4.3772	4.3526	0.6070	1.2652
15 years	2.9080	4.4343	4.3526	0.8043	1.2652
20 years	2.9950	4.5287	4.3526	0.8043	1.2652
30 years	2.9801	4.4883	4.3526	0.8043	1.2652

As at 31 December 2025, the following table presents the interest rates adopted in the calculation of the interest rate curve of the major currencies, namely Euro, United States Dollar, Pound Sterling, Swiss Franc and Yen, used to determine the fair value of financial assets and liabilities of the Group:

	Dec 2025				
	Currencies				
	Euro	United States Dollar	Pound Sterling	Swiss Franc	Yen
1 day	1.9320	3.6350	3.7600	-0.1100	0.0500
7 days	1.9320	3.6530	3.7600	-0.1100	0.0500
1 month	1.9340	3.7250	3.8600	-0.0700	0.0500
2 months	1.9350	3.8600	3.8600	-0.0300	0.4500
3 months	1.9380	3.8750	4.0250	0,0300	0.5200
6 months	1.9340	3.8700	3.9700	0.0900	0.6700
9 months	1.9300	3.8350	3.9950	0.1600	0.7700
1 year	1.9390	3.8200	4.0850	0.2500	0.7100
2 years	2.0175	3.8532	4.0441	0.1080	0.7087
3 years	2.1265	3.8864	4.0441	0.2150	0.7087
5 years	2.3205	3.9528	4.0441	0.3980	0.7087
7 years	2.4810	4.0191	4.0441	0.5475	0.7087
10 years	2.6842	4.1188	4.0441	0.7495	0.7087
15 years	2.9253	4.1899	4.0441	0.9490	0.7087
20 years	3.0292	4.1980	4.0441	0.9490	0.7087
30 years	3.0562	4.4340	4.0441	0.9490	0.7087

Exchange rates and volatility

We present below the exchange rates (European Central Bank) as at the balance sheet date and the implied volatilities (at the Money) for the main currency pairs used in the valuation of derivatives:

			Volatility (%)				
Exchange rates	**Jun 2026**	**Dec 2025**	**1 month**	**3 months**	**6 months**	**9 months**	**1 year**
EUR/USD	1.1394	1.1750	5.695	5.5850	5.7500	5.8900	6.2400
EUR/GBP	0.8618	0.8726	3.8200	3.9750	4.3680	4.6600	5.0700
EUR/CHF	0.9224	0.9314	3.6500	4.0500	4.3800	4.6330	5.0250
EUR/JPY	185.08	184.09	7.1200	7.2300	7.4700	7.7300	8.1300

Regarding exchange rates, the Group uses in its valuation models the spot rate observed in the market at the time of the valuation.

The fair value of the financial assets and liabilities of the Group, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

	Jun 2026				
	At fair value through profit or loss	**At fair value through reserves**	**Amortized cost**	**Book value**	**Fair value**
Financial Assets					
Cash and deposits at central banks	-	-	988 708	988 708	988 708
Loans and deposits to credit institutions payable on demand	-	-	65 057	65 057	65 057
Other loans and advances to credit institutions	-	-	297 258	297 258	297 258
Loans and advances to customers	-	-	13 566 473	13 566 473	13 439 447
Financial assets held for trading	26 397	-	-	26 397	26 397
Financial assets at fair value through profit or loss	99 808	-	-	99 808	99 808
Financial assets at fair value through other comprehensive income	-	502 375	-	502 375	502 375
Hedging derivatives	1 227	-	-	1 227	1 227
Other financial assets at amortized cost	-	-	4 409 142	4 409 142	4 229 236
Non-current assets held for sale	-	-	347	347	347
	127 432	502 375	19 326 985	19 956 792	19 649 860
Financial liabilities					
Deposits from other credit institutions	-	-	720 260	720 260	695 760
Deposits from customers	-	-	16 562 552	16 562 552	16 545 125
Debt securities issued	-	-	1 005 934	1 005 934	1 011 170
Financial liabilities held for trading	5 936	-	-	5 936	5 936
Hedging derivatives	31 966	-	-	31 966	31 966
Other subordinated debt	-	-	257 326	257 326	282 617
	37 902	-	18 546 072	18 583 974	18 572 574

(milhares de euros)

	Dec 2025				
	At fair value through profit or loss	At fair value through reserves	Amortized cost	Book value	Fair value
Financial Assets					
Cash and deposits at central banks	-	-	1 256 047	1 256 047	1 256 047
Loans and deposits to credit institutions payable on demand	-	-	59 357	59 357	59 357
Other loans and advances to credit institutions	-	-	463 105	463 105	463 105
Loans and advances to customers	605	-	12 836 216	12 836 821	12 711 277
Financial assets held for trading	13 855	-	-	13 855	13 855
Financial assets at fair value through profit or loss	99 145	-	-	99 145	99 145
Financial assets at fair value through other comprehensive income	-	505 556	-	505 556	505 556
Hedging derivatives	23 434	-		23 434	23 434
Other financial assets at amortized cost	-	-	3 835 870	3 835 870	3 650 650
Non-current assets held for sale	-	-	41	41	41
	137 039	505 556	18 450 636	19 093 231	18 782 467
Financial liabilities					
Deposits from other credit institutions	-	-	756 553	756 553	730 221
Deposits from customers	-	-	16 063 759	16 063 759	16 055 421
Debt securities issued	-	-	688 410	688 410	683 915
Financial liabilities held for trading	5 870	-	-	5 870	5 870
Hedging derivatives	28 031	-	-	28 031	28 031
Other subordinated debt	-	-	270 084	270 084	290 194
	33 901	-	17 778 806	17 812 707	17 793 652

The following table summarizes, by valuation levels, for each group of financial assets and liabilities of the Group, the fair value of same, as at 30 June 2026:

(Euro thousand)

	Jun 2026				
	Level 1	Level 2	Level 3	Financial instruments at cost	Fair value
Financial Assets					
Cash and deposits at central banks	988 708	-	-	-	988 708
Loans and deposits to credit institutions payable on demand	65 057	-	-	-	65 057
Other loans and advances to credit institutions	-	-	297 258	-	297 258
Loans and advances to customers	-	-	13 439 447	-	13 439 447
Financial assets held for trading	20 960	5 243	194	-	26 397
Financial assets at fair value through profit or loss	-	-	99 808	-	99 808
Financial assets at fair value through other comprehensive income	477 140	308	24 927		502 375
Hedging derivatives	1 227	-	-	-	1 227
Other financial assets at amortized cost	4 135 236	-	94 000	-	4 229 236
Non-current assets held for sale	-	-	347	-	347
	5 688 328	5 551	13 955 981	-	19 649 860
Financial liabilities					
Deposits from other credit institutions	-	-	695 760	-	695 760
Deposits from customers	-	-	16 545 125	-	16 545 125
Debt securities issued	350 280	-	660 890	-	1 011 170
Financial liabilities held for trading	-	5 936	-	-	5 936
Hedging derivatives	-	31 966	-	-	31 966
Other subordinated debt	278 128	-	4 489	-	282 617
	628 408	37 902	17 906 264	-	18 572 574

The following table summarizes, by valuation levels, for each group of financial assets and liabilities of the Group, the fair value of same, as at 31 December 2025:

(Euro thousand)

	Dec 2025				
	Level 1	Level 2	Level 3	Financial instruments at cost	Fair value
Financial Assets					
Cash and deposits at central banks	1 256 047	-	-	-	1 256 047
Loans and deposits to credit institutions payable on demand	59 357	-	-	-	59 357
Other loans and advances to credit institutions	-	-	463 105	-	463 105
Loans and advances to customers	-	605	12 710 672	-	12 711 277
Financial assets held for trading	8 534	5 175	146	-	13 855
Financial assets at fair value through profit or loss	-	-	99 145	-	99 145
Financial assets at fair value through other comprehensive income	477 762	335	26 407	1 052	505 556
Hedging derivatives	23 434	-	-	-	23 434
Other financial assets at amortized cost	3 531 650	-	119 000	-	3 650 650
Non-current assets held for sale	-	-	41	-	41
	5 356 784	6 115	13 418 516	1 052	18 782 467
Financial liabilities					
Deposits from other credit institutions	-	-	730 221	-	730 221
Deposits from customers	-	-	16 055 421	-	16 055 421
Debt securities issued	-	-	683 915	-	683 915
Financial liabilities held for trading	-	5 870	-	-	5 870
Hedging derivatives	-	28 031	-	-	28 031
Other subordinated debt	285 388	-	4 806	-	290 194
	285 388	33 901	17 474 363	-	17 793 652

In the first half of 2026 and financial year 2025, there were no transfers between the levels of the fair value hierarchy.

As at 30 June 2026, the Bank considered for purposes of the valuations of the shares of SIBS, Unicre and ABANCA, the maintenance of the assumptions disclosed in the financial statements as at 31 December 2025.

46 Post-employment and long-term employee benefits

Banco Montepio, in accordance with the accounting policy described in note 1 r), assumed the responsibility to pay their employees and to the members of the Management Bodies old-age and disability pensions and other benefits, with Montepio Crédito assuming like responsibility in respect of its employees.

In accordance with the same policy, Banco Montepio and Montepio Crédito calculate at least once a year, with reference to 31 December of each year, the liabilities with retirement pensions and other benefits. This also occurs whenever the changes substantiated on the main actuarial assumptions so determine.

Banco Montepio and Montepio Crédito's pension plan for employees covers liabilities for the retirement benefits provided for in the Collective Labour Agreement for the Banking Sector and is a complementary plan to the General Social Security System.

Under the Collective Labour Agreement ("ACT") for the Banking Sector, employees admitted after 1 January 1995 contribute with 5% of their monthly remuneration to the Pension Fund.

The existing pension plan corresponds to a defined benefit plan, since it defines the criteria determining the amount of pension that an employee will receive during retirement, usually dependent on one or more factors such as age, years of service and remuneration.

The benefits provided by this pension plan are as follows:

- Retirement due to presumable disability (old age);
- Retirement due to disability; and
- Survival pension.

The respective beneficiaries are guaranteed all benefits, on the terms, conditions and values included in the pension plan in their quality of employees who, at their retirement date, are in the service of Banco Montepio or of Montepio Crédito, or as employees who had been permanent employees and who, at their retirement date, met all the enforceability requirements defined in the pension plan.

The pension provided by the Pension Fund is that corresponding to the employee's level at retirement and respective seniority payments, according to the salary scale applicable. In the case of employees entitled to a pension under the General Pension Fund (Caixa Geral de Aposentações ("CGA")) or the National Pensions Centre (Centro Nacional de Pensões ("CNP")), for the same period of service counted by the Bank, such pension shall be deducted from the pension guaranteed by the present pension plan.

In case of death of an active employee or a pensioner, the pension plan guarantees a survival pension calculated under the terms foreseen in the ACT applicable to Banco Montepio and to Montepio Crédito.

The Group's former employees, when attaining the situation of retirement due to old-age or disability, are entitled to a pension, to be paid by the Pension Fund, calculated as per the preceding paragraphs and proportional to the period of service rendered to the Group.

Additionally, pursuant to the ACT, the pension plan guarantees the Social-Medical Assistance Services ("SAMS") costs and the death subsidy.

Banco Montepio and Montepio Crédito have no other mechanisms that ensure the coverage of liabilities assumed with old-age, disability and survival pensions, health benefits and death subsidy of their employees.

In December 2016, Banco Montepio and Montepio Crédito signed a new Collective Labour Agreement (ACT), introducing a number of changes in the employment benefits, such as the change in the retirement age, in line with the General Social Security System, and the attribution of an end-of-career award which replaced the extinguished seniority bonus.

As a result of the amendment to the ACT, the contributions to SAMS came to be made based on a fixed amount per employee and were, thus, no longer indexed to the remuneration, being updated solely by the percentage increase agreed with the workers' representative structures each year.

The main actuarial assumptions used in calculating the present value of the liabilities are as follows:

	Assumptions	
	Jun 2026	Dec 2025
Financial assumptions		
Salary growth rate	2.5% in the first year, 2.0% in the second year and 1.25% in the following years	2.5% in the first year, 2.0% in the second year and 1.25% in the following years
Pension growth rate	2.0% in the first year, 1.50% in the second year and 0.75% in the following years	2.0% in the first year, 1.50% in the second year and 0.75% in the following years
Rate of return of Fund	4.30%	4.30%
Discount rate	4.30%	4.30%
Revaluation rate		
Salary growth rate - Social Security	1.50%	1.50%
Monetary correction rate	1.25%	1.25%
Demographic assumptions and valuation methods		
Mortality table		
Men	TV 88/90 -1 year	TV 88/90 -1 year
Women	TV 99/01 -2 years	TV 99/01 -2 years
Actuarial valuation method	UCP	UCP

UCP - Unit Credit projected

The assumptions used in calculating the present value of the liabilities are in accordance with the requirements defined by IAS 19. The determination of the discount rate considered: (i) the evolution of the main indices, for high-quality corporate bonds and (ii) duration of the liabilities. As at 30 June 2026, the average duration of the pension liabilities of the employees is 14 years (31 December 2025: 14 years), including both active employees and pensioners.

The participants in the pension plan have the following breakdown:

	Jun 2026	Dec 2025
Atives	2488	2 510
Retirees and survivors	1749	1 742
	4 237	4 252

In addition, we inform that the total number of non-active employees (former employees) as at 30 June 2026 totals 485 (478 as at 31 December 2025).

The liabilities for pensions and other benefits and respective coverage levels are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Net assets/(liabilities) recognized in the balance sheet		
Liabilities with pension benefits		
Pensioners	(400 764)	(399 954)
Active	(290 887)	(286 156)
	(691 651)	(686 110)
Liabilities with healthcare benefits		
Pensioners	(26 210)	(26 356)
Active	(27 194)	(26 256)
	(53 404)	(52 612)
Liabilities with death benefits		
Pensioners	(1 967)	(1 939)
Active	(1 161)	(1 133)
	(3 128)	(3 072)
Total liabilities	(748 183)	(741 794)
Coverages		
Pension Fund value	825 761	813 791
Net assets/(liabilities) in the balance sheet	77 578	71 997
Accumulated actuarial remeasurements recognized in other comprehensive income	183 244	188 082

The amounts of Euro 77,578 thousand and Euro 71,997 thousand related to net assets and liabilities in the balance sheet as at 30 June 2026 and 31 December 2025, respectively, are reported under the caption Other assets, as presented in note 33.

The evolution of liabilities for retirement pensions, health benefits and death subsidy is presented as follows:

(Euro thousand)

	Jun 2026				Dec 2025			
	Pension benefits	Healthcare benefits	Death benefits	Total	Pension benefits	Healthcare benefits	Death benefits	Total
Liabilities at the beginning of the financial period	686 110	52 612	3 072	741 794	720 791	57 333	3 349	781 473
Recognized in net income/(loss) (note 10)								
Current service cost	1 618	430	21	2 069	3 234	992	48	4 274
Interest cost	14 752	1 130	66	15 948	25 588	2 035	119	27 742
Early retirement, terminations by mutual agreement and others	(937)	-	-	(937)	1 770	-	-	1 770
Recognized in Equity (note 43)								
Actuarial gains /(losses)								
Changes in assumptions	630	-	-	630	(45 024)	(5 794)	(361)	(51 179)
Not related to Changes in assumptions	5 133	(768)	(31)	4 334	11 142	(1 954)	(83)	9 105
Other								
Pensions paid by the Fund	(16 530)	-	-	(16 530)	(33 215)	-	-	(33 215)
Pensions paid by Banco Montepio	(326)	-	-	(326)	(533)	-	-	(533)
Participant contributions	1 201	-	-	1 201	2 439	-	-	2 439
Other				-	(82)	-	-	(82)
Liabilities at the end of the financial period	691 651	53 404	3 128	748 183	686 110	52 612	3 072	741 794

The evolution of the Pension Fund's net asset value as at 30 June 2026 and 31 December 2025, can be analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Value of the Fund at beginning of the financial period	813 791	823 415
Recognized in net income/(loss)		
Share of net interest	17 497	29 231
Recognized in equity		
Financial deviations	9 802	(7 997)
Other		
Contributions from Banco Montepio	1 201	2 439
Participant contributions	(16 530)	(33 215)
Transfers		(82)
Fund's value at the end of the financial period	825 761	813 791

No additional contributions to the defined benefit plans are foreseen for the following financial year since it is expected that the Pension Fund's return will be sufficient to cover for the changes in the liabilities.

As at 30 June 2026 and 31 December 2025, the assets of the Pension Fund, split between quoted and unquoted, can be analysed as follows:

(Euro thousand)

	Jun 2026				Dec 2025			
	Assets of the fund	%	Quoted	Unquoted	Assets of the fund	%	Quoted	Unquoted
Variable-income securities								
Shares	17 699	2.1	17 699	-	16 904	2.1	16 904	-
Shares investment funds	150 063	18.2	77 968	72 095	126 057	15.5	42 994	83 063
Bonds	583 567	70.7	537 649	45 918	595 333	73.2	549 264	46 069
Real estate	5 028	0.6	-	5 028	5 010	0.6	-	5 010
Real estate investment Funds	55 865	6.8	4 512	51 353	55 552	6.8	-	55 552
Venture capital Funds	3 549	0.4	-	3 549	3 677	0.5	-	3 677
Loans and advances to banks and other	9 990	1.2	-	9 991	11 258	1.4	-	11 258
	825 761	100.0	637 828	187 934	813 791	100.0	609 162	204 629

The assets of the Pension Fund related to securities, real estate and loans and advances to banks that are entities of the Group, have the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
Loans and advances in banks and other	4 397	6 329
Real estate	5 028	5 010
	9 425	11 339

The evolution of the remeasurements in the balance sheet is analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Actuarial gains/(losses) at the beginning of the financial period	188 082	222 159
Actuarial gains/(losses) in the financial year		
Changes in discount rate	-	(79 085)
Payroll update	-	20 344
Pension growth rate update	-	7 996
Deviation on the Pension Fund return	(9 802)	7 997
Resulting from changes in plan conditions	-	(434)
Other	4 964	9 105
Actuarial gains/(losses) recognized in other comprehensive income	183 244	188 082

The costs for the period year with retirement pensions, health benefits and death subsidy are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Current service cost	2 069	4 274
Net interest income/(expense) on the liabilities coverage balance	(1 549)	(1 489)
Costs with early retirement, mutually agreed termination and other	(937)	1 770
Costs for the year	(417)	4 555

The evolution of net assets/(liabilities) in the balance sheet, as at 30 June 2026 and 31 December 2025, is analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
At the beginning of the financial period	71 997	41 942
Current service cost	(2 069)	(4 274)
Net interest income/(expense) on the	1 549	1 489
liabilities coverage balance	(4 964)	42 074
Actuarial gains/(losses)	9 802	(7 997)
Financial gains/(losses)	326	533
Pensions paid by Banco Montepio	937	(1 770)
At the end of the financial period	77 578	71 997

The actuarial assumptions have a significant impact on the liabilities for pensions and other benefits. Thus, a sensitivity analysis was performed to positive and negative changes in some of the actuarial assumptions with the purpose of calculating the effect on the value of pension liabilities.

As at 30 June 2026 and 31 December 2025, the impact of these changes is analysed as follows:

(Euro thousand)

	Jun 2026			
	Liabilities			
	Increase 0.5 p.p.	Decrease 0.5 p.p.	Increase 1.0 p.p.	Decrease 1.0 p.p.
Discount rate	(42 100)	46 602	(84 200)	93 205
Salary growth rate	26 291	(23 552)	52 582	(47 105)
Pension growth rate	43 636	(40 175)	87 272	(80 350)

(Euro thousand)

	Dec 2025			
	Liabilities			
	Increase 0.5 p.p.	Decrease 0.5 p.p.	Increase 1.0 p.p.	Decrease 1.0 p.p.
Discount rate	(43 010)	43 672	(83 788)	86 655
Salary growth rate	22 077	(20 146)	43 011	(39 972)
Pension growth rate	38 410	(35 454)	74 826	(70 350)

(Euto thousand)

	Jun 2026		Dec 2025	
	Liabilities			
	Reduction in life expectancy by 1 year	Increased life expectancy by 1 year	Redução da esperança de vida em 1 ano	Aumento da esperança de vida em 1 ano
Future mortality	17 437	(17 684)	17 389	(17 640)

(Euro thousand)

	Jun 2026		Dec 2025	
	Responsabilidades			
	€5 reduction	€5 increased	€5 reduction	€5 increased
Contribution to SAMS	(2 536)	2 536	(2 466)	2 466

In accordance with the accounting policy described in note 1 r) and as per note 39, as at 30 June 2026, the end-of-career awards amounted to Euro 3,574 thousand (31 December 2025: Euro 3,439 thousand).

47 Assets under management

In accordance with the legislation in force, the fund management companies, and the depositary bank are jointly liable before the participants of the Funds for the non-fulfilment of the obligations assumed under law and the regulations of the funds managed.

As at 30 June 2026 and 31 December 2025, the amount of the funds for which the Group acts as depository bank is analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Securities Investment Funds	662 663	596 006
Real estate Investment Funds	963 168	936 782
Pension Funds	435 129	408 331
Bank and insurance	19 858	20 066
	2 080 818	1 961 185

The amounts recognized in these captions are measured at fair value determined as at the balance sheet date.

48 Related parties

As defined in IAS 24, the companies detailed in note 55, the Pension Fund, the members of the Corporate, Management and Supervisory Bodies and the key management personnel are considered related parties of the Group. In addition to the members of the Corporate, Management and Supervisory Bodies and the key management personnel, their family and entities controlled by them or in which management they have significant influence are also considered related parties.

According to Portuguese law, namely under article 85 of the Legal Framework of Credit Institutions and Financial Companies ("RGICSF"), the shareholders of Banco Montepio, as well as individuals related to them

and entities controlled by them or in which management they have significant influence are also considered related parties.

The Group's first-line managers are considered Other key management personnel.

In operations carried out between Banco Montepio Group entities that are in a situation of special relationships, terms and conditions are contracted, accepted and practiced substantially identical to those that would normally be contracted, accepted and practiced between independent entities in comparable operations, that is, at market prices.

On this basis, with reference to 30 June 2026, the list of related parties considered by Banco Montepio is presented as follows:

Majority shareholder
Montepio Geral Associação Mutualista

Board of Directors
Chaim of the Board of Directors
Manuel Ferreira Teixeira
Non-executive members
Eugénio Luís Baptista
Laura Chaves
Maria Alexandra Thadeu
Maria Lúcia Bica
Sara Fonseca
Board of Directors
Chaim of the Executive Committee
José Azevedo Pereira
Executive members
Ângela Barros
Isabel Silva
José Carlos Mateus
Manuel Domingues
Nuno Carvalho
Audit Committee
Chaim of the Audit Committee
Laura Chaves
Members
Maria Alexandra Thadeu
Maria Lúcia Bica
Sara Fonseca

Board of Directors of Other Related Parties
Ana Sá Couto
Edite Cheira
Fernando Amaro
Hélio Gomes Marques
Idália Serrão
Jaquelina Rodrigues
José Eduardo Martins
Licínio Santos
Luís Pinheiro
Manuel Baptista
Maria da Conceição Zagalo
Paulo Jorge Rodrigues
Pedro Araújo
Pedro Ribeiro
Rui Gama
Rui Heitor
Virgílio Lima

Other Key Management Personnel
Alexandra Ponciano
Alexandra Quirino Silva
Alexandra Rolo
António Carlos Machado
António Costa
António Figueiredo Lopes
António Longo
Armando Cardoso
Bráulio Silva
Bruno Magalhães
Daniel Caçador
Fabienne Lehuédé
Fernanda Correia
Fernando Teixeira
Filipe Guimarães Cizeron
Frederico Tomáz
Janine Pereira
Joana Correia
Jorge Barros Luís
Jorge Dourado
Manuel Castanho
Maria Antónia Saldanha
Miguel Esteves
Miguel Gomes da Silva
Miguel Oliveira
Mónica Araújo
Nuno Cavilhas
Patrícia Fernandes
Patrícia Medeiros
Paula Pinheiro
Paula Viegas
Paulo Amorim
Paulo Soares
Paulo Trindade
Pedro Miguel Mendes
Pedro Oliveira
Pedro Pires
Ricardo Domingos Chorão
Ricardo Sarmento
Rita Santos
Rui Jorge Santos
Sanguini Shirish
Sara Candeias
Tânia Madeira

Other Related parties
Bem Comum, Sociedade de Capital de Risco, S.A.
Bolsimo - Gestão de Activos, S.A.
CESource, A.C.E.
Empresa Gestora de Imóveis da Rua do Prior, S.A.
Fundação Montepio Geral
Fundo de Pensões - Montepio Geral
Futuro – Sociedade Gestora de Fundos de Pensões, S.A.
Lusitania Vida, Companhia de Seguros, S.A.
Lusitania, Companhia de Seguros, S.A.
Moçambique, Companhia de Seguros, S.A.
Montepio Gestão de Activos - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.
Montepio Residências para Estudantes, S.A.
Residências Montepio, Serviços de Saúde, S.A.
SILVIP - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.

(*) In 2025, Montepio Gestão de Activos Imobiliários, A.C.E. - In Liquidation, Portugal Estates Fund - Fundo de Investimento Imobiliário Fechado and Sociedade Portuguesa de Administrações, S.A. were no longer classified as related parties.
In 2026, HTA - Hotéis, Turismo e Animação dos Açores, S.A. was no longer classified as related parties, as it was disposed of on 13 May 2026.

As at 30 June 2026 and 31 December 2025, the assets held by the Group in respect of related parties, pursuant to article 109, represented or not by securities, included in the captions Loans and advances to customers, Impairment of loans and advances to customers, Financial assets at fair value through other comprehensive income, Impairment of financial assets at fair value through other comprehensive income, Other assets and Guarantees and commitments assumed, are analysed as follows:

(Euro thousand)

	Jun 2026						
Companies	Loans and advances to customers	Impairment of loans and advances to customers	Financial assets at fair value through other comprehensive income	Impairment of financial assets at fair value through other comprehensive income	Other assets	Garantees and commitments provided	Total
Board of Directors	58	-	-	-	-	-	58
Board of Directors of Other Related Parties	1 849	1	-	-	-	-	1 848
Other Key Management Personnel	2 664	2	-	-	-	-	2 662
Bolsimo - Gestão de Activos, S.A.	1	-	-	-	-	-	1
CESource, A.C.E.	-	-	-	-	60	-	60
Futuro – Sociedade Gestora de Fundos de Pensões, S.A.	-	-	-	-	14	-	14
Lusitania Vida, Companhia de Seguros, S.A.	-	-	-	-	6	-	6
Lusitania, Companhia de Seguros, S.A.	-	-	-	-	446	-	446
Moçambique Companhia de Seguros, S.A.R.L.	-	-	354	-		-	354
Montepio Geral Associação Mutualista	3	-	-	-	958	49	1 010
Montepio Gestão de Activos - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	-	-	1	-	60	-	61
Montepio Valor, S.G.O.I.C., S.A.	-	-	-	-	-	-	-
Montepio Residências para Estudantes, S.A.	-	-	-	-	-		-
Residências Montepio, Serviços de Saúde, S.A.	488	1	-	-	11	750	1 248
Valor Prime - Fundo de Investimento Imobiliário Aberto	-	-	-	-	-	-	-
	5 063	4	355	-	1 555	799	7 768

(Euro thousand)

Companies	Dec 2025						
	Loans and advances to customers	Impairment of loans and advances to customers	Financial assets at fair value through other comprehensive income	Impairment of financial assets at fair value through other comprehensive income	Other assets	Garantees and commitments provided	Total
Board of Directors	66	-	-	-	-	-	66
Board of Directors of Other Related Parties	1 904	1	-	-	-	-	1 903
Other Key Management Personnel	2 605	4	-	-	-	-	2 601
CESource, A.C.E.	-	-	-	-	40	-	40
Futuro – Sociedade Gestora de Fundos de Pensões, S.A.	-	-	-	-	14	-	14
Lusitania Vida, Companhia de Seguros, S.A.	-	-	-	-	6	-	6
Lusitania, Companhia de Seguros, S.A.	1	-	2 947	488	444	-	2 904
Moçambique Companhia de Seguros, S.A.R.L.	-	-	325	-	-	-	325
Montepio Geral Associação Mutualista	2	-	-	-	4 530	49	4 581
Montepio Gestão de Activos - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	-	-	1	-	-	-	1
Residências Montepio, Serviços de Saúde, S.A.	630	1	-	-	11	750	1 390
	5 208	6	3 273	488	5 045	799	13 831

As at 30 June 2026 and 31 December 2025, the Group's liabilities in respect of related parties, pursuant to article 109, included in the captions Deposits from customers, Debt securities issued and Other subordinated debt, are analysed as follows:

(Euro thousand)

Companies	Jun 2026		
	Deposits from customers	Debt securities issued and Other subordinated liabilities	Total
Board of Directors	1 465	-	1 465
Board of Directors of Other Related Parties	1 263	-	1 263
Other Key Management Personnel	2 367	-	2 367
Bolsimo - Gestão de Activos, S.A.	6 083	-	6 083
Empresa Gestora de Imóveis da Rua do Prior S.A	333	-	333
Fundação Montepio Geral	3 475	-	3 475
Fundo de Pensões - Montepio Geral	4 383	500	4 883
Futuro – Sociedade Gestora de Fundos de Pensões, S.A.	4 553	-	4 553
Lusitania Vida, Companhia de Seguros, S.A.	3 439	-	3 439
Lusitania, Companhia de Seguros, S.A.	6 278	-	6 278
Montepio Geral Associação Mutualista	78 258	130 788	209 046
Montepio Gestão de Activos - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	7 805	-	7 805
Montepio Residências para Estudantes, S.A:	1 078	-	1 078
Residências Montepio, Serviços de Saúde, S.A.	1 831	-	1 831
SILVIP - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	3 503	-	3 503
	126 114	131 288	257 402

(Euro thousand)

Companies	Dec 2025		
	Deposits from customers	Debt securities issued and Other subordinated liabilities	Total
Board of Directors	1 785	-	1 785
Board of Directors of Other Related Parties	1 013	-	1 013
Other Key Management Personnel	2 223	-	2 223
Bolsimo - Gestão de Activos, S.A.	1 458	-	1 458
Empresa Gestora de Imóveis da Rua do Prior S.A	307	-	307
Fundação Carlos Larroudé	18	-	18
Fundação Montepio Geral	2 770	-	2 770
Fundo de Pensões - Montepio Geral	5 084	509	5 593
Futuro – Sociedade Gestora de Fundos de Pensões, S.A.	3 741	-	3 741
H.T.A. - Hotéis, Turismo e Animação dos Açores, S.A.	182	-	182
Lusitania Vida, Companhia de Seguros, S.A.	4 842	-	4 842
Lusitania, Companhia de Seguros, S.A.	5 868	-	5 868
Montepio Geral Associação Mutualista	55 274	127 187	182 461
Montepio Gestão de Activos - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	8 309	-	8 309
Montepio Residências para Estudantes, S.A:	983	-	983
Residências Montepio, Serviços de Saúde, S.A.	1 527	-	1 527
SILVIP - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	3 676	-	3 676
	99 060	127 696	226 756

As at 30 June 2026 and 2025, the Group's income and expenses with related parties, pursuant to article 109, included in the captions Interest and similar income, Interest and similar expense, Net fee and commission income, Staff costs, Other operating income/(expense) and General and administrative expenses, are analysed as follows:

Companies	Jun 2026					
	Interest and similar income	Interest and similar expenses	Net fee and comission income/ (expense)	Staff Costs	Other operating income/ (expense)	General administrative expenses
Board of Directors	1	16	1	-	-	-
Board of Directors of Other Related Parties	47	15	3	-	-	-
Other Key Management Personnel	57	22	4	-	1	-
Bolsimo -Gestão de Activos, S.A.	-	17	13	-	-	26
CESource, A.C.E.	-	-	-	(120)	-	-
Empresa Gestora de Imóveis da Rua do Prior S.A	-	2	-	-	-	-
Fundação Montepio Geral	-	31	-	-	-	-
Fundo de Pensões - Montepio Geral	-	182	-	-	-	-
Futuro – Sociedade Gestora de Fundos de Pensões, S.A.	-	101	1 759	-	23	-
H.T.A. - Hoteis, Turismo e Animação dos Açores, S.A.	-	-	-	-	-	-
Lusitania Vida, Companhia de Seguros, S.A.	-	70	2 243	(37)	-	-
Lusitania, Companhia de Seguros, S.A.	-	28	2 526	604	(10)	391
Montepio Geral Associação Mutualista	1	4 332	3 080	(4 471)	242	945
Montepio Gestão de Activos - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	-	193	1 706	(395)	52	-
Montepio Residências para Estudantes, S.A.	-	25	-	-	-	-
Residências Montepio, Serviços de Saúde, S.A.	64	15	18	(65)	-	-
SILVIP - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	-	104	-	-	-	-
	170	5 153	11 353	(4 484)	308	1 362

(milhares de euros)

Empresas	jun 2025					
	Interest and similar income	Interest and similar expenses	Net fee and comission income/ (expense)	Staff Costs	Other operating income/ (expense)	General administrative expenses
Board of Directors	1	6	1	-	-	-
Board of Directors of Other Related Parties	8	6	1	-	-	-
Other Key Management Personnel	33	14	2	-	-	-
Bolsimo -Gestão de Activos, S.A.	-	8	14	-	-	154
CESource, A.C.E.	-	-	-	(119)	-	-
Empresa Gestora de Imóveis da Rua do Prior S.A	-	-	-	-	-	-
Fundação Montepio Geral	-	20	-	-	-	-
Fundo de Pensões - Montepio Geral	-	142	-	-	-	-
Futuro – Sociedade Gestora de Fundos de Pensões, S.A.	-	35	1 422	-	22	-
H.T.A. - Hoteis, Turismo e Animação dos Açores, S.A.	-	-	1	-	-	-
Lusitania Vida, Companhia de Seguros, S.A.	-	38	2 261	(33)	-	-
Lusitania, Companhia de Seguros, S.A.	-	14	2 485	583	(24)	338
Montepio Geral Associação Mutualista	-	5 673	1 719	(4 647)	254	1 027
Montepio Gestão de Activos - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	-	96	1 175	(396)	51	-
Montepio Gestão de Activos Imobiliários, A.C.E. - Em Liquidação	-	-	-	-	-	-
Montepio Residências para Estudantes, S.A.	-	8	-	-	-	-
Residências Montepio, Serviços de Saúde, S.A.	30	7	11	(64)	-	-
SILVIP - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	-	38	-	-	-	-
	72	6 105	9 092	(4 676)	303	1 519

In the first half of 2026 and financial year 2025, there were no transactions with the Group's Pension Fund.

49 Securitization of assets

As at 30 June 2026, there was a live securitization operation, originated by Banco Montepio and Montepio Crédito jointly, and which is characterized as presented below.

On 6 December 2021, Banco Montepio and Montepio Crédito signed contracts with Ares Lusitani – STC, S.A. leading to the securitization of a consumer loan portfolio. The securitization operation, with the name Pelican Finance no. 2, has a legal maturity of 13 years (25 January 2035), with the associated obligations having a Weighted Average Life of 2.76 years (assuming a CPR of 7.5%). The outstanding capital of the securitized loans (Aggregate Principal Amount Outstanding) was, on the reference date of 31 October 2021 (Portfolio Determination Date), Euro 356,774 thousand, this being a static portfolio, without revolving mechanisms. The sale was carried out using a syndicated public placement model, with class A being placed above par (100.606%) and the rest at par.

The entity that guarantees the debt service (servicer) of the traditional securitization operation is Banco Montepio, assuming the collection of the loans sold and channelling the amounts received to the respective Credit Securitization Company (Sociedade de Titularização de Créditos) (Pelican Finance no. 2).

The Group does not hold any direct or indirect shareholding in the company Ares Lusitani.

The loans covered by the securitization operation referred above were not derecognized from the balance sheet as the Group retained most of the risks and rewards associated with the securitized loans. If the Group substantially transfers the risks and rewards associated with their holding, the securitization operations are derecognized.

As at 30 June 2026 and 31 December 2025, the securitization operation realized by the Group is presented as follows:

(Euro thousand)

Jun 2026									
				Loan and advances		Securities issued			
Issue	Settlement date	Currency	Asset transferred	Initial amount	Current amount	Initial nominal amount	Current nominal amount	Third party amount
Pelican Finance No.2 [1]	December 2021	Euro	Consumer Loans	360 301	57 168	360 301	55 727	55 727
				360 301	57 168	360 301	55 727	55 727

[1] The amounts presented correspond to the total issue

(Euro thousand)

Dec 2025									
				Loan and advances		Securities issued			
Issue	Settlement date	Currency	Asset transferred	Initial amount	Current amount	Initial nominal amount	Current nominal amount	Third party amount
Pelican Finance No.2 [1]	December 2021	Euro	Consumer Loans	360 301	73 820	360 301	72 286	72 286
				360 301	73 820	360 301	72 286	72 286

[1] The amounts presented correspond to the total issue

Additionally, the detail of the securitized loans not derecognized, by securitization operation and contract nature, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Domestic loans and advances		
Individuals		
Consumer loans and other	55 586	72 411
Credit and overdue interest		
Less than 90 days	37	127
More than 90 days	1 545	1 282
	1 582	1 409
	57 168	73 820

As a form of financing, the securitization vehicle created (Pelican Finance no. 2) issued bonds the nominal value of which is detailed below, and which were partially subscribed in the case of Pelican Finance no. 2.

The bonds held by Banco Montepio or by entities integrated in the consolidation perimeter of the Banco Montepio Group (“Interests held by the Group”) are eliminated in the consolidation process for which reason they are presented below for information purposes only.

As at 30 June 2026, the securities issued by the special purpose vehicles are analysed as follows:

Issue	Bonds	Initial nominal amount euros	Current nominal amount euros	CEMG interest held (nominal amount) euros	Maturity date	Rating (initial) Fitch	Rating (initial) DBRS	Rating (current) Fitch	Rating (current) DBRS
Pelican Finance n.º 2	Class A	285 400 000	44 142 640	-	2035	AA-	AA	AA+	AAH
	Class B	20 700 000	3 201 656	-	2035	A-	A	AA+	AH
	Class C	17 500 000	2 706 714	-	2035	BBB+	BBB	A+	BBBH
	Class D	19 300 000	2 985 119	-	2035	BB+	BH	BB+	BB
	Class E	17 400 000	2 691 247	-	2035	n.a.	n.a.	n.a.	n.a.
	Class X	1 000	1	1	2035	n.a.	n.a.	n.a.	n.a.

As at 31 December 2025, the securities issued by the special purpose vehicles are analysed as follows:

Issue	Bonds	Initial nominal amount euros	Current nominal amount euros	CEMG interest held (nominal amount) euros	Maturity date	Rating (initial) Fitch	Rating (initial) DBRS	Rating (current) Fitch	Rating (current) DBRS
Pelican Finance n.º 2	Class A	285 400 000	57 258 971	-	2035	AA-	AA	AA	AAH
	Class B	20 700 000	4 152 981	-	2035	A	A	A	AH
	Class C	17 500 000	3 510 974	-	2035	BBB+	BBB	BBB+	BBBH
	Class D	19 300 000	3 872 103	-	2035	BB+	BH	BB+	BB
	Class E	17 400 000	3 490 911	-	2035	n.a.	n.a.	n.a.	n.a.
	Class X	1 000	1	1	2035	n.a.	n.a.	n.a.	n.a.

Synthetic securitizations

On 21 December 2022, the Group carried out an operation that configures a synthetic securitization structure, based on a portfolio of loans to individuals with mortgage guarantee. As this is a synthetic operation, it does not entail any assignment of loans, being based on the contracting of a financial guarantee that focuses on the mezzanine component of the operation, with Banco Montepio maintaining exposure to the senior, junior and Synthetic Excess Spread components. The mezzanine risk of the operation is thus assumed by market counterparties, in this manner substantiating the significant transfer of risk, with reference to the underlying portfolio, and promoting its prudential derecognition. The securitization in question was structured in such a way that it could be categorized as Simple, Transparent and Standardized (STS), with same being attested by Prime Collateralized Securities (PCS). Since this is a collateralized operation, the structuring resorts to the use of a Special Purpose Vehicle ("SPV") established for the purpose in Ireland. This SPV is not subject to consolidation by Banco Montepio. The legal maturity date of the operation is 29 December 2050, and the respective amount is Euro 455,430 thousand as at 30 June 2026 (31 December 2025: Euro 491,507 thousand).

On 31 May 2023, the Group carried out an operation that configures a synthetic securitization structure, based on a portfolio of loans to individuals with mortgage guarantee. As this is a synthetic operation, it does not entail any assignment of loans, being based on the contracting of a financial guarantee that focuses on the mezzanine component of the operation, with Banco Montepio maintaining exposure to the senior, junior and Synthetic Excess Spread components. The mezzanine risk of the operation is thus assumed by market counterparties, in this manner substantiating the significant transfer of risk, with reference to the underlying portfolio, and promoting its prudential derecognition. This new securitization is of a non-collateralized nature, having no recourse to an SPV or equivalent, thus not configuring a Simple, Transparent and Standardized ("STS") operation. The legal maturity date of the operation is 4 February 2066, and the respective amount is Euro 576,980 thousand as at 30 June 2026 (31 December 2025: Euro 604,724 thousand).

The operations in question are aimed at strengthening the CET1 ratio, not generating any increase in liquidity, with only the prudential effects being captured. In these operations there was no sale of loans to third parties, with there being no transfer of collections.

With these operations, the Group reduced the risk-weighted assets (RWAs) associated with the loan and advances to customers' portfolio without, however, the accounting derecognition of the financial assets. Thus,

as most of the risks and benefits associated with the loans in question were not transferred, the financial assets' derecognition criteria defined in the accounting policy presented in 1 c.9.) above are not met.

50 Balance Sheet and Income Statement indicators by operational and geographic segments

The segmental reporting is presented in accordance with IFRS 8. In compliance with the Group's management model, the disclosed segments correspond to the segments used for management purposes by the Board of Directors. The Group develops a set of banking and financial services activities with a special focus on the domestic market through the following business segments: Retail, Social Economy, and Corporate and Investment Banking.

Products and services include the entire offer inherent in the universal banking activity, namely deposit taking, credit concession and the provision of financial and custodianship services to Companies and Individuals, as well as the trading of investment funds and life and non-life insurance. Additionally, the Group executes short, medium- and long-term investments in the financial and currency markets to take advantage of price variations or as a mean to obtain returns on its available financial resources.

As at 30 June 2026, the Banco Montepio Group had a domestic network of 222 branches (31 December 2025: 222 branches).

The information by operating segments as at 30 June 2026 reflects the organizational and management model of the Banco Montepio Group, which follows the approved strategic guidance. The control over the performance of the activities carried out by the Group follows the allocation between the operating segments, with the respective management information considering the accounting policies underlying the preparation of the financial statements, as well as the internal management criteria. It is the responsibility of the Strategic Planning and Control Directorate to develop, produce and report management information related to the performance of the various operating segments and the respective control in relation to the objectives defined, reporting hierarchically to the Chief Financial Officer (CFO). The Executive Committee monitors the performance of the operating segments of the internal organizational model in a timely manner, as well as that of the respective budgetary control. The management information is reported to the Executive Committee and to the Board of Directors according to the model established, as well as to the competent organic units.

In evaluating the performance by business area, the Group considers the following operating segments:

1) Retail Banking, which includes the sub segments of Individuals, Self-employed Individuals, Small and Medium Enterprises allocated to this segment and Micro businesses;

2) Social Economy, which incorporates the customers allocated to the Social Economy and Public Sector business areas;

3) Specialized credit, which includes the consumer credit business primarily developed by the subsidiary Montepio Crédito;

4) Corporate and Investment Banking, which includes the Large Companies, the Small and Medium Enterprises allocated to this segment and the Financial Institutions, as well as the activity developed in the Investment Banking area;

5) Markets, which includes the operations related to the Own Securities' Portfolio, the Loans and Advances to Credit Institutions and Wholesale Funding;

6) Non-core, which includes the operations related to the management of real estate held for trading and of non-performing loans; and

7) Other segments, which group the operations not included in the other segments. Each segment is allocated the Group's structures that are directly or indirectly dedicated to same, as well as the autonomous units of the Group which activity is also imputed.

Description of the operating segments

On a consolidated basis, each of the reportable segments includes income and costs related to the following activities, products, customers, and Group structures:

Retail Banking

This operating segment corresponds to all the activity developed by the Group in Portugal with Individuals, Self-employed Individuals, Small and Medium Enterprises allocated to this segment and micro businesses, commercially designated as the Individuals and Small Businesses segment, fundamentally originated by the branch network, electronic channels and promotor network. The financial information of this segment includes, among others, products and services, such as mortgage loans, individual and consumer credit, credit to Companies of the Retail segment, demand and term deposits and other savings applications, retirement solutions products, namely PPRs, debit and credit cards, account management and electronic payment services, and investment fund placement, securities' trading and custodianship services, as well as insurance brokerage and non-financial services.

Social Economy

This operating segment reinforces the Group's role while agent of reference of the Social Economy, in the market and with the different stakeholders, incorporating the activity related to the Social Economy and Public Sector business areas.

Specialized Credit

This operating segment highlights one of the cornerstones of the Strategic Program, reflecting the focus on consumer credit. This segment reflects the activity developed by Montepio Crédito.

Corporate and Investment Banking

This operating segment includes the activity developed by the Group with Small, Medium and Large companies, through the commercial structure dedicated to this segment. It also includes the institutional customers' business, namely the financial sector. Of note among the products and services provided are treasury and investment financing, commercial discounting, provision of guarantees, leasing, factoring, renting, foreign operations, such as documentary credits, cheques and remittances, deposits, payment and reception services, cards, as well as custodianship services.

The Corporate Banking business includes the Corporate segment in Portugal which operates, in the scope of the Group's cross-selling strategy, as a distribution channel for products and services of other Group Companies.

In addition, this operating segment includes the activity developed in the Investment Banking area.

Markets

This segment includes the operations related to the Own Securities' Portfolio, the Loans and Advances to Credit Institutions and Wholesale Funding.

Non-core

This segment includes operations related to the management of properties held for trading and non-performing loans.

Other segments

This segment includes all the support activity developed in respect of the main activities constituting the core business of the segments mentioned above. The interest rate, foreign exchange, liquidity and other risks, excluding credit risk, are imputed to this segment.

Allocation criteria of the results to the segments

The consolidated financial information presented for each segment was prepared in accordance with the criteria followed for the preparation of internal information on which decisions are made in the Group, as required by IFRS 8 – Operating Segments.

The accounting policies applied in the preparation of the financial information related to the operating segments are consistent with those used in the preparation of the financial statements, which are described in note 1, with the following principles having been adopted:

Measurement of segmental profit or loss

The Group uses the net income/(loss) as a measure of the profits or losses to evaluate the performance of each operating segment.

Autonomous operating units

As mentioned above, each autonomous operating unit is evaluated separately, as these units are considered investment centres. Additionally, considering the characteristics of the primary business developed by same, their assets, liabilities, income and expenses are included in the corresponding Operating Segments.

Group structures dedicated to the segment

The Group's activity covers practically all the operating segments and is, therefore, broken down accordingly.

In preparing the financial information, the following criteria are used:

(i) The operations are allocated to each business segment in function of their origination by the commercial structures, even if, at a later date, and as an example, it is decided to securitize some of the assets originated in same;

(ii) The calculation of the net interest income is performed considering the business negotiated with customers and other counterparties recognized in each one of the segments, taking into account the respective associated interest rates. In addition, the Group applies a liquidity premium, previously defined and subject to periodic review, related to the activity of raising funds and financing between business areas;

(iii) The determination of the net interest income also considers the impact of the transfer of the assets and liabilities of each product/segment to a pool, which balances these and adjusts the respective interest, considering the market interest rates at each moment, namely, Euribor for the different periods;

(iv) The allocation of the direct costs of the respective structures dedicated to each segment;

(v) The imputation of the indirect costs (central support and IT services), in function of previously defined criteria;

(vi) The allocation of credit risk is performed in accordance with the impairment model used by the Group; and

(vii) The imputation of the tax burden to the operating segments results from the application of the marginal tax rate of 27.2% to the profit before tax, with the remainder of the tax amount recognized in the income statement being allocated to the other segments.

Operations between the legally autonomous units of the Group are realized at market prices. The price of intersegment services, namely the prices established for internal funding, is determined by the adjustment system through the above-mentioned pool (with prices varying in accordance with the strategic relevance of

the product and the equilibrium of the structures funding and lending functions). The remaining services are allocated to the segments in accordance with predefined criteria.

The interest rate, exchange rate, liquidity and other risks, except for credit risk, are included in the segment Other Segments.

Interest and similar income/expense

Since the Group's consolidated activity is, essentially, related to the banking business, the greater part of the income generated results from the difference between the interest earned on its assets and the interest borne with the funding it secures. This situation, and the fact that the activity of the segments represents the direct business developed by the business units for each product, means that the revenue of the intermediation activity is presented, as permitted by IFRS 8 (23), at the net interest value under the designation of Net Interest Income.

Investments presented according to the equity method

Investments in associates presented according to the equity method are included in the segment designated Operations of other Segments.

Non-current assets

Non-current assets, according to IFRS 8, include Other tangible assets and Intangible assets. The Group includes these assets in the segment in which they are mostly used.

Assets and liabilities for post-employment benefits

Considering that the factors that influence both the amount of the liabilities and of the assets of the Group's Pension Fund correspond, fundamentally, to variables external to the management of each segment, the Group considers that said impacts should not influence the performance of the Operating Segments which activities are carried out with customers.

Restatement of previously reported information

Information relating to prior periods is restated whenever updates are observed in the Group's organizational and management model capable of altering the composition of the reportable segments (geographic and operational) or when there are relevant changes in the methodology for allocating indirect income and expenses, allowing to ensure the comparability of the information reported.

As at 30 June 2026, the reporting by operating segment, is presented as follows:

(Euro thousand)

	Banco Montepio - Consolidated								
	Commercial Banking								
	Retail	Social Economy	Specialized credit	Subtotal	Investment Banking	Markets	Non-Core segments	Other segments	Total
Interest and similar income	254 579	16 345	21 172	**292 096**	70 292	47 286	3 946	(130 348)	**283 272**
Interest and similar expense	132 221	10 005	11 434	**153 660**	37 165	28 408	1 659	(109 261)	**111 631**
NET INTEREST INCOME	**122 358**	**6 340**	**9 738**	**138 436**	**33 127**	**18 878**	**2 287**	**(21 087)**	**171 641**
Dividends from equity instruments	-	-	-	**-**	-	-	-	1 238	**1 238**
Net fee and commission income	56 075	1 220	4 067	**61 362**	8 449	(326)	709	(1 091)	**69 103**
Net gains/(losses) arising from financing operations	-	-	1 820	**1 820**	-	4 029	-	(2 911)	**2 938**
Other operating income/(expense)	340	(94)	(1 122)	**(876)**	(325)	(952)	5 524	(13 912)	**(10 541)**
OPERATING INCOME	**178 773**	**7 466**	**14 503**	**200 742**	**41 251**	**21 629**	**8 520**	**(37 763)**	**234 379**
Staff costs	31 903	1 536	4 264	**37 703**	4 130	1 870	2 213	36 039	**81 955**
General and administrative expenses	10 133	339	2 494	**12 966**	822	2 054	417	22 506	**38 765**
Depreciation and amortization	1 128	2	370	**1 500**	9	4	-	24 125	**25 638**
OPERACIONAL COSTS	**43 164**	**1 877**	**7 128**	**52 169**	**4 961**	**3 928**	**2 630**	**82 670**	**146 358**
Total provisions and impairment	(4 732)	(1 283)	2 734	**(3 281)**	(2 455)	549	11 579	(1 233)	**5 159**
Share of profit/(loss) of associated companies under the equity method	-	-	-	**-**	-	-	-	(405)	**(405)**
PROFIT/(LOSS) BEFORE TAX AND NON-CONTROLLING INTERESTS	**140 341**	**6 872**	**4 641**	**151 854**	**38 745**	**17 152**	**(5 689)**	**(119 605)**	**82 457**
Taxes	38 217	1 871	1 230	**41 318**	10 543	4 533	(1 581)	(30 797)	**24 016**
NET INCOME/LOSS	**102 124**	**5 001**	**3 411**	**110 536**	**28 202**	**12 619**	**(4 108)**	**(88 808)**	**58 441**
Assets	9 191 198	348 186	-	**9 539 384**	2 977 260	6 388 745	330 271	1 465 107	**20 700 767**
Liabilities	13 157 866	1 224 471	-	**14 382 337**	1 700 931	1 983 520	-	832 346	**18 899 134**

The preparation of the segmental reporting follows the logic of the contribution to the consolidation, with the reportable segments excluding the respective intercompany balances, identified in note 48.

As at 31 December 2025, the reporting by operating segment, is presented as follows:

(Euro thousand)

	Banco Montepio - Consolidated								
	Commercial Banking								
	Retail	Social Economy	Specialized credit	Subtotal	Investment Banking	Markets	Non-Core segments	Other segments	Total
Interest and similar income	582 484	36 329	33 256	**652 069**	152 418	86 695	9 102	(321 761)	**578 523**
Interest and similar expense	290 076	21 868	22 479	**334 423**	78 687	59 751	5 404	(230 348)	**247 917**
NET INTEREST INCOME	**292 408**	**14 461**	**10 777**	**317 646**	**73 731**	**26 944**	**3 698**	**(91 413)**	**330 606**
Dividends from equity instruments	-	-	-	**-**	-	-	-	1 038	**1 038**
Net fee and commission income	109 703	2 441	5 725	**117 869**	16 694	-	575	(2 320)	**132 818**
Net gains/(losses) arising from financing operations	-	-	4 322	**4 322**	-	(3 698)	-	(12 038)	**(11 414)**
Other operating income/(expense)	687	(224)	(1 049)	**(586)**	(458)	(7 783)	9 833	(3 926)	**(2 920)**
OPERATING INCOME	**402 798**	**16 678**	**19 775**	**439 251**	**89 967**	**15 463**	**14 106**	**(108 659)**	**450 128**
Staff costs	58 353	2 751	8 372	**69 476**	7 597	3 341	3 927	76 887	**161 228**
General and administrative expenses	22 243	585	4 644	**27 472**	1 669	3 885	834	44 027	**77 887**
Depreciation and amortization	1 891	3	586	**2 480**	15	5	-	48 410	**50 910**
OPERACIONAL COSTS	**82 487**	**3 339**	**13 602**	**99 428**	**9 281**	**7 231**	**4 761**	**169 324**	**290 025**
Total provisions and impairment	(25 413)	482	1 619	**(23 312)**	(6 423)	(129)	28 573	(3 106)	**(4 397)**
Share of profit/(loss) of associated companies under the equity method	-	-	-	**-**	-	-	-	695	**695**
PROFIT/(LOSS) BEFORE TAX AND NON-CONTROLLING INTERESTS	**345 724**	**12 857**	**4 554**	**363 135**	**87 109**	**8 361**	**(19 228)**	**(274 182)**	**165 195**
Taxes	100 045	3 720	1 314	**105 079**	25 136	3 557	(5 349)	(67 008)	**61 415**
NET INCOME/LOSS	**245 679**	**9 137**	**3 240**	**258 056**	**61 973**	**4 804**	**(13 879)**	**(207 174)**	**103 780**
Assets	8 718 842	320 622	-	**9 039 464**	3 014 689	6 232 935	340 867	1 231 180	**19 859 135**
Liabilities	12 825 300	1 149 787	-	**13 975 087**	1 598 946	1 715 047	-	794 196	**18 083 276**
Investments in associated companies	-	-	-	**-**	-	5 197	-	-	**5 197**

As at 30 June 2026 and 31 December 2025, the net contribution both to the income statement as well as to the balance sheet corresponds, in its entirety, to the domestic activity.

51 Risk management

Objectives of the Risk Management Policy

The Group is exposed to several risks the most relevant of which in the financial component being credit, concentration, market, interest rate, banking portfolio market, foreign currency, liquidity, real estate, and Pension Fund risks. Additionally, the Group is subject to other non-financial risks, namely operating, information and communication technologies, strategy and business risks as well as other emerging risks, namely Environmental, Social and Governance ("ESG") risks of which the climatic risks stand out. Depending on the nature and relevance of the risk, plans, programs, or actions are designed, supported by information systems and procedures providing a high degree of reliability as regards risk management measures established in due course. For all risks identified as material, Banco Montepio has implemented a process for the identification and review of same, being subject to regular monitoring and mitigation actions in order to reduce the exposure to potential losses and to increase the soundness and resilience of the Group.

The control and the efficient management of risk play a key role in the balanced and sustained development of the Group. In addition to contributing to the optimization of the profitability/risk binomial of the various lines of business, they also ensure the maintenance of an adequate risk profile in terms of solvency and liquidity.

The monitoring of these risks is centralized in the Risk Directorate, the unit responsible for the risk management function of the Group, which regularly informs the Management (elsewhere also "Board of Directors") and Supervisory bodies of the evolution of the risk profile of the institution and, if necessary, proposes risk exposure mitigation/reduction actions.

The Group's risk management policy is the responsibility of the Board of Directors, which defines the tolerance levels and maximum risk limits, for each specific risk considered materially relevant, in accordance with the defined strategic objectives and business plan, with this policy being reviewed regularly. It is also the responsibility of the Board of Directors to ensure the existence of an adequate risk control at Group level, namely through the respective supervisory boards. The Risk Committee is a delegated non-executive body of the Board of Directors with the role of risk management supervision, which mission is to monitor the design and implementation of the risk strategy and risk appetite of the Group and to verify whether these are aligned with the sustainable strategy in the medium- and long-term, providing advice to the Board of Directors in these areas.

The Board of Directors, with the support of the Audit Committee (a supervisory body of Banco Montepio) must ensure that the Institution has sufficient capital to meet regulatory requirements and to guarantee the coverage of potential losses resulting from the activity, as well as an optimized balance sheet structure that ensures a stable and safe funding capacity and liquidity profile, allowing it to face stress situations and ensuring the continuity of its operations and the protection of its depositors and holders of non-subordinated debt.

The Group has clear and well-defined objectives in its strategic plan, namely as regards capital ratios, transformation of deposits into credit, liquidity, and financing ratios, in addition to a feasible and sustainable business model aligned with its risk appetite.

To this end, the definition of risk appetite is based on certain principles - namely solidity, sustainability and profitability – being prepared in function of the strategic plan and the intended market positioning, as well as the risks faced in its activity that are materially relevant. For these, objectives are set according to the desired level of return and the business strategy, tolerance levels, that is, risk variation intervals that can lead to discussions and decisions about corrective measures and limits that, if exceeded, lead to immediate corrective measures.

In defining risk appetite, the Board of Directors ensures its alignment with the other organizational components (business strategy and the global vectors of risk strategy). In addition, the Board of Directors

seeks to ensure that risk appetite is well understood across the entire organization, especially the business units responsible for decision making and that can affect risk exposure and it's monitoring.

The Group's Risk Management Policy is the norm that regulates the entire monitoring and control process of risk matters and densifies the activities to be developed by the Bank that assure the adequacy of internal and regulatory capital, considering the business strategy defined.

In order to ensure an effective management of the risks associated with the Group's activities, the Risk Directorate is responsible for promoting that all Group Companies implement risk management systems that are coherent with each other and in accordance with the requirements set forth in the Internal Regulation of the Banco Montepio Risk Management Function, in the Banco Montepio Group's Risk Management Policy and in the remaining applicable internal policies and regulations, without prejudice to the respective legal and regulatory framework. The Risk Directorate is responsible for monitoring the risk management activity of Group Companies, on a consolidated and individual basis, ensuring the consistency of the risk concepts used, the methodologies for risk identification, measurement and control, the supporting standards and respective risk profile monitoring processes, as well as the compliance with the applicable regulatory and prudential requirements, namely on a consolidated basis. These activities should be directly assured by the risk management functions of those entities, except in those cases where Banco Montepio's Board of Directors decides that the development of these responsibilities by Banco Montepio's Risk Directorate is more effective and efficient.

Credit risk

Credit Risk is the probability of negative impacts on results or capital, due to the inability of a counterparty to meet its financial commitments to the institution, including possible restrictions on the transfer of payments from abroad. Credit risk exists mainly in loan exposures (including secured), credit lines, guarantees and derivatives.

The credit risk management process is based on the existence of a solid process of credit analysis and decision, supported by several tools aiding the credit decision process. The quantification of credit risk is also supported by the model used to calculate impairment losses (loss given default) and in the estimation of the regulatory and economic capital requirements (non-expected losses).

The fundamental principle of credit risk analysis is independence from the business decisions. In this analysis, instruments are used, and rules defined according to the materiality of the exposures, familiarity with the types of risk involved (e.g., the modelling capacity of such risks) and the liquidity of the instruments.

In the credit risk scope, and as regards analytical methodologies, the risk control techniques and models are based on econometric modelling, based on the Institution's experience in the granting of various types of credit and also, whenever possible, the level of recovery.

Credit decisions are dependent on risk ratings and compliance with various rules governing the financial capacity and behaviour of the applicants.

There are scoring models for the admission of individuals to the retail portfolios, namely for mortgage loans, individual loans, and credit cards.

Sole traders ("Empresários em nome individual" – "ENI") and Micro businesses are considered retail, being therefore subject to the respective scoring models.

There are also behavioural scoring models for retail portfolios, which are used to monitor the credit portfolio as well as to evaluate new credit proposals, being coupled with software-based scoring information, where applicable.

Regarding non-retail credit portfolios, internal rating models are used for small, medium and large companies, distinguished by activity sectors, such as the tertiary sector, or by ageing of the company's activity, namely start-up companies.

Regardless of the typology of the applicable model, any proposal, contract or credit customer is classified into a single risk scale class, in ascending order of Probability of Default, with this scale being composed of 18 classes, of which the first 15 correspond to performing risk classes, classes 16 and 17 to those recording arrears, and class 18 to default, in accordance with the applicable internal definition, which follows the guidelines of the supervisors in terms of prudential requirements.

The derogation of the response of scoring systems, internal ratings, and internal price lists is allowed, but only by higher decision levels, in accordance with the established principles of delegation of responsibilities. Rejection situations are defined in order to minimize the risk of adverse selection, with risk classes for rejection having been defined.

Intervention limits are also defined for the different decisions, by operation amount and global customer exposure, type of operation/collateral and assigned risk class. In this context, higher hierarchical positions must approve operations with higher exposures. The levels and limits are approved by the Board of Directors, and the highest decision level corresponds to the Board of Directors. At the intermediate levels the intervention of at least two persons is compulsory, one belonging to the commercial network and the other to the Credit Analysis Directorate, a body independent of the commercial structure. The Risk Directorate is the unit responsible for the development of the credit risk models (scoring and rating), and for the monitoring of Banco Montepio Group's risk control, on a global basis.

Within the scope of credit risk monitoring, internal reports are prepared with the main risk indicators of the credit portfolios and metrics on the use of the rating/scoring models. In terms of preventive monitoring, an alert system is in place for indicators of credit risk profile deterioration of a certain counterpart (Early Warning Signs), for corporate customers and the Action Plan for Default Risk ("APDR") for individual customers.

The Banco Montepio Group uses real and financial collaterals as instruments to mitigate credit risk. The real collaterals correspond mainly to mortgages on residential properties in the scope of housing loans and mortgages on other types of properties in the scope of other types of loans. To reflect the market value of these, they are reviewed regularly based on valuations conducted by certified independent appraiser entities or using revaluation coefficients that reflect the trend in the market for the type of property and the geographical area. Most of the physical collaterals are revalued at least annually. The financial collaterals are revalued based on market values of the respective assets, when available, with certain depreciation coefficients being applied to reflect their volatility.

The expected loss measurement process follows the general principles defined in IFRS 9. The accounting policies considered in this process are described in note 1 c.

As part of the calculation of the estimated impairment losses, sensitivity analyses were carried out on the macroeconomic variables considered in the forward-looking models and the following results were obtained:

1. Macroeconomic projection degradation scenario of 10%: impact of +1.83% of total impairment of the loan portfolio; and
2. Macroeconomic projection improvement scenario of 10%: impact of -1.72% of total impairment of the loan portfolio.

In addition, sensitivity analyses were also performed directly on the PD and LGD parameters, with the following results being obtained:

1. Parameter degradation scenario of 5%: impact of +7.15% of total impairment of the loan portfolio; and
2. Parameter improvement scenario of 5%: impact of -7.05% of total impairment of the loan portfolio.

Regarding the process of incorporating macroeconomic projections into the parameters for estimating impairment, the established process provides for the projections to be updated at least annually.

Below is a summary of the evolution of the main macroeconomic variables considered in the models:

	2023	2024	2025	2026	2027	2028
Unemployment Rate [2]						
Base Scenario	6,50%	6,53%	5,70%	5,94%	5,71%	5,67%
Worst-case Scenario	6,50%	6,53%	5,70%	7,61%	7,66%	6,98%
Best-case Scenario	6,50%	6,53%	5,70%	5,62%	5,36%	5,40%
GDP Growth Rate [2]						
Base Scenario	2,62%	2,58%	1,94%	1,80%	2,20%	1,30%
Worst-case Scenario	2,62%	2,58%	1,94%	-2,45%	1,39%	2,55%
Best-case Scenario	2,62%	2,58%	1,94%	3,67%	2,18%	1,09%
3-Month Euribor Interest Rate [1]						
Base Scenario	3,96%	3,00%	2,04%	2,04%	2,31%	2,34%
Worst-case Scenario	3,96%	3,00%	2,04%	2,68%	0,75%	0,73%
Best-case Scenario	3,96%	3,00%	2,04%	2,54%	2,56%	2,33%
Housing Price Index Growth Rate [2]						
Base Scenario	2,95%	10,55%	16,31%	1,54%	1,64%	-0,25%
Worst-case Scenario	2,95%	10,55%	16,31%	-4,59%	1,85%	2,20%
Best-case Scenario	2,95%	10,55%	16,31%	3,27%	1,06%	-0,56%
Growth Rate of Disposable Income Per Capita [1]						
Base Scenario	3,51%	6,79%	2,24%	2,61%	1,78%	1,50%
Worst-case Scenario	3,51%	6,79%	2,24%	-0,10%	-0,71%	1,53%
Best-case Scenario	3,51%	6,79%	2,24%	3,29%	2,52%	1,74%
Growth Rate of Exports of Goods and Services [2]						
Base Scenario	2,96%	3,78%	-0,72%	2,84%	3,67%	3,85%
Worst-case Scenario	2,96%	3,78%	-0,72%	-5,29%	0,02%	5,30%
Best-case Scenario	2,96%	3,78%	-0,72%	6,96%	4,44%	4,45%
Growth Rate of Family Comsumption [2]						
Base Scenario	2,30%	4,10%	2,80%	1,34%	2,71%	0,78%
Worst-case Scenario	2,30%	4,10%	2,80%	-1,47%	1,17%	0,61%
Best-case Scenario	2,30%	4,10%	2,80%	2,54%	3,10%	0,99%

[1] Source: Eurostat; Projections: Moody's Analytics

[2] Source: National Institute of Statistics; Projections: Moody's Analytics

The Group's credit risk exposure can be presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Customers (on-balance sheet and off-balance sheet)		
Loans and advances to customers	13 743 606	13 013 929
(Impairment)	(177 133)	(177 108)
Guarantees granted	496 176	509 601
Irrevocable credit lines	1 004 530	842 436
Revocable credit lines	1 408 189	1 172 997
(Provisions)	(5 342)	(6 102)
	16 470 026	**15 355 753**
Securities		
Financial assets held for trading	23 317	11 714
Financial assets at fair value through profit or loss	9 857	10 183
Financial assets at fair value through other comprehensive income	477 889	481 497
(Impairment)	(442)	(941)
Other financial assets at amortized cost	4 413 764	3 839 969
(Impairment)	(4 622)	(4 099)
	4 919 763	**4 338 323**
Loans and deposits at credit institutions payable on demand	65 057	59 357
Other loans and advances to credit institutions	297 297	463 226
(Impairment)	(39)	(121)
Hedging derivatives	1 227	23 434
Other financial assets at amortized cost	27 976	46 606
	21 781 307	**20 286 578**

The Group's credit risk exposure of Loans and advances to customers, presented in the balance sheet and in the off-balance sheet captions, as at 30 June 2026 and 31 December 2025, by sector of activity, can be analysed as follows:

(Euro thousand)

Activity	Jun 2026							
	On-balance sheet value			Off-balance sheet value				Total
	Loans and advances to customers			Guarantees provided	Irrevocable lines of credit	Revocable lines of credit		
	Gross value	Impairment	Net value	Gross value			Provisions	
Agriculture, forestry and fishing	116 037	3 775	112 262	518	12 783	6 337	109	131 791
Extractive Industries	12 563	604	11 959	1 292	2 224	1 570	5	17 040
Manufacturing industries	879 831	52 315	827 516	17 508	203 082	115 856	1 073	1 162 889
Electricity generation and distribution, gas, steam and air conditioning	173 046	568	172 478	2 786	14 311	3 842	8	193 409
Water supply	50 694	441	50 253	2 468	22 470	4 565	94	79 662
Construction	434 673	10 558	424 115	148 452	97 195	160 195	2 427	827 530
Wholesale and retail trade	780 943	22 889	758 054	52 601	200 231	106 915	365	1 117 436
Transport and storage	352 683	10 285	342 398	10 000	27 936	19 624	248	399 710
Accommodation and catering activities	499 860	6 251	493 609	10 062	31 201	22 367	69	557 170
Information and Communication	22 403	169	22 234	4 352	6 491	1 730	22	34 785
Financial and insurance activities	47 021	1 362	45 659	7 795	6 191	3 815	16	63 444
Consulting, scientific, technical and similar	482 458	9 052	473 406	12 679	116 273	103 300	228	705 430
Administrative and supporting service activities	500 816	4 959	495 857	8 987	111 879	37 412	104	654 031
Public administration and defence, compulsory social security	152 441	2 316	150 125	6 475	28 803	15 722	33	201 092
Education	94 265	136	94 129	44	8 223	115 286	4	217 678
Healthcare services and social support	68 155	943	67 212	126	11 051	23 299	35	101 653
Artistic activities, shows and recreational	361 762	5 185	356 577	2 892	30 385	71 027	82	460 799
Other services	45 036	834	44 202	5 801	8 124	3 676	37	61 766
Other services activities	564 481	5 741	558 740	199 155	65 677	27 562	55	851 079
Mortgage Loans	7 235 293	16 744	7 218 549	-	-	-	-	7 218 549
Consumer Loans	869 145	22 006	847 139	2 183	-	564 089	328	1 413 083
	13 743 606	**177 133**	**13 566 473**	**496 176**	**1 004 530**	**1 408 189**	**5 342**	**16 470 026**

(Euro thousand)

Activity	Dec 2025							
	On-balance sheet value			Off-balance sheet value				Total
	Loans and advances to customers			Guarantees provided	Irrevocable lines of credit	Revocable lines of credit		
	Gross value	Impairment	Net value	Gross value			Provisions	
Agriculture, forestry and fishing	111 846	3 982	107 864	399	9 936	6 136	74	124 261
Extractive Industries	12 956	624	12 332	995	2 308	2 274	14	17 895
Manufacturing industries	925 747	49 785	875 962	19 689	162 749	66 162	771	1 123 791
Electricity generation and distribution, gas, steam and air conditioning	180 633	788	179 845	1 086	6 508	79	24	187 494
Water supply	53 056	489	52 567	2 698	13 573	3 152	83	71 907
Construction	420 328	10 524	409 804	151 283	114 743	141 594	2 733	814 691
Wholesale and retail trade	742 047	23 918	718 129	50 799	129 335	70 610	751	968 122
Transport and storage	323 698	9 896	313 802	9 588	15 704	16 406	160	355 340
Accommodation and catering activities	513 495	7 501	505 994	10 819	22 509	21 800	80	561 042
Information and Communication	59 484	1 451	58 033	7 991	24 473	8 705	255	98 947
Financial and insurance activities	452 872	3 936	448 936	209 544	78 181	17 583	25	754 219
Real estate activities	424 439	9 456	414 983	10 590	98 773	59 889	289	583 946
Consulting, scientific, technical and similar	468 470	5 862	462 608	13 589	89 880	13 061	109	579 029
Administrative and supporting service activities	158 457	2 185	156 272	5 970	17 513	11 977	112	191 620
Public administration and defence, compulsory social security	87 924	195	87 729	44	9 680	90 813	13	188 253
Education	58 606	1 035	57 571	129	9 364	6 637	42	73 659
Healthcare services and social support	340 535	7 215	333 320	2 849	22 564	65 005	110	423 628
Artistic activities, shows and recreational	46 313	945	45 368	5 787	9 136	9 366	28	69 629
Other services	105 714	2 678	103 036	3 382	5 507	7 282	39	119 168
Mortgage Loans	6 729 727	15 102	6 714 625	-	-	-	-	6 714 625
Consumer Loans	797 582	19 541	778 041	2 370	-	554 466	390	1 334 487
	13 013 929	**177 108**	**12 836 821**	**509 601**	**842 436**	**1 172 997**	**6 102**	**15 355 753**

The credit risk exposure of Securities, as at 30 June 2026 and 31 December 2025, by sector of activity, can be analysed as follows:

(Euro thousand)

Activity	Jun 2026								
	Financial assets held for trading	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income			Other financial assets at amortized cost			Total
	Gross value	Gross value	Gross value	Impairment	Net value	Gross value	Impairment	Net value	
Extractive Industries	-	-	-	-	-	2 576	1	2 575	2 575
Manufacturing industries	-	5	-	-	-	28 066	12	28 054	28 059
Electricity generation and distribution, gas, steam and air conditioning	498	-	-	-	-	105 526	114	105 412	105 910
Construction	-	121	-	-	-	8 468	3	8 465	8 586
Wholesale and retail trade	-	6 588	-	-	-	8 979	2	8 977	15 565
Transport and storage	-	-	-	-	-	6 796	2	6 794	6 794
Information and Communication	-	-	-	-	-	18 843	5	18 838	18 838
Financial and insurance activities	6 432	-	-	-	-	331 182	95	331 087	337 519
Real estate activities	-	45	-	-	-	-	-	-	45
Consulting, scientific, technical and similar	-	3 013	-	-	-	-	-	-	3 013
Administrative and supporting service activities	-	-	-	-	-	1 018	-	1 018	1 018
Public administration and defence, compulsory social security	16 387	-	473 412	418	472 994	3 879 426	4 364	3 875 062	4 364 443
Healthcare services and social support	-	-	4 170	24	4 146	3 079	9	3 070	7 216
Other services	-	85			-	19 805	15	19 790	19 875
Mortgage loan	-	-	307	-	307	-	-	-	307
	23 317	**9 857**	**477 889**	**442**	**477 447**	**4 413 764**	**4 622**	**4 409 142**	**4 919 763**

(Euro thousand)

Activity	Dec 2025								
	Financial assets held for trading	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income			Other financial assets at amortized cost			Total
	Gross value	Gross value	Gross value	Impairment	Net value	Gross value	Impairment	Net value	
Extractive Industries	-	-	-	-	-	4 064	1	4 063	4 063
Manufacturing industries	-	5	-	-	-	49 849	18	49 831	49 836
Electricity generation and distribution, gas, steam and air conditioning	1 324	-	-	-	-	83 373	91	83 282	84 606
Water supply	-	-	-	-	-	9 949	21	9 928	9 928
Construction	-	101	-	-	-	8 516	3	8 513	8 614
Wholesale and retail trade	-	6 836	-	-	-	17 452	4	17 448	24 284
Transport and storage	-	-	-	-	-	6 776	2	6 774	6 774
Information and Communication	-	-	-	-	-	9 907	3	9 904	9 904
Financial and insurance activities	5 321	101	2 947	488	2 459	264 510	39	264 471	272 352
Real estate activities	-	49	-	-	-	14 820	19	14 801	14 850
Consulting, scientific, technical and similar	-	3 008	-	-	-	9 981	13	9 968	12 976
Administrative and supporting service activities	-	-	-	-	-	1 001	-	1 001	1 001
Public administration and defence, compulsory social security	5 069	-	473 944	429	473 515	3 337 200	3 861	3 333 339	3 811 923
Healthcare services and social support	-	-	4 271	24	4 247	3 008	9	2 999	7 246
Other services	-	-	-	-	-	19 563	15	19 548	19 548
Mortgage loan	-	-	335	-	335	-	-	-	335
Other	-	83	-	-	-	-	-	-	83
	11 714	**10 183**	**481 497**	**941**	**480 556**	**3 839 969**	**4 099**	**3 835 870**	**4 338 323**

As at 30 June 2026 and 31 December 2025, the amounts included in the captions Deposits and deposit equivalents at other credit institutions, Loans and advances to credit institutions and Hedging derivatives concern the Financial activities and insurance sector.

The Group's credit risk exposure of Loans and advances to customers, presented in the balance sheet and in the off-balance sheet captions, as at 30 June 2026 and 31 December 2025, broken down between the collective and individual analysis, can be analysed as follows:

(Euro thousand)

Impacts by stage	Jun 2026			Dec 2025		
	Grosse value	Impairment	Net value	Grosse value	Impairment	Net value
Collective analysis	**16 340 515**	**144 638**	**16 195 877**	**15 223 113**	**145 963**	**15 077 150**
Stage 1	14 803 082	26 345	14 776 737	13 392 056	24 007	13 368 049
Stage 2	1 370 563	40 278	1 330 285	1 670 196	49 862	1 620 334
Stage 3	166 870	78 015	88 855	160 861	72 094	88 767
Individual analysis	**311 986**	**37 837**	**274 149**	**315 851**	**37 247**	**278 604**
Stage 1	182 714	1 751	180 963	159 660	2 216	157 444
Stage 2	30 951	918	30 033	61 108	1 739	59 369
Stage 3	98 321	35 168	63 153	95 083	33 292	61 791
	16 652 501	**182 475**	**16 470 026**	**15 538 964**	**183 210**	**15 355 754**

As at 30 June 2026 and 31 December 2025, the detail of the Stages of Other financial assets at amortized cost, of Financial assets at fair value through other comprehensive income and of Loans and advances to credit institutions, is presented as follows:

(Euro thousand)

Impacts by stage	Jun 2026			Dec 2025		
	Grosse value	Impairment	Net value	Grosse value	Impairment	Net value
Other financial assets at amortized cost	**4 413 764**	**4 622**	**4 409 142**	**3 839 969**	**4 099**	**3 835 870**
Stage 1	4 388 825	4 611	4 384 214	3 839 969	4 099	3 835 870
Stage 2	24 939	11	24 928	-	-	-
Financial assets at fair value through other comprehensive income	**477 889**	**442**	**477 447**	**481 497**	**941**	**480 556**
Stage 1	477 889	442	477 447	478 470	453	478 017
Stage 2	-	-	-	3 027	488	2 539
credit institutions	**297 297**	**39**	**297 258**	**463 226**	**121**	**463 105**
Stage 1	296 784	23	296 761	462 689	104	462 585
Stage 2	513	16	497	537	17	520
	5 188 950	**5 103**	**5 183 847**	**4 784 692**	**5 161**	**4 779 531**

As at 30 June 2026 and 31 December 2025, the transfer between Stages, related to the gross amount of Other financial assets at amortized cost, is presented as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Gross value at the beginning of the period	3 839 969	-	3 839 969	3 478 444	-	3 478 444
Transfer to Stage 2	(24 928)	24 928	-	-	-	-
Exposure of new net derecognition credits, refunds and other variations	573 784	11	573 795	361 525	-	361 525
Gross value at the end of the period	4 388 825	24 939	4 413 764	3 839 969	-	3 839 969

As at 30 June 2026 and 31 December 2025, the transfer between Stages, related to Impairment losses of Other financial assets at amortized cost, is presented as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Impairment loss at the beginning of the period	4 099	-	4 099	4 740	-	4 740
Transfer to Stage 2	(11)	11	-	-	-	-
Exposure of new net derecognition credits, refunds and other variations	523	-	523	(641)	-	(641)
Impairment loss at the end of the period	4 611	11	4 622	4 099	-	4 099

As at 30 June 2026 and 31 December 2025, the transfer between Stages, related to the gross amount of Financial assets at fair value through other comprehensive income, is presented as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Gross value at the beginning of the period	478 470	3 027	481 497	277 174	1 946	279 120
Transfer to Stage 1	72	(72)	-	-	-	-
Exposure of new net derecognition credits, refunds and other variations	(653)	(2 955)	(3 608)	201 296	1 081	202 377
Gross value at the end of the period	477 889	-	477 889	478 470	3 027	481 497

As at 30 June 2026 and 31 December 2025, the transfer between Stages, related to Impairment losses of Financial assets at fair value through other comprehensive income, is presented as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Impairment loss at the beginning of the period	453	488	941	343	251	594
Exposure of new net derecognition credits, refunds and other variations	(11)	(488)	(499)	110	237	347
Impairment loss at the end of the period	442	-	442	453	488	941

As at 30 June 2026 and 31 December 2025, the transfer between Stages, related to the gross amount of Loans and advances to credit institutions, is presented as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Gross value at the beginning of the period	462 689	3 537	466 226	135 397	3 873	139 270
Exposure of new net derecognition credits, refunds and other variations	(165 905)	(3 024)	(168 929)	327 292	(336)	326 956
Gross value at the end of the period	296 784	513	297 297	462 689	3 537	466 226

As at 30 June 2026 and 31 December 2025, the transfer between Stages, related to Impairment losses of Loans and advances to credit institutions, is presented as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Impairment loss at the beginning of the period	104	17	121	1 022	18	1 040
Exposure of new net derecognition credits, refunds and other variations	(81)	(1)	(82)	(918)	(1)	(919)
Impairment loss at the end of the period	23	16	39	104	17	121

As at 30 June 2026 and 31 December 2025, the detail of the credit risk exposure of Loans and advances to customers subject to collective analysis, structured by segment and by Stage, is presented as follows:

(Euro thousand)

Segment	Jun 2026			Dec 2025		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Retail	**8 670 710**	**39 077**	**8 631 633**	**8 083 041**	**35 005**	**8 048 036**
Mortgage loans	7 366 321	16 744	7 349 577	6 851 505	15 074	6 836 431
Stage 1	6 796 732	1 076	6 795 656	6 309 867	745	6 309 122
Stage 2	547 044	8 983	538 061	518 355	7 094	511 261
Stage 3	22 545	6 685	15 860	23 283	7 235	16 048
Consumer credit	893 971	20 644	873 327	824 678	18 546	806 132
Stage 1	800 772	2 417	798 355	734 575	1 968	732 607
Stage 2	67 124	4 310	62 814	67 752	4 376	63 376
Stage 3	26 075	13 917	12 158	22 351	12 202	10 149
Credit cards	410 418	1 689	408 729	406 858	1 385	405 473
Stage 1	388 537	466	388 071	386 082	602	385 480
Stage 2	19 569	220	19 349	19 304	103	19 201
Stage 3	2 312	1 003	1 309	1 472	680	792
Corporate	**7 669 805**	**105 561**	**7 564 244**	**7 140 072**	**110 958**	**7 029 114**
Non-Construction	6 830 034	97 854	6 732 180	6 343 511	102 552	6 240 959
Stage 1	6 079 902	21 179	6 058 723	5 320 124	19 573	5 300 551
Stage 2	661 383	24 323	637 060	938 344	35 027	903 317
Stage 3	88 749	52 352	36 397	85 043	47 952	37 091
Construction	839 771	7 707	832 064	796 561	8 406	788 155
Stage 1	737 139	1 206	735 933	641 409	1 119	640 290
Stage 2	75 443	2 443	73 000	126 441	3 262	123 179
Stage 3	27 189	4 058	23 131	28 711	4 025	24 686
	16 340 515	**144 638**	**16 195 877**	**15 223 113**	**145 963**	**15 077 150**

As at 30 June 2026 and 31 December 2025, the detail of the impairment associated with the credit risk exposure of Loans and advances to customers is presented as follows:

(Euro thousand)

	Jun 2026						
	Impairment calculated on an individual basis		Impairment calculated on a portfolio basis		Total		
	Loans amount	Impairment	Loans amount	Impairment	Loans amount	Impairment	Loans net of impairment
Corporate loans	311 986	37 837	7 669 805	105 561	7 981 791	143 398	7 838 393
Retail - mortgage loans	-	-	7 366 321	16 744	7 366 321	16 744	7 349 577
Retail - other loans	-	-	1 304 389	22 333	1 304 389	22 333	1 282 056
	311 986	37 837	16 340 515	144 638	16 652 501	182 475	16 470 026

(Euro thousand)

	Dec 2025						
	Impairment calculated on an individual basis		Impairment calculated on a portfolio basis		Total		
	Loans amount	Impairment	Loans amount	Impairment	Loans amount	Impairment	Loans net of impairment
Corporate loans	314 747	37 218	7 140 072	110 959	7 454 819	148 177	7 306 642
Retail - mortgage loans	1 104	29	6 851 505	15 073	6 852 609	15 102	6 837 507
Retail - other loans	-	-	1 231 536	19 931	1 231 536	19 931	1 211 605
	315 851	37 247	15 223 113	145 963	15 538 964	183 210	15 355 754

As at 30 June 2026 and 31 December 2025, the transfer between Stages, associated with the credit risk exposure of Loan and advances to customers, is presented as follows:

(Euro thousand)

	Jun 2026			
	Stage 1	Stage 2	Stage 3	Total
Gross value at beginning of the period	13 551 716	1 731 304	255 944	15 538 964
Transfer to stage 1	456 284	(454 031)	(2 253)	-
Transfer to stage 2	(396 029)	408 053	(12 024)	-
Transfer to stage 3	(12 252)	(33 849)	46 101	-
Write-Offs	-	-	(4 822)	(4 822)
Exposure of new net derecognition credits, refunds and other variations	1 386 077	(249 964)	(17 754)	1 118 359
Gross value at the end of financial period	14 985 796	1 401 513	265 192	16 652 501

(Euro thousand)

	Dec 2025			
	Stage 1	Stage 2	Stage 3	Total
Gross value at beginning of the period	11 875 113	2 093 625	311 197	14 279 935
Transfer to stage 1	885 093	(878 352)	(6 741)	-
Transfer to stage 2	(617 547)	636 346	(18 799)	-
Transfer to stage 3	(24 443)	(51 697)	76 140	-
Write-Offs	(20)	(2 558)	(47 310)	(49 888)
Exposure of new net derecognition credits, refunds and other variations	1 433 520	(66 060)	(58 543)	1 308 917
Gross value at the end of financial period	13 551 716	1 731 304	255 944	15 538 964

As at 30 June 2026 and 31 December 2025, the transfer between Stages, related to Impairment losses associated with the credit risk exposure of Loans and advances to customers, is presented as follows:

(Euro thousand)

	Jun 2026			
	Stage 1	Stage 2	Stage 3	Total
Impairment loss at the beginning of the period	26 223	51 601	105 386	183 210
Transfer to stage 1	1 632	(1 629)	(3)	-
Transfer to stage 2	(11 280)	12 033	(753)	-
Transfer to stage 3	(4 431)	(11 036)	15 467	-
Write-Offs	-	-	(4 822)	(4 822)
Exposure of new net derecognition credits, refunds and other variations	15 952	(9 773)	(2 092)	4 087
Impairment loss at the end of the period	28 096	41 196	113 183	182 475

(Euro thousand)

	Dec 2025			
	Stage 1	Stage 2	Stage 3	Total
Impairment loss at the beginning of the period	36 845	72 277	118 629	227 751
Transfer to stage 1	2 371	(2 366)	(5)	-
Transfer to stage 2	(19 262)	20 017	(755)	-
Transfer to stage 3	(11 963)	(17 081)	29 044	-
Write-Offs	(20)	(2 558)	(47 310)	(49 888)
Exposure of new net derecognition credits, refunds and other variations	18 252	(18 688)	5 783	5 347
Impairment loss at the end of the period	26 223	51 601	105 386	183 210

As at 30 June 2026 and 31 December 2025, the fair value analysis of collaterals associated with the Group's credit risk exposure of Loans and advances to customers, is as follows:

(Euro thousand)

Fair value of collateral	Jun 2026	Dec 2025
Individual analysis		
Securities and other financial assets	19 117	15 780
Real Estate - Construction and CRE	131 737	72 870
Other real estate	273 286	287 972
Other guarantees	90 079	89 650
Collective analysis - Stage 1		
Securities and other financial assets	870 121	839 040
Real Estate - Mortgage loans	15 099 385	14 192 327
Real Estate - Construction and CRE	1 466 004	2 438 563
Other real estate	2 683 964	2 363 094
Other guarantees	1 158 171	987 846
Collective analysis - Stage 2		
Securities and other financial assets	152 012	220 506
Real Estate - Mortgage loans	1 260 554	1 204 006
Real Estate - Construction and CRE	1 069 565	282 129
Other real estate	273 853	382 386
Other guarantees	205 366	84 540
Collective analysis - Stage 3		
Securities and other financial assets	45 726	39 010
Real Estate - Mortgage loans	61 307	61 912
Real Estate - Construction and CRE	9 129	15 582
Other real estate	29 489	21 737
Other guarantees	14 860	7 399
	24 913 725	**23 606 349**

The Group's credit risk exposure of Loans and advances to customers, by segment and impairment, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
Segment	Total exposure	Total impairment	Total net exposure	Total exposure	Total impairment	Total net exposure
Corporate	6 426 129	120 890	6 305 239	6 032 586	124 787	5 907 799
Construction and CRE	1 555 662	22 508	1 533 154	1 422 233	23 390	1 398 843
Retail - Mortgage loans	7 366 321	16 744	7 349 577	6 852 609	15 102	6 837 507
Retail - Other loans	1 304 389	22 333	1 282 056	1 231 536	19 931	1 211 605
	16 652 501	182 475	16 470 026	15 538 964	183 210	15 355 754

The Group's credit risk exposure of Loans and advances to customers, by segment and by production year, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

Jun 2026													
	Corporate			Construction and CRE			Retail - Mortage loans			Retail - Other			Net total
Production year	Number of operations	Amount	Impairment	Number of operations	Amount	Impairment	Number of operations	Amount	Impairment	Number of operations	Amount	Impairment	
2004 and previous	390	11 393	131	395	18 768	2 228	24 580	506 158	1 761	15 677	12 257	57	544 399
2005	97	7 332	114	110	3 364	32	6 702	266 557	850	4 292	3 458	14	279 701
2006	133	10 584	48	96	3 352	62	8 137	335 115	1 201	11 272	8 616	49	356 307
2007	200	5 590	142	112	1 915	45	8 410	344 289	1 041	27 856	39 095	135	389 526
2008	717	23 977	586	228	6 352	470	4 382	181 582	604	44 274	72 576	228	282 599
2009	942	23 950	259	261	5 645	354	2 334	106 103	170	34 453	45 817	163	180 569
2010	1 056	27 165	380	184	6 797	350	2 365	124 759	392	25 123	18 734	218	176 115
2011	1 193	54 806	476	231	3 420	170	884	43 855	153	19 918	20 599	144	121 737
2012	1 178	32 499	460	681	5 544	43	514	25 327	214	14 083	9 558	119	72 092
2013	1 986	77 696	1 148	146	9 690	15	659	32 717	114	12 966	11 427	215	130 038
2014	3 025	133 140	1 683	1 945	24 201	348	811	43 511	344	13 974	15 361	398	213 440
2015	2 850	65 339	1 025	288	8 404	100	920	47 588	336	11 172	13 255	395	132 730
2016	3 406	211 580	3 499	685	27 660	1 309	1 312	78 407	366	18 777	16 259	211	328 521
2017	3 123	121 258	2 632	327	54 413	1 470	1 801	120 023	381	13 135	13 406	225	304 392
2018	3 612	87 962	1 695	583	39 371	524	1 913	130 476	433	22 469	38 078	486	292 749
2019	3 812	99 441	4 096	938	32 866	297	2 333	166 809	402	17 277	37 881	854	331 348
2020	5 598	210 620	4 007	777	57 002	1 377	2 613	213 759	752	14 804	42 005	1 614	515 636
2021	7 717	225 642	11 754	1 305	64 932	1 354	4 727	424 607	1 171	22 070	72 706	3 026	770 582
2022	11 009	640 272	17 514	1 525	140 634	1 662	4 100	393 588	1 103	20 097	79 382	2 860	1 230 737
2023	10 750	530 338	13 638	1 377	76 292	1 426	5 678	523 794	1 145	27 474	116 663	2 690	1 228 188
2024	11 653	850 076	15 365	2 967	255 830	4 121	10 224	1 059 094	2 305	34 194	176 966	3 208	2 316 967
2025	16 666	1 447 324	29 535	2 572	454 116	3 897	10 776	1 351 080	1 171	38 454	251 289	3 879	3 465 327
2026	11 164	1 528 145	10 703	1 437	255 094	854	5 622	847 123	335	23 262	189 001	1 145	2 806 326
	102 277	6 426 129	120 890	19 170	1 555 662	22 508	111 797	7 366 321	16 744	487 073	1 304 389	22 333	16 470 026

(Euro thousand)

Dec 2025													
	Corporate			Construction and CRE			Retail - Mortage loans			Retail - Other			Net total
Production year	Number of operations	Amount	Impairment	Number of operations	Amount	Impairment	Number of operations	Amount	Impairment	Number of operations	Amount	Impairment	
2004 and previous	403	12 485	368	456	19 494	2 267	25 627	555 226	1 972	15 811	12 535	49	595 084
2005	102	7 342	116	114	3 419	56	6 934	282 121	942	4 340	3 567	16	295 319
2006	134	10 774	73	99	3 566	128	8 511	353 571	1 024	11 467	8 922	56	375 552
2007	199	6 027	171	124	3 709	120	8 669	361 245	1 266	28 456	40 224	142	409 506
2008	720	21 773	376	293	9 678	582	4 546	190 763	625	45 331	74 335	210	294 756
2009	975	25 342	296	274	5 647	358	2 415	110 504	206	35 306	46 983	163	187 453
2010	1 214	30 408	694	188	6 778	615	2 439	130 551	313	25 729	19 425	215	185 325
2011	1 366	53 675	554	249	3 798	191	931	46 569	121	20 406	21 199	129	124 246
2012	1 249	33 012	543	504	6 072	104	535	26 813	217	14 454	9 877	121	74 789
2013	2 045	79 305	1 522	151	8 745	33	682	34 457	162	13 306	11 866	167	132 489
2014	3 310	136 217	1 867	1 525	22 814	549	825	44 827	329	14 380	15 983	462	216 634
2015	2 729	65 947	905	326	8 996	140	953	50 752	304	11 634	13 561	222	137 685
2016	3 937	237 954	4 855	773	23 846	1 452	1 372	82 812	332	19 669	17 935	411	355 497
2017	4 097	123 994	3 101	328	57 433	1 469	1 869	126 490	384	13 661	15 074	250	317 787
2018	3 951	108 572	2 796	607	39 815	521	1 977	137 463	404	23 604	41 491	575	323 045
2019	4 766	174 462	4 994	774	34 550	833	2 438	177 500	453	18 049	42 892	919	422 205
2020	6 978	250 016	5 193	920	58 687	1 733	2 721	225 505	648	15 749	49 377	1 769	574 242
2021	8 544	265 412	12 255	1 276	74 099	1 499	4 950	449 855	1 172	24 130	84 955	3 346	856 049
2022	12 379	795 013	18 799	1 760	153 965	2 056	4 250	416 579	960	21 560	92 066	2 814	1 432 994
2023	10 779	643 887	16 072	1 383	106 176	1 896	5 910	557 251	929	29 507	131 600	2 601	1 417 416
2024	11 811	950 034	18 006	4 958	315 111	4 088	10 525	1 104 790	1 803	36 768	198 544	2 860	2 541 722
2025	16 852	2 000 935	31 231	2 322	455 835	2 700	10 948	1 386 965	536	39 833	279 125	2 434	4 085 959
	98 540	6 032 586	124 787	19 404	1 422 233	23 390	110 027	6 852 609	15 102	483 150	1 231 536	19 931	15 355 754

The Group's credit risk exposure of Loans and advances to customers, by segment, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

Jun 2026										
	Corporate		Construction and CRE		Retail - Mortage loans		Retail - Other		Total	
	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment
Assessment										
Individual	226 605	29 997	85 381	7 840	-	-	-	-	311 986	37 837
Collective	6 199 524	90 893	1 470 281	14 668	7 366 321	16 744	1 304 389	22 333	16 340 515	144 638
	6 426 129	120 890	1 555 662	22 508	7 366 321	16 744	1 304 389	22 333	16 652 501	182 475

(Euro thousand)

	Dec 2025									
	Corporate		Construction and CRE		Retail - Mortage loans		Retail - Other		Total	
	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment
Assessment										
Individual	266 851	30 856	47 896	6 362	1 104	29	-	-	315 851	37 247
Collective	5 765 735	93 931	1 374 337	17 028	6 851 505	15 073	1 231 536	19 931	15 223 113	145 963
	6 032 586	124 787	1 422 233	23 390	6 852 609	15 102	1 231 536	19 931	15 538 964	183 210

The Group's credit risk exposure of Loans and advances to customers, by activity sector for Companies, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

	Jun 2026											
	Construction		Industry		Trade		Real Estate activities		Other activities		Total	
	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment
Assessment												
Individual	27 577	5 846	61 404	23 663	29 989	1 506	57 805	1 994	135 211	4 828	311 986	37 837
Collective	839 771	7 707	1 172 486	30 334	1 121 361	22 198	630 510	6 962	3 905 677	38 360	7 669 805	105 561
	867 348	13 553	1 233 890	53 997	1 151 350	23 704	688 315	8 956	4 040 888	43 188	7 981 791	143 398

(Euro thousand)

	Dec 2025											
	Construction		Industry		Trade		Real Estate activities		Other activities		Total	
	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment
Assessment												
Individual	31 766	5 215	61 096	21 797	32 037	1 608	16 130	1 147	173 719	7 451	314 748	37 218
Collective	796 562	8 406	1 131 812	29 398	960 810	23 085	577 775	8 622	3 673 112	41 448	7 140 071	110 959
	828 328	13 621	1 192 908	51 195	992 847	24 693	593 905	9 769	3 846 831	48 899	7 454 819	148 177

The amount of restructured loans and advances by Stage and by segment, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

	Jun 2026									
	Corporate		Construction and CRE		Retail - Mortage loans		Retail - Other		Total	
	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment
Stage 2	12 865	1 098	3 033	146	19 769	259	3 343	228	39 010	1 731
Stage 3	50 593	24 438	28 964	4 786	4 555	1 497	3 181	1 909	87 293	32 630
	63 458	25 536	31 997	4 932	24 324	1 756	6 524	2 137	126 303	34 361

(Euro thousand)

	Dec 2025									
	Corporate		Construction and CRE		Retail - Mortage loans		Retail - Other		Total	
	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment
Stage 2	13 088	871	16 302	469	23 204	247	3 243	243	55 837	1 830
Stage 3	43 373	18 604	24 922	4 650	6 092	1 986	3 142	1 978	77 529	27 218
	56 461	19 475	41 224	5 119	29 296	2 233	6 385	2 221	133 366	29 048

The gross exposure of performing and non-performing credit, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

Jun 2026	Gross perfoming and non-performing exposures							Accumulated impairment and other negative fair value adjustments related to credit risk				Collaterals and financial guarantees received	
		of which perfoming with arrears of >30 days and <= 90	of which restructured and perfoming	of which non-performing				on performing exposure		on non-performing exposure		on non-performing exposures	of which restructured
					of witch non-performin	of which impaired	of which restructured		of which restructured		of which restructured		
Loans represented by securities [1]	5 804 348	-	-	10 502	10 503	10 503	-	8 163	-	6 562	-	-	-
Other balance sheet credit exposures [2]	14 052 862	15 643	38 626	209 912	209 912	209 912	82 651	63 575	1 726	103 938	32 597	64 336	66 937
Off-balance sheet exposures [3]	2 908 895	1 157	639	44 474	44 474	44 296	4 622	2 955	5	2 387	11	-	-

[1] Includes i) Debt instruments of the Financial asset available for sale and ii) commercial paper and bonds recognised under loans and advances to customers.
[2] Includes Loans and advances to customers, Cash and deposits at central banks and Other loans and advances to credit institutions and Foreign exchange operations to be settled.
[3] Includes revocable and irrevocable credit facilities, Guarantees and Documentary credit provided.

(Euro thousand)

Dec 2025	Gross perfoming and non-performing exposures							Accumulated impairment and other negative fair value adjustments related to credit risk				Collaterals and financial guarantees received	
		of which perfoming with arrears of >30 days and <= 90	of which restructured and perfoming	of which non-performing				on performing exposure		on non-performing exposure		on non-performing exposures	of which restructured
					of witch non-performin	of which impaired	of which restructured		of which restructured		of which restructured		
Loans represented by securities [1]	5 243 578	-	-	10 421	10 421	10 421	-	10 057	-	5 491	-	-	-
Other balance sheet credit exposures [2]	13 724 827	9 990	49 051	201 846	201 846	201 819	74 353	69 610	1 809	97 112	27 185	59 217	73 330
Off-balance sheet exposures [3]	2 525 034	673	7 048	43 252	43 252	43 074	3 151	3 762	20	2 339	10	-	-

[1] Includes i) Debt instruments of the Financial asset available for sale and ii) commercial paper and bonds recognised under loans and advances to customers.
[2] Includes Loans and advances to customers, Cash and deposits at central banks and Other loans and advances to credit institutions and Foreign exchange operations to be settled.
[3] Includes revocable and irrevocable credit facilities, Guarantees and Documentary credit provided.

The fair value of the collateral underlying the credit risk exposure of Loans and advances to customers of the Corporate, Construction and Real Estate activities and Mortgage segments, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

	Construction and CRE				Mortgage			
	Real Estate		Other collateral		Real Estate		Other collateral	
Fair value	Number	Amount	Number	Amount	Number	Amount	Number	Amount
< 0.5 M€	2 636	436 998	13 587	768 068	86 470	14 663 452	1 756	53 904
>= 0.5 M€ and <1M€	436	308 107	278	185 203	2 285	1 447 263	2	1 100
>= 1 M€ and <5M€	515	1 179 410	209	381 179	203	291 966	-	-
>= 5 M€ and <10M€	108	739 655	28	197 687	1	7 880	-	-
>= 10 M€ and <20M€	55	785 810	8	102 055	1	10 684	-	-
>= 20 M€ and <50M€	23	692 181	5	182 604	-	-	-	-
>= 50M€	12	1 714 330	4	254 498	-	-	-	-
	3 785	5 856 491	14 119	2 071 294	88 960	16 421 245	1 758	55 004

(Euro thousand)

	Construction and CRE				Mortgage			
	Real Estate		Other collateral		Real Estate		Other collateral	
Fair value	Number	Amount	Number	Amount	Number	Amount	Number	Amount
< 0.5 M€	2 722	445 971	14 054	779 459	85 688	14 009 476	1 081	32 564
>= 0.5 M€ and <1M€	436	306 873	289	191 581	1 873	1 185 944	1	500
>= 1 M€ and <5M€	522	1 213 511	219	408 972	166	244 262	1	1 105
>= 5 M€ and <10M€	109	752 075	30	205 200	1	7 880	-	-
>= 10 M€ and <20M€	55	798 234	11	133 103	1	10 684	-	-
>= 20 M€ and <50M€	20	604 978	5	182 604	-	-	-	-
>= 50M€	11	1 659 068	2	102 541	-	-	-	-
	3 875	5 780 710	14 610	2 003 460	87 729	15 458 246	1 083	34 169

The LTV (loan-to-value) ratio of the Corporate, Construction and Real Estate activities and Mortgage segments, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

Segment/ Ratio	Jun 2026			Dec 2025		
	Number of properties	Total exposure	Impairment	Number of properties	Total exposure	Impairment
Corporate						
Without associated property [1]	-	5 251 921	101 690	-	4 861 994	103 015
< 60%	1 703	654 816	8 977	1 724	623 717	9 395
>= 60% and < 80%	454	228 589	3 653	498	272 726	5 801
>= 80% and < 100%	381	267 567	5 418	371	252 946	5 323
>= 100%	13	23 235	1 151	13	21 203	1 252
Construction and CRE						
Without associated property [1]	-	808 777	11 056	-	702 271	11 547
< 60%	664	514 965	5 137	680	502 705	5 568
>= 60% and < 80%	283	118 090	3 464	323	100 716	4 080
>= 80% and < 100%	272	109 233	2 587	252	110 247	1 631
>= 100%	15	4 596	264	14	6 293	564
Mortgage						
Without associated property [1]	-	21 348	284	-	22 801	246
< 60%	63 951	3 539 322	7 546	63 048	3 365 980	7 442
>= 60% and < 80%	18 907	2 213 132	4 724	19 010	2 089 834	3 870
>= 80% and < 100%	5 981	1 573 524	3 944	5 562	1 356 847	3 329
>= 100%	121	18 995	245	109	17 146	214

[1] Includes operations with other associated collateral, namely financial collateral.

The fair value and the net value of real estate received in recovery/execution of loans, by asset type, recorded in the caption Other assets (note 33), as at 30 June 2026 and 31 December 2025, are presented as follows:

(Euro thousand)

Assets	Jun 206		
	Number of properties	Fair value of assets	Book value
Land	**502**	**56 084**	**53 232**
Urban	353	38 047	36 446
Rural	149	18 037	16 786
Buildings under construction	**45**	**5 074**	**4 121**
Commerce	10	575	567
Residential	35	4 499	3 554
Constructed buildings	**359**	**28 019**	**22 574**
Commerce	150	16 134	14 432
Residential	82	10 664	7 169
Other	127	1 221	973
Other	**-**	**-**	**1 624**
	906	89 177	81 551

(Euro thousand)

Assets	Dec 2025		
	Number of properties	Fair value of assets	Book value
Land	**575**	**62 110**	**59 084**
Urban	416	43 490	41 682
Rural	159	18 620	17 402
Buildings under construction	**77**	**7 760**	**6 435**
Commerce	15	1 128	1 109
Residential	45	6 492	5 195
Other	17	140	131
Constructed buildings	**443**	**35 489**	**29 285**
Commerce	184	21 878	19 573
Residential	92	12 181	8 531
Other	167	1 430	1 181
Other	**-**	**-**	**1 550**
	1 095	105 359	96 354

The carrying amount reported in the table above takes into account, upon initial recognition and as defined in the accounting policy described in note 1 h), the lower value between its fair value net of selling expenses and the carrying amount of the credit existing on the date on which the transfer was made, and is subsequently updated due, in particular, to changes in the appraised value of the property and/or estimated selling expenses. In situations where a potential capital gain is determined, same is not recognized in the financial statements.

The time elapsed since the recognition of the real estate received in recovery/execution, recorded in the caption Other assets (note 33), as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

Elapsed time since recovery/execution	Jun 2026				
	< 1 year	>= 1 year and < 2.5 years	>= 2.5 years and < 5 years	>= 5 years	Total
Land	**-**	**-**	**416**	**52 816**	**53 232**
Urban	-	-	124	36 322	36 446
Rural	-	-	292	16 494	16 786
Buildings under construction	**-**	**-**	**-**	**4 121**	**4 121**
Commerce	-	-	-	567	567
Residential	-	-	-	3 554	3 554
Other	-	-	-	-	-
Constructed buildings	**10**	**889**	**3 093**	**18 582**	**22 574**
Commerce	10	346	2 060	12 016	14 432
Residential	-	543	774	5 852	7 169
Other	-	-	259	714	973
Other	**-**	**-**	**-**	**1 624**	**1 624**
	10	889	3 509	77 143	81 551

(Euro thousand)

Elapsed time since recovery/execution	Dec 2025				
	< 1 year	>= 1 year and < 2.5 years	>= 2.5 years and < 5 years	>= 5 years	Total
Land	**-**	**49**	**377**	**58 659**	**59 084**
Urban	-	-	120	41 562	41 682
Rural	-	49	257	17 097	17 402
Buildings under construction	**-**	**-**	**182**	**6 253**	**6 435**
Commerce	-	-	-	1 109	1 109
Residential	-	-	182	5 013	5 195
Other	-	-	-	131	131
Constructed buildings	**2 264**	**2 454**	**3 919**	**20 649**	**29 285**
Commerce	1 905	1 761	2 139	13 768	19 573
Residential	359	574	1 524	6 074	8 531
Other	-	119	256	807	1 181
Other	-	-	-	**1 550**	**1 550**
	2 264	2 502	4 477	87 111	96 354

Concentration risk

The concentration risk results from the existence of common or correlated risk factors between different entities or portfolios. The deterioration of any of these factors may have a simultaneous negative impact on the credit quality of each of the counterparties or on the results of each class of assets and liabilities. In a concentration scenario, the loss effects on a small number of exposures may be disproportionate, confirming the importance of managing this risk in the maintenance of adequate solvability levels. In the Group, concentration risk monitoring focuses mainly on credit concentration, investment portfolio, financing, interest rate and operational risks.

Credit concentration risk is the most important risk for the Group and, as such, there are several procedures related to its identification, measurement, and management. To control the concentration risk of the exposure to a customer/group of customers that are related, maximum exposure limits were set for the aggregate positions of the credit and investment portfolios, for the various Group entities.

To reduce concentration risk, the Group seeks to diversify its activity areas and income sources, as well as its exposures and funding sources.

The concentration risk management is carried out in a centralized manner, with regular monitoring of the concentration indices by the Risk Directorate of Banco Montepio. In particular, the level of concentration of the largest depositors and, with respect to the credit portfolio, the level of individual concentration and the degree of diversification of the quality of the Corporate portfolio are regularly monitored by the Risk Directorate. Maximum exposure limits are established per customer/group of customers related to each other, activity sectors, as well as limits for the concentration of the largest depositors.

Market risk

The concept of market risk reflects the potential loss that can be registered by a given portfolio as a result of changes in rates (interest and exchange rates) and/or prices of the different financial instruments that compose it, considering both the existing correlations between them and the respective volatilities.

The Group regularly calculates its “VaR” both for its own trading portfolio as well as for that of the financial assets at fair value through other comprehensive income, with same being determined based on a 10-day horizon and a 99% confidence level, using the historical simulation method. The types of risk considered in this methodology are the interest rate, exchange rate, price, spread and commodities’ risks.

The Group's investment portfolio is mainly concentrated in debt instruments (bonds and commercial paper), and as at 30 June 2026 this represented 97.7% (31 December 2025: 97.4%) of the total portfolio, with the dominant position being held by bonds of sovereign issuers, essentially Portugal, Spain and Italy.

Regarding credit derivatives, Banco Montepio held no position in these instruments as at 30 June 2026 and 31 December 2025.

Regarding the credit quality of the debt securities, circa 99.7% of the portfolio is investment grade (31 December 2025: 99.3%). The main changes in the portfolio composition, by issuer, refer mainly to the increase in the exposure to Italian and French sovereign debt, with these also being the reason for the increase in BBB and A+ ratings, respectively. To be highlighted are the Portuguese, Spanish and Italian sovereign bonds rated with A-, A- and BBB, respectively, that represent 68.0% of the debt portfolio (31 December 2025: 72.3%).

The distribution of the bond portfolio, recognized in the captions Financial assets held for trading, Financial assets at fair value through other comprehensive income and Other financial assets at amortized cost, is presented as follows:

(Euro thousand)

Rating	Jun 2026		Dec 2025		Change	
	Amount	%	Amount	%	Amount	%
AAA	544 848	11.1	483 600	11.2	61 248	12.7
AA+	97 185	2.0	95 449	2.2	1 736	1.8
AA	36 698	0.7	29 096	0.7	7 602	26.1
AA-	124 219	2.5	111 412	2.6	12 807	11.5
A+	526 005	10.7	227 174	5.3	298 831	131.5
A	30 692	0.6	36 238	0.8	(5 546)	(15.3)
A-	1 831 893	37.5	1 906 067	44.0	(74 174)	(3.9)
BBB+	39 718	0.8	41 269	1.0	(1 551)	(3.8)
BBB	1 603 763	32.7	1 286 210	29.8	317 553	24.7
BBB-	52 298	1.1	73 352	1.7	(21 054)	(28.7)
BB+	-	-	9 929	0.2	(9 929)	(100.0)
NR	17 150	0.3	23 023	0.5	(5 873)	(25.5)
	4 904 469	100.0	4 322 819	100.0	581 650	13.5

The position in bonds recognized in the portfolio of Financial assets at fair value through other comprehensive income stood at Euro 477,446 thousand (31 December 2025: Euro 480,556 thousand), the position in Other financial assets at amortized cost stood at Euro 4,409,142 thousand (31 December 2025: Euro 3,835,870 thousand) and the position in Financial assets held for trading stood at Euro 17,880 thousand (31 December 2025: Euro 6,393 thousand).

Regarding the trading portfolio, as at 30 June 2026 and 31 December 2025, the main VaR indicators are as follows:

(Euro thousand)

	Jun 2026				Dec 2025
	Indicator	Average	Minimum	Maximum	Indicator
Market VaR	193	519	129	1 195	347
Interest rate risk	54	120	88	90	70
Exchange risk	69	174	48	401	24
Price risk	264	400	234	757	254
Spread Risk	37	51	48	108	34
Diversification effect	(231)	(226)	(289)	(160)	(35)

The value of the VaR of the trading portfolio decreased from 31 December 2025 to 30 June 2026, having remained at moderate or reduced levels during the first half of 2026 and in line with that observed in the previous year.

Bank portfolio's interest rate risk

The assessment of interest rate risk originated by banking portfolio operations is performed by a sensitivity analysis to the risk, on a consolidated basis for the entities integrating the Group (including the subsidiary recognized in discontinued operations).

Interest rate risk is measured according to the impact on net interest income, economic value and own funds caused by changes in market interest rates. The main risk factors arise from lags in maturities for the resetting of rates and/or residual maturities between assets and liabilities (repricing risk), non-parallel variations in yield curve risk, the lack of a perfect correlation between different indices with the same repricing period (basis risk) and the options associated with instruments that enable different decisions being taken by the players/participants depending on the level of rates contracted and those practiced at the moment (option risk).

Based on the financial characteristics of each contract, a projection of the expected cash flows is made, according to the rate reset dates and eventual behavioural assumptions.

The aggregation, for each currency analysed, of the expected cash flows in each of the time intervals allows one to determine the interest rate gaps by repricing period.

The following tables present the interest rate gaps, on a consolidated basis, as at 30 June 2026 and 31 December 2025:

(Euro thousand)

	30 June 2026					
	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	More than 5 years	Total
Assets						
Debt securities	524 070	696 478	475 244	2 658 707	607 885	4 962 384
Loans and advances	5 518 485	3 395 406	1 808 327	3 132 184	508 322	14 362 724
Other	798 329	150 363	19 225	119 751	-	1 087 668
Off-balance sheet	116 691	33 910	26 614	-	-	177 215
Total	6 957 575	4 276 157	2 329 410	5 910 642	1 116 207	20 589 991
Liabilities						-
Debt securities issued	68 897	9 381	18 749	1 261 717	2 691	1 361 435
Term deposits	5 266 526	2 461 158	1 809 551	192 403	-	9 729 638
Other	2 512 573	497 467	(68 979)	1 018 284	3 415 852	7 375 197
Total	7 847 996	2 968 006	1 759 321	2 472 404	3 418 543	18 466 270
GAP (Assets - Liabilities)	(890 421)	1 308 151	570 089	3 438 238	(2 302 336)	2 123 721

(Euro thousand)

	31 December 2025					
	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	More than 5 years	Total
Assets						
Debt securities	250 820	154 813	584 261	2 590 865	870 064	4 450 823
Loans and advances	5 527 924	3 227 905	1 831 042	2 478 105	519 394	13 584 370
Other	1 291 035	150 353	358	50 555	-	1 492 301
Off-balance sheet	102 057	29 102	22 097	-	-	153 256
Total	7 171 836	3 562 173	2 437 758	5 119 525	1 389 458	19 680 750
Liabilities						
Debt securities issued	96 752	14 488	87	929 359	3 491	1 044 177
Term deposits	5 025 632	2 375 511	1 902 350	182 859	-	9 486 352
Other	2 839 014	480 530	301 356	879 985	2 883 631	7 384 516
Total	7 961 398	2 870 529	2 203 793	1 992 203	2 887 122	17 915 045
GAP (Assets - Liabilities)	(789 562)	691 644	233 965	3 127 322	(1 497 664)	1 765 705

(Euro thousand)

	Jun 2026				Dec 2025			
	June	Annual Average	Maximum	Minimum	December	Annual Average	Maximum	Minimum
Interest rate GAP	2 123 721	1 944 711	2 123 719	1 765 704	1 765 704	1 674 654	1 765 704	1 584 196

Sensitivity to the balance sheet interest rate risk is calculated by the difference between the present value of the interest rate mismatch discounted at market interest rates and the discounted value of the same cash flows, simulating parallel shifts of the market interest rate curve.

As at 30 June 2026, based on the interest rate gaps observed, an instantaneous and parallel positive variation in the interest rates by 100 bp would cause a decrease in the economic value expected from the banking portfolio of Euro 15,857 thousand (31 December 2025: decrease of Euro 32,070 thousand).

The following table presents the average interest rates, in relation to the Group's major asset and liability categories, as at 30 June 2026 and 31 December 2025, as well as the respective average balances and the income and expenses for the financial year:

(Euro thousand)

	Jun 2026			Dec 2025		
	Average balance	Average interest rate (%)	Interest	Average balance	Average interest rate (%)	Interest
Interest- generating assets						
Deposits at central banks and other credit ins	938 474	1.41	6 552	1 474 002	1.95	29 136
Other loans and advances to other credit inst	270 759	2.98	3 996	207 124	2.54	5 327
Loans and advances to customers	13 288 644	3.57	235 197	12 520 712	3.87	491 402
Securities portfolio	4 549 111	1.52	34 381	4 007 548	1.15	46 559
Other (derivatives includes)	-	-	3 146	10 642	3.78	6 099
	19 046 988	**3.00**	**283 272**	**18 220 028**	**3.13**	**578 523**
Interest-generating liabilities						
Deposits from ECB	571	2.07	6	-	-	-
Deposits from other credit institutions	612 040	1.30	3 952	609 817	1.11	6 884
Deposits from customers	16 217 176	1.00	80 821	15 552 760	1.15	181 186
Senior debt	712 047	3.85	13 602	640 906	4.66	30 308
Subordinated debt	257 024	8.39	10 697	270 851	7.86	21 589
Other (derivatives includes)	-	-	2 553	-	-	7 950
	17 798 858	**1.26**	**111 631**	**17 074 334**	**1.43**	**247 917**
Net interest income		**1.82**	**171 641**		**1.79**	**330 606**

Foreign exchange risk

Regarding the foreign exchange risk of the banking portfolio, the general procedure is to apply funds raised in the various currencies, through assets in the respective money market and for terms not exceeding those of the funding. Thus, existing exchange rate gaps are essentially due to mismatches between the periods of the applications and of the funding.

The breakdown of assets and liabilities, by currency, as at 30 June 2026 and 31 December 2025, is analysed as follows:

(Euro thousand)

	Jun 2026						
	Euro	U. S. Dollar	Angolan Kwanza	Swiss Franc	Pound Sterling	Other foreign currencies	Total amount
Assets by currency							
Cash and deposits at central banks	978 073	7 809	-	467	1 301	1 058	988 708
Loans and deposits to credit institutions payable on demand	29 908	29 250	3 355	1 128	269	1 147	65 057
Other loans and advances to credit institutions	225 782	59 714	-	18	11 744	-	297 258
Loans and advances to customers	13 563 274	3 199	-	-	-	-	13 566 473
Financial assets held for trading	20 379	700	-	-	5 250	68	26 397
Financial assets at fair value through profit or loss	99 808	-	-	-	-	-	99 808
Financial assets at fair value through other comprehensive income	502 375	-	-	-	-	-	502 375
Hedging derivatives	1 227	-	-	-	-	-	1 227
Other financial assets at amortized cost	4 343 308	65 834	-	-	-	-	4 409 142
Investments in associated companies	-	-	-	-	-	-	-
Non current assets held for sale	347	-	-	-	-	-	347
Investment properties	28 605	-	-	-	-	-	28 605
Other tangible assets	193 008	-	-	-	-	-	193 008
Intangible assets	68 553	-	-	-	-	-	68 553
Current tax assets	514	-	-	-	-	-	514
Deferred Tax Assets	245 693	-	-	-	-	-	245 693
Other assets	202 148	5 387	-	-	66	1	207 602
Total Assets	**20 503 002**	**171 893**	**3 355**	**1 613**	**18 630**	**2 274**	**20 700 767**
Liabilities by currency							
Deposits from other credit institutions	717 876	770	-	840	324	450	720 260
Deposits from customers	16 324 736	171 221	-	3 148	26 366	37 081	16 562 552
Debt securities issued	1 005 934	-	-	-	-	-	1 005 934
Financial liabilities held for trading	5 936	-	-	-	-	-	5 936
Hedging derivatives	31 966	-	-	-	-	-	31 966
Provisions	11 819	-	-	-	-	28	11 847
Current tax liabilities	7 733	-	-	-	-	-	7 733
Other subordinated debt	257 326	-	-	-	-	-	257 326
Other liabilities	278 244	4 465	-	3 450	232	9 189	295 580
Total Liabilities	**18 641 570**	**176 456**	**-**	**7 438**	**26 922**	**46 748**	**18 899 134**
Exchange forward transactions	-	4 680	-	5 746	8 239	44 734	
Exchange gap		117	3 355	(79)	(53)	260	
Stress Test		(23)	(671)	16	11	(58)	

(Euro thousand)

	Dec 2025						
	Euro	U. S. Dollar	Angolan Kwanza	Swiss Franc	Pound Sterling	Other foreign currencies	Total amount
Assets by currency							
Cash and deposits at central banks	1 240 621	10 028	-	2 683	1 389	1 326	1 256 047
Loans and deposits to credit institutions payable on demand	18 844	34 909	3 400	910	244	1 050	59 357
Other loans and advances to credit institutions	383 524	74 321	5 164	18	78	-	463 105
Loans and advances to customers	12 834 681	2 140	-	-	-	-	12 836 821
Financial assets held for trading	13 430	425	-	-	-	-	13 855
Financial assets at fair value through profit or loss	99 145	-	-	-	-	-	99 145
Financial assets at fair value through other comprehensive income	505 556	-	-	-	-	-	505 556
Hedging derivatives	23 434	-	-	-	-	-	23 434
Other financial assets at amortized cost	3 772 244	63 626	-	-	-	-	3 835 870
Investments in associated companies	5 197	-	-	-	-	-	5 197
Non current assets held for sale	41	-	-	-	-	-	41
Investment properties	32 807	-	-	-	-	-	32 807
Other tangible assets	194 740	-	-	-	-	-	194 740
Intangible assets	68 482	-	-	-	-	-	68 482
Current tax assets	755	-	-	-	-	-	755
Deferred Tax Assets	261 599	-	-	-	-	-	261 599
Other assets	200 549	19	-	506	1 172	77	202 323
Total Assets	**19 655 649**	**185 468**	**8 564**	**4 117**	**2 883**	**2 453**	**19 859 134**
Liabilities by currency							
Deposits from other credit institutions	752 305	3 125	-	698	94	331	756 553
Deposits from customers	15 830 106	171 262	-	2 945	25 006	34 440	16 063 759
Debt securities issued	688 410	-	-	-	-	-	688 410
Financial liabilities held for trading	5 870	-	-	-	-	-	5 870
Hedging derivatives	28 031	-	-	-	-	-	28 031
Provisions	12 904	-	-	-	-	-	12 904
Current tax liabilities	1 433	-	-	-	-	-	1 433
Other subordinated debt	270 084	-	-	-	-	-	270 084
Other liabilities	248 462	1 764	-	54	-	5 951	256 231
Total Liabilities	**17 837 605**	**176 151**	**-**	**3 697**	**25 100**	**40 722**	**18 083 275**
Exchange forward transactions		(8 902)	-	(429)	22 316	38 445	
Exchange gap		415	8 564	(9)	99	176	
Stress Test		(83)	(1 713)	2	(20)	(35)	

The result of the stress test performed corresponds to the estimated impact (before tax) on equity, including non-controlling interests, due to a devaluation of 20.0% in the exchange rate of each currency against the Euro.

Liquidity risk

Liquidity risk reflects the Group's inability to meet its obligations at due date, without incurring in significant losses arising from a deterioration in financing conditions (financing risk) and/or the sale of its assets at values lower than market values (market liquidity risk).

The assessment of the liquidity risk is made using regulatory indicators defined, as well as other internal metrics for which internal limits are defined. This control is reinforced with the monthly execution of stress tests, to characterize the risk profile of Banco Montepio and ensure that the Group fulfils its obligations in a liquidity crisis scenario. The calculation of the LCR and NSFR prudential ratios is performed monthly.

As at 30 June 2026, the LCR value was 182.3% (31 December 2025: 187.3%).

As regards the net stable funding ratio, designated NSFR, same stood at 142.8% (31 December 2025: 142.6%).

As at 30 June 2026 and 31 December 2025, the Group's financing structure was as follows:

(Euro thousand)

	30 June 2026					
	Total	Undetermined	Up 3 months	3 - 6 months	6 - 12 months	> 12 months
Deposits from other credit institutions	720 260	-	408 252	-	-	312 008
Deposits from customers	16 562 552	-	11 454 362	2 457 506	1 802 614	848 070
Debt securities issued	1 005 934	-	1 679	-	-	1 004 255
Financial liabilities held for trading	5 936		130	192	683	4 931
Other subordinated debt	257 326	6 454	-	-	-	250 872
Other liabilities	295 580	295 580	-	-	-	-
	18 847 588	**302 034**	**11 864 423**	**2 457 698**	**1 803 297**	**2 420 136**

(Euro thousand)

	31 December 2025					
	Total	Undetermined	Up 3 months	3 - 6 months	6 - 12 months	> 12 months
Deposits from other credit institutions	756 553	-	494 047	-	-	262 506
Deposits from customers	16 063 759	-	11 049 463	2 287 545	1 868 313	858 438
Debt securities issued	688 410		-	-	14 665	673 745
Financial liabilities held for trading	5 870	-	107	101	504	5 158
Other subordinated debt	270 084	6 454	-	-	-	263 630
Other liabilities	256 231	256 231	-	-	-	-
	18 040 907	**262 685**	**11 543 617**	**2 287 646**	**1 883 482**	**2 063 477**

In the context of the European Banking Authority's guidance on the disclosure of encumbered and unencumbered assets, taking into account the recommendation made by the European Systemic Risk Board, and in accordance with Commission Implementing Regulation (EU) 2021/637 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for the disclosure of encumbered and unencumbered assets, we present the following information, with reference to 30 June 2026 and 31 December 2025, relating to assets and their collateral:

(Euro thousand)

	Jun 2026			
Assets	**Carrying amount of encumbered assets**	**Fair value of encumbered assets**	**Carrying amount of unencumbered assets**	**Fair value of unencumbered assets**
Assets from the reporting institutions	814 026	-	19 886 741	-
Equity instruments	-	-	117 959	117 959
Debt securities	781 709	707 977	5 025 795	4 016 585
Other assets	-	-	889 955	-

(Euro thousand)

	Dec 2025			
Assets	**Carrying amount of encumbered assets**	**Fair value of encumbered assets**	**Carrying amount of unencumbered assets**	**Fair value of unencumbered assets**
Assets from the reporting institutions	680 262	-	19 178 873	-
Equity instruments	-	-	116 103	116 103
Debt securities	652 214	609 922	4 582 208	3 497 171
Other assets	-	-	950 504	-

(Euro thousand)

Encumbered assets, encumbered collateral received and associated liabilities	**Jun 2026**	**Dec 2025**
	Carrying amount of selected financial liabilities	
Associated liabilities, contingent liabilities and securities borrowed	696 069	612 898
Assets, collateral received and own debt securities issued other than covered bonds and encumbered ABS	776 713	672 142

The encumbered assets are mostly related to the Group's funding operations, namely of the EIB in repos operations, with the issuance of covered bonds and securitization programs. The type of assets used as collateral for securitization programs and for the issuance of covered bonds, whether those placed outside the Group, or those used to reinforce the collateral pool with the ECB, are constituted by customers' loans contracts. Repos transactions in the money market are collateralized, essentially, by sovereign debt bonds.

The amounts presented in the previous tables correspond to the position as at 30 June 2026 and 31 December 2025 and reflect the high level of collateralization of the wholesale funding of the Group. The buffer of eligible assets for funding from the ECB, after haircuts, uncommitted and available for use in new operations amounts, as at 30 June 2026, to Euro 4,952,514 thousand (31 December 2025: Euro 4,727,699 thousand).

It should be noted that the total value of collaterals available at the European Central Bank (ECB), as at 30 June 2026, amounts to Euro 4,627,484 thousand (31 December 2025: Euro 4,556,009 thousand) with a usage of Euro 92,000 thousand associated with the Bank of Portugal's intraday credit line (31 December 2025: Euro 85,000 thousand):

(Euro thousand)

	Jun 2026	Dec 2025
Total eligible collateral	**5 770 167**	**5 522 433**
Total collateral in the pool	4 627 484	4 556 009
Collateral outside the pool	1 142 683	966 424
Used collateral	**817 653**	**794 734**
Collateral used for ECB	92 000	85 000
Collateral committed to other financing operations	725 653	709 734
Collateral available for ECB	**4 535 484**	**4 471 009**
Total available collateral	**4 952 514**	**4 727 699**

Note: collateral amount considers the applied haircut

As at 30 June 2026 and 31 December 2025, the level 1 and 2 High-quality liquid assets, were as follows:

(Euro thousand)

High-Quality Liquid Assets (HQLA)	Jun 2026		Dec 2025	
	Amount	%	Amount	%
Level 1				
Coins and banknotes	138 968	2.9	155 803	3.3
Withdrawable central bank reserves	849 738	17.4	1 100 243	23.2
Central government assets	3 492 770	72.0	3 156 516	66.9
Local government assets	10 052	0.2	-	-
Extremely high quality covered bonds	259 612	5.4	238 021	5.0
Level 2				
Local government securities (RW20%)	26 102	0.5	-	-
Corporate debt securities (GQC1)	21 435	0.4	14 393	0.3
Asset-backed securities (residential, GQC1)	230	0.0	250	0.0
Corporate debt securities (GQC2/GQC3)	51 951	1.1	51 069	1.1
	4 850 858	**100.0**	**4 716 295**	**100.0**

As at 30 June 2026 and 31 December 2025, the (undiscounted) contractual outflows of the financial liabilities, including interest flows, presented the following structure:

(Euro thousand)

	Jun 2026							
Liabilities	Total	In cash [1]	Up 3 months	3 - 6 months	6 - 12 months	1 - 2 years	2 - 5 years	> 5 years
Deposits from other credit institutions	725 593	29 613	379 386	37 775	521	38 544	164 740	75 014
Deposits from customers	16 606 447	6 672 797	4 902 888	2 377 227	1 811 434	548 513	293 588	-
Debt securities issued	1 143 825	100	6 107	5 814	49 865	305 996	775 692	251
Financial liabilities held for trading	5 936	5 936	-	-	-	-	-	-
Other subordinated debt	437 070	-	160	-	21 425	21 612	67 230	326 643
Other liabilities	315 160	-	315 160	-	-	-	-	-
	19 234 031	**6 708 446**	**5 603 701**	**2 420 816**	**1 883 245**	**914 665**	**1 301 250**	**401 908**

[1] It encompasses trading liabilities, including derivatives, considered at fair value.

(Euro thousand)

	Dec 2025							
Liabilities	Total	In cash [1]	Up 3 months	3 - 6 months	6 - 12 months	1 - 2 years	2 - 5 years	> 5 years
Deposits from other credit institutions	757 478	44 573	450 206	25	37 525	37 543	112 585	75 021
Deposits from customers	16 136 102	6 412 870	4 684 595	2 262 582	1 907 012	486 458	382 585	-
Debt securities issued	771 979	81	7 493	33 438	13 000	54 498	661 703	1 766
Financial liabilities held for trading	5 870	5 870	-	-	-	-	-	-
Other subordinated debt	456 923	-	160	21 250	160	21 574	65 743	348 036
Other liabilities	270 569	-	270 569	-	-	-	-	-
	18 398 921	**6 463 394**	**5 413 023**	**2 317 295**	**1 957 697**	**600 073**	**1 222 616**	**424 823**

[1] It encompasses trading liabilities, including derivatives, considered at fair value.

Furthermore, as at 30 June 2026, the Group has irrevocable commitments related to credit lines amounting to Euro 1,004,530 thousand (31 December 2025: Euro 842,436 thousand), as described in note 44, which represent potential liquidity outflows.

Real estate risk

Real estate risk results from possible negative impacts on Banco Montepio's results or equity due to fluctuations in the market price of real estate.

The real estate risk results from the exposure in real estate assets, whether from the foreclosure of properties or judicial auction in the scope of credit recovery processes or from investment units in real estate funds held in the securities' portfolio. These exposures are monitored through scenario analyses that attempt to estimate the potential impacts of changes in the real estate markets in the portfolios of these real estate assets and make available the information elements necessary for the definition of the real estate risk management policy.

As at 30 June 2026 and 31 December 2025, the exposure to real estate and investment units in real estate funds presented the following values:

(Euro thousand)

	Jun 2026	Dec 2025
Non-current assets held for sale	347	41
Real estate received in recovery of credit	79 394	94 241
Investment properties	28 605	32 807
Investment units in Real Estate Funds	34 268	33 165
	142 614	160 254
Stress test	(14 261)	(16 025)

Stress test results correspond to the estimated impact on equity (before taxes) of a negative 10% variation in the values of real estate and investment units in real estate funds.

Still regarding real estate risk, Banco Montepio has defined in its own internal regulations a plan to reduce the prudential value of properties received in recovery of credit. This prudential deduction, with no impact on the financial statements, is carried out through the application of a gradual haircut plan applicable to the properties considering their ageing in the balance sheet. Regarding the portfolios of properties received in recovery of credit, the Banco Montepio Group considered, as at 30 June 2026, a specific prudential deduction of Euro 89,411 thousand (31 December 2025: Euro 66,564 thousand).

Notwithstanding, as described in the accounting policy disclosed in note 1 h) in relation to properties, the net realizable value of the inventories is determined based on a valuation made by an independent appraiser. Real estate appraisals are based on assumptions on which the influence of the economic and financial situation and the market's ability to transact the available offer, at each moment, are decisive. In this way, the realization of the appraisal value determined by the independent appraisers is dependent on the verification of the assumptions used in the respective appraisals, meaning that the evolution of the macroeconomic conditions and the real estate market may translate into changes in these same assumptions, and, consequently, have an impact on the recoverability of the appraised value of the properties.

Operational risk and Going concern

Operational risk corresponds to the probability of the occurrence of negative impacts on results or equity resulting from failures or the inadequacy of internal processes, human resources or information systems and technology. It also includes potential losses resulting from external events.

Banco Montepio adopted the standard method to quantify own capital requirements associated with operational risk, supported by an operational risk management system based on the identification, assessment, monitoring, control and measurement of this type of risk.

The operational risk management model implemented complies with the 3-lines-of-defence principle.

The Resilience Directorate ("DRE") exercises the corporate function of operational risk management of Banco Montepio which is supported by the existence of participants in different organic units that ensure the proper implementation of the operational risk management.

One of the core aspects in the management of operational risk resides in its prior identification whenever products, processes or systems are implemented or revised. This process is complemented with rigorous monitoring of action plans defined with the objective of mitigating the materialization of the risks with greater frequency or severity, as well as those with greater residual value identified within the scope of the self-assessment processes.

Monitoring

Within the scope of Banco Montepio's Operational Risk Management System, the key risk indicators (KRIs) aim to monitor the exposure factors associated with the main risks, allowing to measure and monitor the risk appetite and anticipate the occurrence of losses through preventive actions.

In this sense, the defined limits are regularly monitored, and action plans were promoted in cases where they are exceeded.

These indicators are part of the Operational Risk Reports presented to the Risk Committee and the Executive Committee.

Operational Risk Self-Assessment

The operational risk management cycle implemented at Banco Montepio is based on the preparation of a table of activities, operational risks and respective controls, allowing the identification of the exposure to the risk of the different organic units, the definition of the respective risk profile and supporting the prioritization of the necessary risk mitigation actions.

Operational risks are classified according to the categories defined in Basel II regulations, and their identification and assessment, as well as that of the associated controls, are carried out periodically through self-assessment exercises developed collaboratively between representatives of the respective organic units and the DRE.

Based on the results of these self-assessments, which assess risks in terms of impact and frequency, and controls in terms of effectiveness, the residual risk matrix is constructed. This approach allows for the identification of risks that exceed the tolerance levels defined by Banco Montepio, promoting the implementation of appropriate mitigation measures and the continuous strengthening of the internal control environment.

Business Continuity Management

Business Continuity Management at the Bank is based on a Business Continuity Management System ("BCMS"), which aims to ensure the capacity for prevention, response and recovery in the face of disruptive events, guaranteeing the continuity of critical processes and essential services. Based on a logic of continuous improvement, the BCMS integrates activities of impact analysis, risk assessment, definition of continuity strategies, implementation of recovery measures, and performance of exercises and tests, contributing to strengthening the operational resilience of the Institution.

Information and Communication Technologies ("ICT") Risk

ICT risk is understood as the risk of losses arising from the inadequacy or failure of information systems, technological processes or the management of ICT resources, including events likely to compromise the confidentiality, integrity, availability or authenticity of systems and data, as well as the lack of agility in adapting information technologies ("IT") to new requirements or changes in the operational context, within reasonable timeframes and costs.

ICT risk management is based on an integrated approach of governance, control and monitoring, involving various structures of the Bank. In 2026, the Bank created the Resilience Directorate ("DRE"), a structure dedicated to the integrated management of operational, technological and cybersecurity risks, reinforcing the governance model and the Bank's ability to prevent, respond to and recover from events that could compromise business continuity and the Bank's digital operational resilience. The new structure aims to promote a more coordinated approach to the management of ICT risks, cybersecurity and business continuity, while simultaneously driving alignment with regulatory requirements.

The Resilience Directorate ("DRE") plays a central role, assuming overall responsibility for coordinating activities related to digital operational resilience and with ICT risk management. The Resilience Directorate – Cybersecurity Department ("DRE-DCS") centralizes expertise and resources in implementing a robust security risk mitigation framework and defining incident response plans. The Information Systems Directorate ensures the operationalization of technical controls, the management of technological infrastructure and the implementation of corrective and preventive measures. These areas work closely with the Operational Risk and ICT Department of the Resilience Directorate ("DRE-DRO"), guaranteeing an integrated and coordinated approach to ICT risk management.

Environmental, Social and Governance Risks

The guiding principles adopted by the Banco Montepio Group, regarding ESG risk, aim to ensure the alignment with the expectations referenced in the European Central Bank's - Guide on climate-related and environmental risks, published in November 2020.

ESG risks are based on the assessment of the following components: environmental, social and governance ("ESG"). Environmental risks - which include "climate and environmental risk via physical risk" and "climate risk via transition risk" - are defined in Banco Montepio's Risk Taxonomy (in the Banco Montepio Group context), being individually identified and assessed in the scope of the risk materiality assessment process. Likewise, social and governance risks are also defined in Banco Montepio's Risk Taxonomy, under the titles "social risk" and "governance risk".

Within the context of the Banco Montepio Group's global risk management framework, the materiality of ESG risks is assessed and an internal policy establishing the principles and guidelines for their management has been adopted. This policy includes the ESG governance and risk management model, aligned with the three lines of defence principle, incorporating mechanisms for monitoring and reporting risk exposure. Furthermore, risk tolerance limits are established, integrated into Banco Montepio Group's risk appetite framework ("RAF").

Considering the Banco Montepio Group's business model, credit risk is identified as the main transmission channel of ESG risks to the traditional risks. This conclusion is based on the reduced exposure to market risk, the robust liquidity position, supported by comfortable liquidity levels (buffers), and on the reduced incidence history of losses associated with operational risk events.

In this context, and within the framework of the Banco Montepio Group's risk management, three climate scenarios defined by the Network for Greening the Financial System ("NGFS") are used to support the assessment and identification of material risks. These scenarios allow one to assess the potential impact of the materialization of climate risks on portfolio quality and on credit losses due to the materialization of climate risks over three-time horizons: short-term (up to 3 years), medium-term (up to 8 years), and long-term (up to 30 years).

The Banco Montepio Group uses three NGFS-developed climate scenarios - "Current Policies", "Net Zero 2050" and "Delayed Transition" – as support for the assessment of the materiality of climate risks and the analysis of their potential impacts on the risk profile.

The Banco Montepio Group integrates climate and environmental risks into its strategy, deepening the existing analysis. It also assessed in detail how these risks affect the business, considering different activities, geographies, sectors and portfolios. Additionally, climate and environmental impacts were comprehensively identified, by business model, to support management in defining strategic decisions and mitigation measures. Furthermore, the severity of potential impacts was quantified, allowing for the prioritization of the most relevant risks and the guidance of mitigation actions.

Additionally, the Banco Montepio Group has integrated climate sensitivity analyses into its ICAAP and ILAAP exercises, aiming to demonstrate that economic capital requirements for traditional risks are robust enough to accommodate climate risk scenarios. These tests suggest that the Banco Montepio Group has adequate capital and liquidity levels to respond to potential equity degradation caused by climate-related events.

Furthermore, Banco Montepio integrated climate and environmental factors into its market risk monitoring process (Market Risk Report), through the definition and implementation of ESG risk criteria and limits in its investment policy, reinforcing the consideration of these factors in investment decisions and risk management. The Bank includes climate risk analyses in risk opinions for a set of high-value credit operations, including a sensitivity analysis of the operations in relation to the climate risk indicators followed in the RAF.

Pension Fund risk

The Pension Fund risk results from the potential devaluation of the Fund's asset portfolio or the decrease in the respective expected returns, as well as the increase in the Fund's liabilities as a result of the evolution of the different actuarial assumptions. In such scenarios, Banco Montepio will have to make unplanned contributions in order to maintain the benefits defined by the Fund.

Regular analysis and monitoring of Banco Montepio's Pension Fund management is carried out by the Financial Risks Committee. In addition, the Risk Directorate ensures the production of monthly reports with the evolution of the market value of the Pension Fund's portfolio and the associated risk indicators.

Besides verifying compliance with the investment policy and the legal and prudential limits, the management entity (Futuro) has strengthened control and monitoring through a variety of risk measures and a set of internal procedures aimed at maintaining the prudent management of the risk. On this basis, a risk management model based on the technical perspective of EIOPA's "QIS Pension Funds" studies is used. The development of tolerance indicators for this model allows for the monitoring of the variations of these indicators, in accordance with the investment policy defined for the Pension Fund.

Market risk monitoring is based on the VaR calculation, with a confidence level of 99.5% for a one-year time horizon. Since VaR does not totally guarantee that risks do not exceed the probability used, stress tests are also carried out, with the purpose of calculating the impact of several extreme scenarios on the value of the portfolio.

The assessment of the liquidity level of the share-based and bond-based components of the Pension Fund is assessed through a liquidity test. With shares, this analysis is done based on the number of days for their liquidation, considering the assets in the portfolio. This test consists of verifying the liquidity of the share-based segment, assessing how many days are necessary for its settlement in the market, considering the costs associated with these transactions and the average historical volume of transactions in the various markets. In addition, in the bond-based segment, the cash receipts (positive cash flows) resulting from bond coupon (interest) payments and amortizations, or possible call option exercises are calculated for one year. All these tests allow for the assessment of the degree of liquidity in the short term and to monitor or act in the event of a possible shortage of liquidity, in a timely manner.

Other risks

Regarding other risks – reputation, compliance, strategy and business risks - these are also monitored by the Board of Directors, with the risks being controlled and corrective measures being taken based on the results

obtained compared with the objectives/limits established, of note being, namely, the monitoring and control of deviations from the approved strategic plan and budget.

In the scope of emerging risks, where ESG risks stand out, the Group is implementing its own framework for managing these risks, ensuring their interconnection with credit, market, liquidity, operational and real estate risks, among others. Within the scope of this framework, the management and supervisory bodies will monitor the current and prospective evolution of the institution's risk profile in relation to these risks. We point out that, in the scope of the Group's risk appetite, KRIs are included to regulate exposure to ESG risks (namely, climate risks).

Hedging policies and Risk reduction

For the purpose of reducing credit risk, the risk mitigation elements associated with each operation are considered. In particular, real mortgage guarantees, and financial collateral are relevant, as well as the provision of personal credit protection, namely of guarantees.

In terms of the direct reduction of the exposure value, credit operations collateralized by financial collateral are considered, namely, term deposits. In financial collaterals, the market and foreign exchange risks of the assets involved are considered, and, when applicable, the value of the collateral is adjusted.

Regarding real mortgage guarantees, Banco Montepio has defined valuation and revaluation models to be applied to properties that may or already constitute real collateral for credit operations. The asset valuations are carried out by independent expert appraisers, and the management of the valuations and inspections is centralized in a unit that is independent of the commercial area. In accordance with (EU) Regulation no. 575/2013 (CRR), the requirements for the verification and revaluation of the assets' value, depending on the cases, either by statistical and computerized methods or by review or revaluation of the valuation amount by an expert appraiser are assured.

For credit guarantees, the principle of the substitution of the customer's risk by that of the protection provider is applied, provided that the risk of the latter is not inferior to that of the prior.

The Group does not usually use on-balance sheet and off-balance sheet offsetting processes, nor does it hold credit derivatives on positions in its portfolio.

Trading portfolio market risk mitigation techniques essentially consist of hedging exposures with financial products with a symmetric risk to decrease the total risk of the exposures or the partial or total sale of exposures to reduce exposure or cancel it completely.

Regarding the banking portfolio, interest rate and foreign exchange risk mitigation techniques correspond to the negotiation of hedging operations with derivatives and the closure of exposures through the sale of open exposures.

Own funds and Capital ratios

The capital monitoring and management process at the Banco Montepio Group has as its objective to ensure the accuracy of the determination and assessment of the level of regulatory and economic capital, taking into account the risk profile determined by the Board of Directors and the Bank of Portugal add-ons in the scope of the SREP, as well as assess the potential effects, on the Group's financial conditions, resulting from changes in risk factors due to exceptional but plausible events (stress tests).

The process of monitoring the evolution of regulatory capital adequacy is carried out monthly, while economic capital adequacy is monitored on a quarterly basis. The global monitoring of the risk profile and the respective capital adequacy are an integral part of the regular reports to the Risk Committee, Executive Committee, Audit Committee and Board of Directors, as well as of the Group's Risk Appetite framework. This process has a governance structure and procedures to monitor the evolution of capital (within the objective and risk tolerance limits defined by the Board of Directors), including the definition of roles and responsibilities for escalating and resolving breaches of the defined limits. The responsibility for identifying breaches of the risk limits defined at the Group level, as well as of the entities that assume the risk management function, lies

with the Risk Directorate. Whenever a situation of non-compliance with the aforementioned limits is identified, the Risk Directorate carries out an analysis of this situation including the following elements:

- Identification of the limit breached;
- Identification of the risk factors that justify said breach;
- Information on the perspective future evolution of these risk factors;
- Proposal of risk reduction, assumption, mitigation or transfer measures, as applicable; and
- Proposal of reallocation of risk limits, if applicable.

The responsibility for defining action plans to remedy the breaches of the limits verified lies with the Risk Directorate, together with the first-line organic units.

The own funds of Banco Montepio are determined in accordance with Regulation (EU) no. 575/2013, in its current wording ("CRR3"), and with Directive 2013/36/EU, as amended by Directive (EU) 2024/1619 ("CRD VI"), as well as other applicable regulations, technical standards and applicable prudential guidelines, including Bank of Portugal Notice no. 10/2017, where applicable.

Own funds include level 1 own funds (tier 1) and level 2 own funds (tier 2). Tier 1 includes level 1 core own funds (common equity tier 1 – CET1) and the additional level 1 own funds with the following composition:

- Level 1 Core Own Funds or Common Equity Tier 1 (CET1): this category includes the realized share capital (with the deduction of treasury shares held), eligible reserves (including fair value reserves), retained earnings, positive and certified retained earnings for the period or, if negative, the full amount. The value of reserves and retained earnings, if existing, is adjusted for the reversal of the results in financial liabilities at fair value through profit or loss in the part corresponding to the risk of the institution's own credit. The book value of the amounts related to goodwill, if existing, other intangible assets (not associated with software), as well as the gap, if positive, between the assets and liabilities of the Pension Fund, is deducted. The amount of the prudent valuation calculated in accordance with articles 34 and 105 of the CRR is also deducted, as are the deferred tax assets related to tax losses. Deductions are also made of equity tranches according to article 36 paragraph k) of the CRR, resulting from synthetic and traditional securitizations made. Regarding financial shareholdings in financial sector entities and deferred tax assets arising from timing differences that depend on future profitability, the values in these captions are deducted when, individually, they exceed 10.0% of CET1, or, subsequently, 15.0% of CET1 when considered in aggregate (only on the part not deducted in the first barrier of 10.0% and considering only significant shareholdings). The values not deducted will be subject to the weighting of 250% to the total risk-weighted assets. Regarding shareholdings in financial institutions, the deduction is proportionally realized in the corresponding capital levels held. Still in accordance with Regulation (EU) no. 575/2013, and Circular Letter no. CC/2024/00000049 of the Bank of Portugal, the applicable amount of insufficient coverage for non-productive exposures is deducted. Banco Montepio also deducts the amount of the Irrevocable Payment Commitments (IPC) associated with the Single Resolution Fund ("SRF"). In addition to the regulatory deductions, Banco Montepio defined in its own internal regulations a plan to reduce the prudential value of properties received in recovery of loans, which has at its base the coefficients defined in Circular Letter No. CC/2024/00000050 from the Bank of Portugal. This reduction is carried out through a prudential deduction resulting from the application of a gradual plan of haircuts applied to properties considering their ageing on the balance sheet. Regarding portfolios of property received in recovery of credit and investment properties, the Group considered, as at 30 June 2026, a specific prudential deduction of Euro 89,411 thousand (with a negative impact of 86 basis points on CET1), resulting from the internal prudential haircut policy. However, Banco Montepio continues to make efforts to reduce its exposure to properties, namely on those with a greater ageing in its portfolio, to reduce the amount of this potential prudential impact;
- Level 1 Own Funds or Tier 1 (T1): includes capital equivalent instruments, which conditions are in accordance with article 52 of Regulation (EU) no. 575/2013 and that have been approved by the Bank of Portugal. Non-controlling interests relating to additional own funds' minimum requirements of the institutions in which the Group does not hold full ownership are also eligible. The eventual

shareholdings of T1 capital of financial institutions subject to deduction are deducted from this capital; and

- Level 2 Own Funds or Tier 2 (T2): includes capital equivalent instruments, which conditions are in accordance with article 63 of the CRR and that have been approved by the Bank of Portugal. Non-controlling interests relating to the own fund's minimum requirements of the institutions in which the Group does not hold full ownership are also eligible. The eventual shareholdings of T2 capital of financial institutions subject to deduction are deducted from this capital.

Total Own Funds or Total Capital are constituted by the sum of the three levels of own funds previously referred.

Regarding the calculation of risk-weighted assets, in addition to credit, operating and market risk requirements, reference is made to the weighting of 250% of deferred tax assets associated with timing differences that depend on future profitability and financial shareholdings that are within the limit established for non-deduction from CET1.

With respect to deferred tax assets associated with timing differences that do not depend on future profitability, these are subject to a 100% weighting for capital requirement purposes. The CVA requirement (Credit Valuation Adjustment) is also determined.

Considering the relation between own funds (in their different levels) and the risk-weighted assets, it can be verified whether an entity has own funds for an amount not below the own funds' minimum requirements, thus certifying the adequacy of its capital. This relation is reflected in the different capital ratios, namely CET1 ratio, T1 ratio and total capital ratio (ratio corresponding to the respective capital level as a percentage of the amount corresponding to 12.5 times the own funds' requirements).

For these ratios, regulatory minimums are indicated by CRR of 4.5% for CET1, of 6.0% for Tier 1 and of 8.0% for Total Capital. However, on these regulatory minimums are applied reserves of own funds (such as Conservation Reserve, Counter-Cyclical Reserve and Reserves for Other Systemic Institutions), the value of which is defined by the Bank of Portugal, and an add-on of capital in the scope of the annual exercise of the Supervisory Review and Evaluation Process ("SREP"), which amount is defined by the Bank of Portugal. According to that defined by the Bank of Portugal, the minimum ratios required may be presented as follows:

Ratios	Jun 2026				Dec 2025			
	Ratio	Tier 1	Tier 2	Reserves [1]	Ratio	Tier 1	Tier 2	Reserves [1]
CET1	9.60%	4.50%	1.60%	3.50%	9.02%	4.50%	1.74%	2.78%
T1	11.63%	6.00%	2.14%	3.50%	11.10%	6.00%	2.33%	2.78%
Total	14.35%	8.00%	2.85%	3.50%	13.88%	8.00%	3.10%	2.78%

[1] Considers:
Conservation reserve 2.5%;
Reserve The SII of 0.25%;
Countercyclical Reserve currently set at 0.75% in Portugal.

Pursuant to these provisions, as at 30 June 2026, the minimum regulatory ratios, considering the reserves, for Common Equity Tier 1, Tier 1 and Total were 9.60%, 11.63% and 14.35%.

On 1 January 2026, as determined by the Bank of Portugal, the application of a countercyclical reserve of 0.75% on domestic exposures came into effect. Considering this change on that date, the regulatory ratios, considering the reserves, for Common Equity Tier 1, Tier 1 and Total were, respectively, 9.73%, 11.81% and 14.58%.

Ratios	01 January 2026			
	Ratio	Tier 1	Tier 2	Reserves [1]
CET1	9.02%	4.50%	1.74%	2.78%
T1	11.10%	6.00%	2.33%	2.78%
Total	13.88%	8.00%	3.10%	2.78%

[1] Considers:
Conservation reserve 2.5%;
Reserve The SII of 0.25%;
Countercyclical Reserve currently set at 0.75% for exposures in Portugal.

The summary of the calculation of the Group's capital requirements, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

	Jun 2026	Dez 2025
Common Equity Tier 1 Capital		
Realized share capital	1 214 810	1 214 810
Net income/(loss), reserves and retained earnings	567 471	524 982
Other regulatory adjustments	(388 038)	(371 795)
	1 394 243	1 367 997
Tier 2 Capital		
Subordinated debt	256 323	256 323
	256 323	256 323
Total own funds	1 650 566	1 624 320
Own funds requirements		
Credit risk	616 977	584 388
Market risk	1 349	1 186
Operating risk	70 298	70 298
Other requirements	5 561	10 528
	694 185	666 400
Prudential Ratios		
Common Equity Tier 1 Ratio	16.1%	16.4%
Tier 1 Ratio	16.1%	16.4%
Total Capital Ratio	19.0%	19.5%

It should be noted that the ratios, as at 30 June 2026 and 31 December 2025, consider the impact of the adherence to the Special Regime Applicable to Deferred Tax Assets, as described in note 32.

52 Recently issued accounting policies

IFRS Disclosures – Standards (new an amended) as at 30 June 2026, for annual periods beginning on 1 January 2026:

1. Impact of the adoption of standards (new and amended) that became effective for annual periods beginning on 1 January 2026:

a) **IFRS 9** (amendment) and **IFRS 7** (amendment), 'Amendments to the classification and measurement of financial instruments. The amendments relate to: i) clarification of the concept of the date of recognition and derecognition of some financial assets and liabilities, introducing a new exception for financial liabilities settled through an electronic payment system; ii) clarification and examples of when a financial asset meets the criterion that contractual cash flows correspond to "principal and interest payments only" ("SPPI"), such as: 1) non-recourse assets; 2) contractually linked instruments and 3) instruments with features linked to compliance with environmental, social and governance ("ESG") goals; iii) new disclosure requirements for instruments with contractual terms that may alter cash flows in terms of period and amount; and iv) new disclosures required for equity instruments designated at fair value through other comprehensive income. These amendments apply on the date they become effective without restatement of the comparative.

b) **IFRS 9** (amendment) and **IFRS 7** (amendment), 'Contracts negotiated with reference to electricity generated from renewable sources'. The amendments aim to improve the reporting of the financial effects of negotiated contracts based on the production of electricity from renewable sources, subject to variability in the amount generated due to the fact that this is dependent on uncontrollable natural conditions. These amendments are intended to: i) clarify the application of the requirements of the IFRS 9 "own use" exemption; (ii) allow the application of hedge accounting when renewable electricity purchase agreements are designated as a hedging instrument; and iii) add new disclosure requirements to IFRS 7 to better understand the impact of these contracts on the entity's financial performance and cash flows. This amendment will apply retrospectively without restating the comparative periods, except for the designation of coverage, which must be applied prospectively.

c) **Annual Improvements – 'Volume 11'**. The annual IFRS improvement cycles aim to clarify application issues or correct inconsistencies in the standards. This volume of improvements affects the following standards: IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. These amendments are still subject to endorsement by the European Union.

Banco Montepio does not anticipate any significant impact resulting from the application of these amendments on its financial statements.

2. Standards (new and amended) published, which application is mandatory for annual periods beginning on or after 1 January 2027, already endorsed by the European Union:

a) **IFRS 18** (new standard), 'Presentation and Disclosure in Financial Statements'. IFRS 18 will replace the current IAS 1. While maintaining many of the principles in IAS 1, IFRS 18 focuses on the specification of the presentation structure of the income statement, consisting of mandatory categories and subtotals. Income statement items will now be classified into 5 categories: operating, investing, financing, income tax and discontinued operations. Mandatory subtotals and totals and specified subtotals are defined, with the main change being the mandatory inclusion of the subtotal "Operating profit/(loss)" in the income statement. This standard also includes improvements in the disclosure of management performance measures used in public announcements, including their reconciliation with the closest IFRS 18 subtotals defined. The application of the principle of aggregation and disaggregation of information contained in the financial statements and related notes, based on their shared characteristics, is also reinforced, in order to reduce the disclosure of significant amounts in residual non-specified captions. This standard applies retrospectively.

Banco Montepio does not anticipate any significant impact resulting from the application of this new standard on its financial statements except on the presentation and disclosure of the financial statements, with a focus on the income statement.

3. Standards (new and amended) published, which application is mandatory for annual periods beginning on or after 1 January 2027, not yet endorsed by the European Union:

a) **IAS 21** (amendment), 'Translation to a hyperinflationary presentation currency' (effective for annual periods beginning on or after 1 January 2027). This amendment is still subject to endorsement by the European Union. This amendment establishes the requirements for converting currencies between entities belonging to hyperinflationary economies and entities belonging to non-hyperinflationary economies. Thus, it is established that to convert the functional currency of an entity belonging to a non-hyperinflationary economy to a presentation currency of a hyperinflationary economy, all financial statement values (including comparatives) must be converted using the closing rate at the last reporting date. The amendment also provides an exception for situations where the functional and presentation currency of an entity belonging to a hyperinflationary economy and the functional currency of its foreign operations belonging to a non-hyperinflationary economy, in which case the comparatives of the foreign operations do not need to be retranslated, but rather restated by applying the variation of the general price index, as provided in IAS 29. Except for the aforementioned exception, this amendment is applied retrospectively with the restatement of the comparative.

b) **IAS 28** (amendment), 'Fair value measurement option' (effective for annual periods beginning on or after 1 January 2027). This amendment is still subject to endorsement by the European Union. This amendment clarifies the definition of entities authorized to exercise the option to measure investments in associates and joint ventures at fair value through profit or loss. Consequently, it determines the replacement of the term "similar entities" with "entities that have a core business activity of investing in certain types of assets," as defined in IFRS 18. Eligibility to apply the fair value measurement option under IAS 28 does not directly imply the income and expense category in which the income and expenses of these investments are classified. This amendment should be applied retrospectively, with the restatement of comparative information, on the same date as the adoption of IFRS 18.

c) **IFRS 19** (new standard), 'Non-publicly reporting subsidiaries: Disclosures' (effective for annual periods beginning on or after 1 January 2027). This new standard is still subject to endorsement by the European Union. IFRS 19 is a voluntary standard that allows eligible subsidiaries to use IFRS with reduced disclosure requirements. IFRS 19 is a standard that only deals with disclosures and is applied in conjunction with the requirements of the other IFRS for the purpose of recognition, measurement and presentation. A subsidiary is considered eligible if: (i) it is not subject to a public reporting obligation; and (ii) the parent entity prepares consolidated financial statements for public reporting in accordance with IFRS. IFRS 19 may be applied by eligible subsidiaries in the preparation of their own consolidated, separate or individual financial statements. Full comparative information is required unless an exemption applies.

d) **IFRS 19** (amendment), 'Change in disclosure requirements' (effective for annual periods beginning on or after 1 January 2027). This amendment is still subject to endorsement by the European Union. This amendment aims to reduce disclosure requirements for amendments in standards and new standards issued between February 2021 and May 2024, namely: IFRS 18: Presentation and disclosure in financial statements; Amendments to IAS 7 – Supplier financing arrangements; IAS 12 – International tax reform – Pillar 2 model rules; Amendments to IAS 21 – Effects of changes in exchange rates: Lack of interchangeability. Presentation of full comparative information is mandatory unless an exemption applies.

e) **IFRS 20** (new standard), 'Regulatory assets and regulatory liabilities' (effective for annual periods beginning on or after 1 January 2029). This new standard is still subject to endorsement by the European Union. This standard applies to companies operating under a regulatory agreement in which the regulator determines the amount that can be invoiced and when those amounts can be invoiced. IFRS 20 requires entities to account in their financial statements for the effects of "timing differences" generated by the recognition of regulatory assets and regulatory liabilities, so that the entity recognizes the total permitted remuneration for the regulated goods or services in the same reporting period in which it provides those regulated goods or services, recognizing, in addition to the revenue determined in accordance with IFRS 15, the respective regulatory revenues and regulatory expenses in the income statement. Regulatory assets and liabilities are measured as specified by the regulator and, where this is not specified, based

on estimated future cash flows, discounted using the regulatory interest rate, and these estimates are subsequently revised whenever necessary. This standard is applied retrospectively in accordance with IAS 8 or based on a modified retrospective application, and the presentation of comparative information is always mandatory.

Banco Montepio does not anticipate any significant impact resulting from the application of these new standards and amendments on its financial statements.

53 Transfer of assets

The Group carried out several financial asset sale operations, namely loans and advances to customers, to Funds specialized in the recovery of loans. These Funds take responsibility for the management of the companies or assets received as collateral with the objective of ensuring a pro-active management through the implementation of plans to explore/increase the value of same.

The financial assets sold under these operations are derecognized from the balance sheet of the Group, since the operations result in the transfer to the Funds of a substantial portion of the risks and rewards associated with the assets as well as the control of same.

The Funds specialized in the recovery of credit that acquired financial assets from the Group are closed Funds, in respect of which the holders have no possibility of requesting the redemption of their investment units throughout the useful life of same.

These investment units are held by several banks in the market that ceded the loans, in percentages that vary throughout the useful life of the Funds, but it is ensured that each bank, separately, does not hold units representative of more than 50% of the capital of the Funds.

The Funds have a specific management structure (General Partner), fully independent from the seller banks, and that is selected on the date of the incorporation of the Funds.

The management structure of the Funds has as main responsibilities to:

- Define the objective of the Funds; and

- Manage the Funds on an exclusive basis, determining the objectives and investment policy and the conduct of the management and business of the Funds.

The management structure is remunerated through management commissions charged to the Funds.

Generally, these Funds, in which the Group holds minority positions, incorporate companies under Portuguese law to acquire the loans from the banks, which are financed through the issuance of senior and junior bonds.

The value of the senior bonds, fully subscribed by the Funds that hold the share capital of the companies, matches the fair value of the asset transferred, determined in accordance with a negotiation process based on valuations performed by both parties. These bonds are remunerated at an interest rate that reflects the risk of the company holding the assets. The value of the junior bonds is equivalent to the difference between the fair value based on the valuation of the senior bonds and the transfer value of the loans to the Portuguese-law companies.

These junior bonds, when subscribed by the Group, grant the right to a contingent positive value if the value of the assets transferred exceeds the nominal value of the senior bonds plus their related interest.

However, considering that these junior bonds reflect a valuation difference of the assets transferred, based on valuations performed by independent entities and a negotiation process between the parties, the junior bonds are fully provided against.

Therefore, following the asset sale operations carried out, the Group subscribed:

- Investment units of the Funds, in which the cash flows that will allow their recovery arise mainly from a broad set of assets transferred by the various participant banks (where the Group has a clear minority interest). These securities are booked in the portfolio of financial assets at fair value through profit or loss and are measured at fair value based on the quotation value, as disclosed by the Funds and audited at each year end; and
- Junior bonds (with a higher subordination level), issued by the Portuguese-law companies controlled by the Funds, which are fully provided against because they reflect the best estimate of the impairment of the financial assets transferred.

In this context, of not holding control but maintaining some exposure to certain risks and rewards, the Group, in accordance with IFRS 9, performed an analysis of the exposure to the variability of risks and rewards in the assets transferred, before and after the operation, having concluded that it does not hold substantially all the risks and rewards.

Considering that it does not hold control and does not exercise significant influence over the Funds or the companies holding the assets, the Group derecognized the assets transferred and recognized the assets received in return as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
	Amounts associated with the transfer of assets			Amounts associated with the transfer of assets		
	Net assets transferred	Amount received	Result obtained with the transfer	Net assets transferred	Amount received	Result obtained with the transfer
Fundo Vega, FCR	27 857	43 124	15 267	27 857	43 124	15 267
Discovery Portugal Real Estate Fund	13 698	15 415	1 717	13 698	15 415	1 717
Fundo Aquarius, FCR	13 060	13 485	425	13 060	13 485	425
	54 615	72 024	17 409	54 615	72 024	17 409

As at 30 June 2026 and 31 December 2025, the assets received under these operations are analysed as follows (see note 23):

(Euro thousand)

	Jun 2026	Dec 2025
	Senior securities	
Fundo Vega, FCR	19 958	18 661
Discovery Portugal Real Estate Fund	15 135	14 544
Fundo Aquarius, FCR	6 819	6 988
	41 912	40 193

Although the subordinated securities are fully provided against, the Group also has an indirect exposure to the financial assets transferred, in the scope of the minority investment in the pool of all the assets transferred by other financial institutions, through the shares and investment units in the Funds acquired in the scope of the operations (designated in the table as senior bonds).

54 Contingencies

Resolution Fund

The Resolution Fund is a legal person governed by public law with administrative and financial autonomy, created by Decree-Law no. 31-A / 2012, of 10 February, which is governed by the Legal Framework of Credit Institutions and Financial Companies ("RGICSF ") and by its regulations and its mission is to provide financial support for the resolution measures implemented by the Bank of Portugal, in its quality as national resolution authority, and to perform all other functions conferred by law in the implementation of such measures.

As with the majority of the financial institutions operating in Portugal, the Group is one of the institutions participating in the Resolution Fund, making contributions that result from the application of a rate defined annually by the Bank of Portugal based, among others, on the amount of its liabilities. As at 30 June 2026, the periodic contribution made by Banco Montepio amounted to Euro 3,091 thousand (30 June 2025: Euro 2,950 thousand), based on a contribution rate of 0.0009%.

Resolution measure applied to Banco Espírito Santo, S.A. (BES)

As part of its responsibility while supervisory and resolution authority of the Portuguese financial sector, the Bank of Portugal, on 3 August 2014, decided to apply to Banco Espírito Santo, S.A. ("BES") a resolution measure pursuant to article 145-G(5) of the RGICSF, which consisted of the transfer of most of its activity to a transition bank called Novo Banco, S.A. ("Novo Banco"), created especially for this purpose.

To realize the share capital of Novo Banco, the Resolution Fund, while sole shareholder, provided Euro 4,900 million, of which Euro 365 million corresponding to its own financial resources. A loan was granted by a bank syndicate to the Resolution Fund, in the amount of Euro 635 million, with the participation of each credit institution weighted according to several factors, including their size. The remaining amount (Euro 3,900 million) came from a repayable loan granted by the Portuguese State.

Following the implementation of the referred resolution measure, on 7 July 2016, the Resolution Fund stated that it would review and evaluate the steps to be taken following the publication of the report on the results of the independent valuation exercise, carried out to estimate the level of credit recovery for each class of lenders in the hypothetical scenario of a normal insolvency process of BES as at 3 August 2014. Under the applicable law, if it turns out that lenders which credits have not been transferred to Novo Banco assume a greater loss than they would hypothetically have had BES entered into a liquidation process immediately prior to the application of the resolution, these lenders are entitled to receive the difference from the Resolution Fund.

On 31 March 2017, the Bank of Portugal announced that it had selected Lone Star Fund for the purchase of Novo Banco, which was concluded on 17 October 2017, through the injection by the new shareholder of Euro 750 million, which will be followed by a new capital injection of Euro 250 million, to be completed within the period of three years. With this operation, Novo Banco's status as transition bank ceased, with Lone Star Fund now holding 75% of the share capital of Novo Banco and the Resolution Fund the remaining 25%, albeit without the corresponding voting rights.

On 26 February 2018, the European Commission released the non-confidential version of the State aid approval decision underlying the sale process of Novo Banco, which includes a contingent capitalization mechanism whereby the Resolution Fund may be called upon to carry out capital injections if certain conditions materialize related to the performance of a restricted set of assets of Novo Banco and the evolution of the bank's capital levels.

This mechanism is triggered annually, based on the annual accounts of Novo Banco certified by the respective auditor, with the possibility of intra-annual assessments being foreseen, but only in the event of non-compliance, by Novo Banco, with the prudential requirements. For the purpose of this mechanism, the differences in the valuation of assets (positive or negative) are considered in relation to their book value, net of impairments, recorded as at 30 June 2016 (circa Euro 7.9 thousand million according to the information

provided by Novo Banco). Hence, economic losses or gains resulting from, for example, the sale of assets or the restructuring of loans, but also the impairment, or its reversal, recorded by Novo Banco, in accordance with the accounting standards, as well as the costs of financing associated with the maintenance of the assets in the balance sheet of Novo Banco, are considered.

Under the referred mechanism, own financial resources resulting from contributions paid, directly or indirectly, by the banking sector, complemented by a State loan amounting to Euro 430 million under the framework agreement celebrated between the Portuguese State and the Resolution Fund were used. According to the information provided by Novo Banco, as at 31 December 2017, the net value of the assets covered by the perimeter of the contingent capitalization mechanism amounted to approximately Euro 5.4 thousand million.

On 6 May 2019, the Resolution Fund made the payment of Euro 1,149 million to Novo Banco with reference to the accounts of 2018, having used its own resources, resulting from contributions due, directly and indirectly, by the banking sector, and resorted to a loan from the State in the amount of Euro 850 million, which corresponds to the maximum annual financing limit agreed between the Resolution Fund and the State in October 2017.

In May 2020, the Resolution Fund made the payment of Euro 1,035 million to Novo Banco with reference to the accounts of 2019, which resulted from the execution of the agreements celebrated in 2017, in connection with the sale of 75% of the Resolution Fund's shareholding in Novo Banco, complying with all the procedures and limits defined therein, and resorted to a loan from the State in the amount of Euro 850 million.

On 4 June 2021, the Resolution Fund made a payment to Novo Banco of Euro 317 million, referring to the accounts for financial year 2020, which was fully financed with resources from a loan obtained from seven national credit institutions. The amount calculated by the Resolution Fund for the purpose of the payment to Novo Banco was Euro 429 million.

On 23 December 2021, the Resolution Fund made the payment of Euro 112 million, after having obtained all analyses from a financial, economic and legal point of view, which was pending verification in June 2021 and was already provided against.

On 9 December 2024, the Resolution Fund announced, in a statement, the signing of an agreement terminating the Contingent Capitalization Mechanism (CCM), signed in 2017 in the scope of the sale of Novo Banco. This agreement brings forward by approximately one year the termination of the CCM, initially scheduled for the end of 2025, and definitively eliminates any possibility of new payment requests being made to the Resolution Fund by Novo Banco. With the termination of the CCM, disbursements made by the Fund are limited to Euro 3,405 million, the amount considered due between 2018 and 2021.

On 13 June 2025, a Memorandum of Understanding was announced between the Lone Star Fund and Banque Populaire Caísse d'Épargne Group ("BPCE") for the sale of the 75% stake held by Lone Star in Novo Banco, for an estimated value of Euro 6,400 million for the entire capital, which culminated in the celebration of the acquisition agreement dated 1 August 2025.

Subsequently, on 29 October 2025, the agreements related to the acquisition of the remaining 25% of the capital, held by the Portuguese State (11.5%) and the Resolution Fund (13.5%) were celebrated. The finalization of the acquisition of the entire share capital is foreseen for the first half of 2026.

On 30 April 2026, the Resolution Fund announced the completion of the sale of all the share capital of Novo Banco, S.A. to the French group BPCE, which became the sole shareholder of the institution. The total price paid by BPCE amounted to Euro 6,692 million. For the sale of its 13.54% stake, the Resolution Fund received Euro 906 million. This amount, together with the amounts received in 2025 as dividends and in the scope of the capital reduction operation of Novo Banco, raised the total value received by the Resolution Fund as a result of its stake in that institution to Euro 1,082 million. With the completion of the operation, the Resolution Fund ceased to hold any shareholding in Novo Banco. The Resolution Fund stated that the increased resources resulting from the operation will contribute to meeting its obligations, particularly the repayment of loans received from the State and from a set of national credit institutions.

Resolution measure applied to Banif – Banco Internacional do Funchal, S.A. (Banif)

The Board of Directors of the Bank of Portugal deliberated, on 19 December 2015, to declare that Banif – Banco Internacional do Funchal, S.A. ("Banif") was "at risk or in a situation of insolvency" and to start the urgent resolution of the institution through the mode of the partial or total disposal of its activity, and which materialized, on 20 December 2015, with the disposal of the rights and obligations, representing assets, liabilities, off-balance sheet items and assets under management of Banif to Banco Santander Totta S.A. ("Santander Totta") for Euro 150 million.

Most of the assets that were not disposed of were transferred to an asset management vehicle called Oitante, S.A. ("Oitante"), created specifically for this purpose, which has as sole shareholder the Resolution Fund. Oitante issued debt securities in the amount of Euro 746 million, with a guarantee being provided by the Resolution Fund and a counter-guarantee by the Portuguese State.

This operation involved public support estimated at Euro 2,255 million that aimed to cover future contingencies and that was financed in Euro 489 million by the Resolution Fund and Euro 1,766 million directly by the Portuguese State.

On 21 July 2016, the Resolution Fund made a payment to the State, amounting to Euro 163,120 thousand, as an early partial repayment of the resolution measure applied to Banif.

As noted above for BES, if lenders are found to assume a greater loss than they hypothetically would have had Banif entered into a liquidation process immediately prior to the application of the resolution measure, those creditors are entitled to receive the difference from the Resolution Fund.

Liabilities and funding of the Resolution Fund

Following the resolution measures applied to BES and Banif and the sale agreement of Novo Banco to Lone Star, the Resolution Fund contracted the loans referred to above and assumed liabilities and contingent liabilities resulting from:

- the effects of the application of the principle that no creditor of an institution under resolution may assume a greater loss than it would have assumed had that institution entered into liquidation;
- the negative effects arising from the resolution process resulting in additional liabilities or contingencies for Novo Banco, which must be neutralized by the Resolution Fund;
- legal proceedings against the Resolution Fund;
- the guarantee provided to the bonds issued by Oitante. This guarantee is counter-guaranteed by the Portuguese State; and
- the contingent capitalization mechanism associated with the sale process of Novo Banco to Lone Star.

To preserve the financial stability through the promotion of conditions that provide predictability and stability to the contributory effort to the Resolution Fund, the Portuguese Government has agreed with the European Commission to change the conditions of the financing provided by the Portuguese State and the participating banks to the Resolution Fund. To this end, an amendment to the Resolution Fund's financing agreements have been formalized, introducing a number of changes to the repayment plans, remuneration rates, and other terms and conditions associated with these loans, to adjust them to the Resolution Fund's ability to fully meet its obligations on the basis of its regular revenues, i.e. without the need for any charges to be made to the participating banks for special contributions or any other type of extraordinary contribution.

According to the Resolution Fund's announcement of 31 March 2017, the revision of the conditions of the financing granted by the Portuguese State and the participating banks was aimed at ensuring the sustainability and financial equilibrium of the Resolution Fund, based on a stable, predictable and affordable burden for the banking sector. Based on this revision, the Resolution Fund considered that the full payment of its liabilities as well as their respective remuneration was ensured, without the need for special contributions or any other extraordinary contributions from the banking sector.

Notwithstanding the possibility provided for in the applicable legislation for the collection of special contributions, given the renegotiation of the terms of the loans granted to the Resolution Fund by the Portuguese State and by a bank syndicate, in which the Bank is included, and the public announcements

made by the Resolution Fund and the Office of the Minister of Finance, these financial statements reflect the expectation of the Board of Directors that the Bank will not be called upon to make special contributions or any other extraordinary contributions to finance the Resolution Fund.

Any significant changes in this regard could have material implications on these financial statements.

Competition Authority

On 9 September 2019, Caixa Económica Montepio Geral, caixa económica bancária, S.A. (Banco Montepio) was notified of the final Decision of the Competition Authority ("CA") on administrative process PRC-2012/9 ("Decision"), under which this entity applied on Banco Montepio a fine of Euro 13 million due to breach of article 9 of Law no. 19/2012, of 8 May (as per the wording in force) and article 101 of the Treaty on the Functioning of the European Union ("TFEU").

Banco Montepio, as well as several other targeted institutions in the CA process, filed an appeal to challenge this Decision before the Competition, Regulation and Supervision Court ("CRSC") on 21 October 2019 (process no. 225/15.4YUSTR). The judicial challenge suspended the effects of the CA Decision, and in particular the obligation to pay the fine, following the CRSC ruling and the subsequent provision of security under the terms determined by the Court. In April 2022 the CRSC decided to stay the proceedings and refer two preliminary questions to the Court of Justice of the European Union ("CJEU"), pursuant to article 267 of the TFEU.

By judgment given on 29 July 2024, the CJEU concluded that article 101 of the TFEU should be interpreted as meaning that an exchange of information between competing credit institutions, such as that described by the CRSC in the referral can be qualified as a restriction of competition by object.

By judgment given on 20 September 2024, the CRSC confirmed the CA's decision and maintained the fine applied to Banco Montepio in the amount Euro 13 million.

On 15 October 2024, Banco Montepio appealed the CRSC sentence to the Lisbon Court of Appeal ("LCA").

By ruling of 10 February 2025, the Lisbon Court of Appeal declared the administrative offense proceedings against all defendants, including Banco Montepio, to be time-barred and ordered the case dismissed. The Competition Authority and the Public Prosecutor's Office appealed the Lisbon Court of Appeal's ruling to the Constitutional Court. On 4 June 2025, the Constitutional Court issued a summary decision, deciding not to hear the appeals filed by the CA and the Public Prosecutor's Office. On 26 June 2025, the CA filed an appeal seeking review of the Constitutional Court's summary decision. By Ruling issued on 25 August 2025, the Constitutional Court dismissed the appeal filed by the CA. The Court of Appeal's ruling became final on 9 September 2025 and the case is closed.

In March and April 2024, Banco Montepio was summoned to the collective cases brought by the association Ius Omnibus (processes no. 2/24.1YQSTR and no. 6/24.4YQSTR) and by Ampemep - Associação de Micro, Pequenas e Médias Empresas Portuguesas (process no. 10/24.1YQSTR) at the CRSC, in which other Credit Institutions are also defendants.

These processes take the form of private enforcement cases for the alleged violation of competition law arising from information sharing that is the subject of the aforementioned process PRC/2012/9 of the Competition Authority. The cases brought allege general estimates of damages based on economic studies and do not include specific compensation claims against each of the defendants.

Banco Montepio filed objections in processes no. 2/24.1YQSTR, 6/24.4YQSTR and 10/24.1YQSTR.

In January 2025, the Competition Court appended processes no. 6/24.4YQSTR and no. 10/24.1YQSTR. By order of 8 July 2025, the CSRC acquitted all Defendants in the proceedings regarding the case brought by Ius Omnibus (proc. 6/24.4YQSTR). In July 2025, the CSRC dismissed, for procedural reasons, the process brought by the association Ius Omnibus against the Defendants (including Banco Montepio) in process 6/24.4YQSTR, and this decision became final. Also in July 2025, regarding the case filed by Ampemep

(process 10/24.1YQSTR), the CSRC issued a ruling dismissing the claims made against the Defendants (including Banco Montepio) regarding the payment of compensation to the alleged injured parties and the reimbursement of legal expenses to the funds financing the case, determining that the case should proceed solely for the assessment of the possible illegality of the Defendants' conduct, thus converting the Ampemep case into a merely declaratory case. Both Ampemep and the Defendants, including Banco Montepio, appealed the decision in the part that was unfavourable to them.

In March 2026, Banco Montepio and other credit institutions were cited in a new class action lawsuit filed by the association Ius Omnibus (process no. 3/26.5YQSTR), running its course in the Competition, Regulation and Supervision Court ("CRSC"), with the intention of obtaining, from the Defendants – including Banco Montepio -, information that allows establishing the companies that contracted, in Portugal, corporate credit products between May 2002 and May 2013. The defence was filed on 28 April 2026.

Bank of Portugal

The Bank has been the subject of some administrative offense processes instituted by the Bank of Portugal, for alleged practices and infractions in supervisory matters.

The evolution of these processes is regularly monitored by Banco Montepio's Board of Directors, with technical-legal intervention under the responsibility of its Legal Directorate and, in certain cases, by law firms, which services are contracted on a case-by-case basis.

For most of these processes, the Bank of Portugal issued decisions in the scope of summary proceedings, whereby it proposed a single fine of substantially less than the amount of the potential maximum fine, and, as regards the two processes still underway, these are still in preliminary phases, which significantly limits the risk analysis; even so, it is considered that the Bank has serious and reasonable lines of defence, whether in terms of factual support, or in terms of the legal framework, regarding most of the infractions that might hypothetically be imputed to it.

Thus, and notwithstanding the Board of Directors considering as possible that the Bank's lines of defence will be successful, in whole or in part, in relation to any of the infractions that are imputed to it, even if the respective risk of being sentenced still exists, it is the Board's conviction that the amount of the consequent sanctions will not exceed the amount of provisions recognized by the Bank as at 30 June 2026.

55 Subsidiaries and associates

As at 30 June 2026 and 31 December 2025, the Companies consolidated under the full consolidation method in the Group are as follows:

	Group					
	Jun 2026					
Subsidiary	Head office	Share capital	Currency	Activity	% of control	% of effective part
Montepio Crédito - Instituição Financeira de Crédito, S.A. (*)	Oporto	70 000 000	euro	Specialised loans	100.00%	100.00%
Montepio Holding, S.G.P.S., S.A.	Lisbon	175 000 000	euro	Management of shareholding	100.00%	100.00%
Montepio Investimento, S.A.	Lisbon	30 000 000	euro	Banking	100.00%	100.00%
SSAGINCENTIVE - Sociedade de Serviços Auxiliares e de Gestão de Imóveis, S.A.	Lisbon	100 000	euro	Management of real estate	100.00%	100.00%
Montepio Serviços, A.C.E. (**)	Lisbon	-	-	Business support services	78.00%	78.00%

(*) Capital increase of 25,000 thousand euros occurred in March 2026.
(**) As an Economic Interest Grouping (ACE), Montepio Serviços, ACE does not have share capital.

	Group					
	Dec 2025					
Subsidiary	Head office	Share capital	Currency	Activity	% of control	% of effective part
Montepio Crédito - Instituição Financeira de Crédito, S.A.	Oporto	45 000 000	euro	Specialised loans	100.00%	100.00%
Montepio Holding, S.G.P.S., S.A.	Lisbon	175 000 000	euro	Management of shareholding	100.00%	100.00%
Montepio Investimento, S.A.	Lisbon	30 000 000	euro	Banking	100.00%	100.00%
SSAGINCENTIVE - Sociedade de Serviços Auxiliares e de Gestão de Imóveis, S.A.	Lisbon	100 000	euro	Management of real estate	100.00%	100.00%
Montepio Serviços, A.C.E. (*)	Lisbon	-	-	Business support services	80.00%	80.00%

(*) As an Economic Interest Grouping (ACE), Montepio Serviços, ACE does not have share capital.

As at 30 June 2026, the Group's Associates accounted for under the equity method are as follows:

(Euro)

Subsidiary	Head office	Share capital	Activity	% held
CESource, ACE	Lisbon	-	Management of IT systems	18.00%

(*) As an Economic Interest Grouping (ACE), CESource, ACE does not have share capital.
(**) On 13 May 2026, the shareholding in HTA - Hotéis, Turismo e Animação dos Açores, S.A. was disposed of.

As at 31 December 2025, the Group's Associates accounted for under the equity method are as follows:

(Euro)

Subsidiary	Head office	Share capital	Activity	% held
HTA - Hotéis, Turismo e Animação dos Açores, S.A.	S. Miguel Island	10 000 000	Accomodation, catering and similar/Hotels with restaurant	20.00%
CESource, ACE	Lisbon	-	Management of IT systems	18.00%

As at 30 June 2026 and 31 December 2025, the consolidation perimeter of the Group includes the following special purpose entities and investment funds:

Subsidiary	Establishment year	Acquisition year	Head office	% of controlling interest	Consolidation method
Valor Arrendamento - Fundo de Investimento Imobiliário Fechado	2013	2013	Lisbon	100%	Full
Polaris - Fundo de Investimento Imobiliário Fechado	2009	2012	Lisbon	100%	Full
Carteira Imobiliária - Fundo Especial de Investimento Imobiliário Aberto (FEIIA)	2013	2013	Lisbon	100%	Full
Pelican Finance No 2	2021	2021	Lisbon	100%	Full

56 Subsequent events

Since February 2026 and subsequent to June 2026, the escalation of geopolitical tensions associated with the conflict between the United States and Israel with Iran has resulted in increased levels of volatility in international financial markets. Uncertainty regarding the development of these events may impact the activities of the Banco Montepio Group, particularly in the event of widespread asset devaluations; however, at this time, there is no information available to quantify potential effects. The Banco Montepio Group will pay close attention to the evolution of the situation and market conditions, adopting, whenever necessary, the management measures appropriate to mitigating any adverse impacts.

In August 2026, the European Central Bank ("ECB") decided to revoke the authorization of the subsidiary Montepio Investimento, SA, which operated under the brand BEM – Banco Empresas Montepio. The ECB's decision was adopted under point (d) of number 1 of article 22 of the Legal Framework of Credit Institutions and Financial Companies and considers, in the ECB's view, there to be an absence of sufficient evidence that the planned sale of the share capital of BEM, communicated to the market on 8 September 2023, can be completed within the contractually stipulated period.

Between 30 June 2026 and the date of approval of these financial statements by the Board of Directors of the Banco Montepio Group, there were no subsequent events that required adjustments or modifications to them.

REPORT AND ACCOUNTS

ACCOUNTS AND NOTES TO THE INTERIM CONDENSED INDIVIDUAL ACCOUNTS

1ST HALF 2026

Banco Montepio

Banco Montepio

Interim Condensed Individual Income Statement
for the six months period ended on 30 June 2026

(Euro thousand)

	Notes	Jun 2026	Jun 2025
Interest and similar income	2	270 562	294 427
Interest and similar expense	2	114 239	137 173
Net interest income		156 323	157 254
Dividends from equity instruments	3	1 238	569
Net fee and commission income	4	68 950	64 490
Net gains/ (losses) arising from financial assets and liabilities at fair value through profit or loss	5	2 080	(1 570)
Net gains/ (losses) arising from financial assets at fair value through other comprehensive income	6	1 326	731
Net gains/ (losses) arising from exchange differences	7	433	2 285
Net gains/ (losses) arising from sale of other financial assets	8	5 520	9 551
Other operating income/ (expense)	9	(16 792)	(14 320)
Total operating income		219 078	218 990
Staff costs	10	75 592	73 776
General and administrative expenses	11	35 969	34 964
Depreciation and amortization	12	25 147	25 120
Total operating cost		136 708	133 860
Impairment of loans and advances to customers and to credit institutions	13	(1 365)	(7 708)
Impairment of other financial assets	14	549	133
Impairment of other assets	15	(3 686)	447
Other provisions	16	(1 016)	(1 514)
Profit/ (loss) before income tax		87 888	93 772
Income Tax			
Current	29	(6 566)	(952)
Deferred	29	(16 811)	(13 463)
Net profit/ (loss) for the period		64 511	79 357
Earnings per share			
Basic		0.027	0.033
Diluted		0.027	0.033

THE CHIEF ACCOUNTANT

THE BOARD OF DIRECTORS

To be read with the notes attached to the Interim Separate Financial Statements

Banco Montepio

Interim Condensed Indiviual Statement of Comprehensive Income

for the six months period ended on 30 June 2026

(Euro thousand)

	Notes	Jun 2026	Jun 2025
Items that may be reclassified to the Income Statement			
Fair value reserves			
Financial assets at fair value through other comprehensive income			
Debt instruments	40	(1 959)	(2 364)
Taxes related to fair value changes	29 and 40	513	710
		(1 446)	(1 654)
Items that will not be reclassified to the Income Statement			
Fair value reserves			
Financial assets at fair value through other comprehensive income			
Equity instruments	40	22	(43)
Remeasurements of post-employment and long term benefits	44	4 747	32 786
Taxes	29	-	(4 452)
		4 769	28 291
Other comprehensive income for the period		3 323	26 637
Net income		64 511	79 357
Total comprehensive income for the period		67 834	105 994

THE CHIEF ACCOUNTANT

THE BOARD OF DIRECTORS

To be read with the notes attached to the Interim Separate Financial Statements

Banco Montepio

Interim Condensed Individual Balance Sheet ended on 30 June 2026

(Euro thousand)

	Notes	Jun 2026	Dec 2025
Assets			
Cash and deposits at central banks	17	988 706	1 256 046
Loans and deposits to credit institutions payable on demand	18	37 959	37 757
Other loans and advances to credit institutions	19	292 624	453 367
Loans and advances to customers	20	13 408 788	12 694 751
Financial assets held for trading	21	26 203	13 709
Financial assets at fair value through profit or loss	22	125 378	128 240
Financial assets at fair value through other comprehensive income	23	502 370	505 551
Hedging derivatives	24	1 227	23 434
Other financial assets at amortized cost	25	4 444 844	3 870 964
Investments in associated companies	26	294 061	289 193
Other tangible assets	27	185 549	188 173
Intangible assets	28	68 260	68 268
Current tax assets	29	328	472
Deferred tax assets	29	248 931	265 228
Other assets	30	299 484	296 380
Total Assets		20 924 712	20 091 533
Liabilities			
Deposits from other credit institutions	31	758 949	795 137
Deposits from customers	32	16 784 352	16 307 596
Debt securities issued	33	950 207	616 124
Financial liabilities associated to transfered assets	34	10 785	16 568
Financial liabilities held for trading	21	5 936	5 870
Hedging derivatives	24	31 966	28 031
Provisions	35	10 758	11 820
Current tax liabilities	29	7 151	1 059
Other subordinated debt	36	257 326	270 084
Other liabilities	37	279 596	243 312
Total Liabilities		19 097 026	18 295 601
Equity			
Share capital	38	1 214 810	1 214 810
Legal reserve	39	229 719	217 697
Fair value reserves	40	8 046	9 470
Other reserves and Retained earnings	40	310 600	233 733
Net profit / (loss) for the period		64 511	120 222
Total Equity		1 827 686	1 795 932
Total Liabilities and Equity		20 924 712	20 091 533

THE CHIEF ACCOUNTANT

THE BOARD OF DIRECTORS

To be read with the notes attached to the Interim Separate Financial Statements

Banco Montepio

Interim Condensed Individual Statement of Cash Flow
for the six months period ended on 30 June 2026

(Euro thousand)

	Jun 2026	Jun 2025
Cash arising from operating activities		
Interest income received	255 661	278 431
Interest expense paid	(141 001)	(168 047)
Commission received	80 464	78 471
Commission paid	(11 998)	(14 198)
Costs with staff and suppliers	(112 500)	(108 273)
Recovery of loans and interest	1 710	4 211
Other payments and receivables	21 285	42 643
Income tax payment	(328)	(212)
	93 293	113 026
(Increases) / Decreases in operating assets		
Loans and advances to credit institutions and customers	(551 264)	(495 027)
(Purchase)/Sale of financial assets held for trading	6 189	4 961
(Purchase)/Sale of financial assets at fair value through profit or loss	6 384	8 401
(Purchase)/Sale of financial assets at fair value through other comprehensive income	3 164	(38 770)
(Purchase)/Sale of other financial assets at amortized cost	(570 398)	(118 896)
Other assets	8 469	18 232
	(1 097 456)	(621 099)
Increases / (Decreases) in operating liabilities		
Deposits from customers	480 007	646 597
Deposits from credit institutions	(36 264)	(19 872)
	443 743	626 725
	(560 420)	118 652
Cash from investing activities		
Dividends received (note 3)	1 238	569
(Purchase) / Sale of investments in associates	1 573	-
Purchase of fixed assets (notes 27 and 28)	(22 716)	(27 904)
	(19 905)	(27 335)
Cash from financing activities		
Dividends paid (note 41)	(36 080)	(30 613)
(Issuance) / Repayment of cash bonds and subordinated debt (notes 33 and 36)	349 443	162 509
Lease Contracts	(237)	(934)
	313 126	130 962
Effect of changes in cash exchange rate and cash equivalents	61	1 868
Net change in cash and cash equivalents	(267 138)	224 147
Cash and cash equivalents at the beginning of the period		
Cash and deposits at central banks (note 17)	1 256 046	1 474 536
Loans and deposits to credit institutions payable on demand (note 18)	37 757	35 084
	1 293 803	1 509 620
Cash and cash equivalents at the end of the period		
Cash and deposits at central banks (note 17)	988 706	1 691 164
Loans and deposits to credit institutions payable on demand (note 18)	37 959	42 603
	1 026 665	1 733 767

THE CHIEF ACCOUNTANT

THE BOARD OF DIRECTORS

To be read with the notes attached to the Interim Separate Financial Statements

Banco Montepio

Interim Condensed Individual Statement of Changes in Equity
for the six months period ended on 30 June 2026

(Euro thousand)

	Share Capital (note 38)	Legal Reserve (note 39)	Fair value Reserve (note 40)	Other reserves and Retained earnings (note 40)	Net Income	Total Equity
Balance on 31 December 2024	**1 210 000**	**207 487**	**11 661**	**148 133**	**102 095**	**1 679 376**
Application of net income in 2024:						
Retained earnings	-	-	-	61 272	(61 272)	-
Legal reserve	-	10 210	-	-	(10 210)	-
Dividends paid	-	-	-	-	(30 613)	(30 613)
Other comprehensive income:	-	-	(1 697)	28 334	-	26 637
Remeasurements of post-employment and long-term benefits (note 44)	-	-	-	32 786	-	32 786
Changes in fair value of debts instruments	-	-	(2 364)	-	-	(2 364)
Changes in the fair value of capital instruments	-	-	(43)	-	-	(43)
Taxes on chnages in fair value (note 29)	-	-	710	-	-	710
Taxes on remeasurements of defined benfet plans	-	-	-	(4 452)	-	(4 452)
Net income for the period	-	-	-	-	79 357	79 357
Total comprehensive income for the period	-	-	(1 697)	28 334	79 357	105 994
Other movements	-	-	-	-	-	-
Balance on 30 June 2025	**1 210 000**	**217 697**	**9 964**	**237 739**	**79 357**	**1 754 757**
Other comprehensive income:	-	-	(494)	804	-	310
Remeasurements of post-employment and long-term benefits (note 44)	-	-	-	(94)	-	(94)
Realized gains on capital instruments	-	-	-	898	-	898
Changes in fair value of debts instruments	-	-	(530)	-	-	(530)
Changes in the fair value of capital instruments	-	-	(719)	-	-	(719)
Taxes on chnages in fair value (note 29)	-	-	755	-	-	755
Net income for the period	-	-	-	-	40 865	40 865
Total comprehensive income for the period	-	-	(494)	804	40 865	41 175
Capital increase related to READ	4 810	-	-	(4 810)	-	-
Balance on 31 December 2025	**1 214 810**	**217 697**	**9 470**	**233 733**	**120 222**	**1 795 932**
Application of net income in 2025:						
Retained earnings	-	-	-	72 120	(72 120)	-
Legal reserve	-	12 022	-	-	(12 022)	-
Dividends paid	-	-	-	-	(36 080)	(36 080)
Other comprehensive income:	-	-	(1 424)	4 747	-	3 323
Remeasurements of post-employment and long-term benefits (note 44)	-	-	-	4 747	-	4 747
Realized gains on capital instruments	-	-	-	-	-	-
Changes in fair value of debts instruments	-	-	(1 959)	-	-	(1 959)
Changes in the fair value of capital instruments	-	-	22	-	-	22
Taxes on chnages in fair value (note 29)	-	-	513	-	-	513
Taxes on remeasurements of defined benfet plans	-	-	-		-	-
Net income for the period	-	-	-	-	64 511	64 511
Total comprehensive income for the period	-	-	(1 424)	4 747	64 511	67 834
Other movements	-	-	-	-	-	-
Balance on 30 June 2026	**1 214 810**	**229 719**	**8 046**	**310 600**	**64 511**	**1 827 686**

THE CHIEF ACCOUNTANT

THE BOARD OF DIRECTORS

Introduction

Caixa Económica Montepio Geral, caixa económica bancária, S.A. (hereinafter "Banco Montepio"), with registered office at Rua Castilho, no. 5, 1250-066, Lisbon, is a credit institution majority held by Montepio Geral Associação Mutualista (hereinafter "MGAM") which was incorporated on 24 March 1844. Banco Montepio is authorized to operate in accordance with Decree-Laws no. 298/92, of 31 December, and no. 136/79, of 18 May, which regulate the activity of savings banks and establish some restrictions to their activities. Banco Montepio is authorized to perform banking operations in addition to those mentioned in its by-laws, if generally authorized by the Bank of Portugal. This fact leads to the practice of banking operations in general.

On 10 September 2015, Decree-Law no. 190/2015 was published, introducing amendments in the Legal Framework of Credit Institutions and Financial Companies and in the Mutual Association Code. Following the publication of this Decree-Law, Banco Montepio changed its classification to "caixa económica bancária".

On 14 September 2017, the By-laws deed was executed, transforming Caixa Económica Montepio Geral into a public limited company, changing its legal name to Caixa Económica Montepio Geral, caixa económica bancária, S.A.

1 Accounting Policies

a) Bases of presentation

The financial statements of Banco Montepio have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as endorsed by the European Union ("EU"), in compliance with Regulation (EC) no. 1606/2002 of the European Parliament and the Council, of 19 July and Notice no. 5/2015 of the Bank of Portugal, of 7 December. IFRS comprise accounting standards issued by the International Accounting Standards Board ("IASB") as well as interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and their predecessor bodies.

The condensed interim separate financial statements of Banco Montepio and the notes refer to the half year ended 30 June 2026 and were approved by the Board of Directors of Banco Montepio on 29 September 2026.

The financial statements presented were prepared for recognition and measurement purposes in accordance with the IFRS approved by the European Union and in force on 1 January 2026, applying, in particular, IAS 34 – Interim Financial Reporting ("IAS 34"). Consequently, these financial statements do not include all the information required for the preparation of separate financial statements prepared in accordance with IFRS, as adopted by the European Union, and should therefore be read in conjunction with the financial statements for financial year ended 31 December 2025.

The interim separate financial statements of Banco Montepio are presented in Euro, rounded to the nearest thousand, with all references to any standards always relating to the respective version in force on the reporting date. These financial statements were prepared on the going concern, accrual and historical cost principles, as modified by the application of fair value for derivative financial instruments, financial assets and liabilities recognized at fair value through profit or loss and financial assets at fair value through other comprehensive income.

Financial assets and liabilities subject to hedge accounting are stated at fair value in respect of the risk that is being hedged. The remaining financial assets and liabilities, as well as non-financial assets and liabilities, are recorded at amortized or historical cost. Non-current assets held for sale are recorded at the lower of their carrying amount or fair value less costs to sell.

The preparation of the financial statements in accordance with IFRS requires the Board of Directors to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported

amounts of assets, liabilities, income and expenses. The estimates and assumptions used are based on historical experience and other factors that are believed to be reasonable under the circumstances, constituting the basis for making the judgments about the book values of assets and liabilities that are not readily apparent from other sources. The actual results may differ from the estimates made. The main estimates and assumptions involving a higher degree of judgment or complexity, or for which the assumptions are considered to be significant, are described in the accounting policy described in note 1 w).

b) Financial instruments – IFRS 9

b.1) Classification of financial assets

The Bank classifies its financial assets into one of the following valuation categories:

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

The classification requirements for debt and equity instruments are as follows:

b.1.1) Debt instruments

Debt instruments are instruments that meet the definition of financial liability from the issuer's perspective, such as loans, public and private bonds, and accounts receivable acquired from customers with non-recourse factoring contracts.

The classification and subsequent valuation of these instruments in the previous categories are based on the following two elements:

- the Bank's business model for financial asset management; and
- the characteristics of the contractual cash flows from the financial assets.

Based on these elements, the Bank classifies its debt instruments for valuation purposes in one of the following three categories:

a) Financial assets at amortized cost, when the following two conditions are met:
   - they are managed under a business model which objective is the holding of financial assets to receive contractual cash flows; and
   - the contractual conditions give rise to cash flows on specific dates, which are only payments of principal and interest on the principal outstanding.

   In addition to debt instruments managed based on a business model which purpose is to receive their contractual cash flows, which are recorded in the caption Other financial assets at amortized cost, the category of financial assets at amortized cost also includes Loans and advances to credit institutions and Loans and advances to customers.

b) Financial assets at fair value through other comprehensive income, when the following two conditions are met:
   - they are managed under a business model which purpose combines the receipt of contractual cash flows from financial assets and their sale; and
   - the contractual conditions give rise to cash flows on specific dates, which are only payments of principal and interest on the principal outstanding.

c) Financial assets at fair value through profit or loss, whenever due to the Bank's business model or the characteristics of their contractual cash flows, it is not appropriate to classify financial assets in any of the previous categories. At the transition date, to classify financial assets in this category, the Bank also considered whether it expects to recover the book value of the asset through the sale to a third party.

This portfolio also includes all instruments in respect of which any of the following characteristics are met:

- that were originated or acquired for the purpose of being traded in the short term;
- that are part of a group of identified and jointly managed financial instruments for which there is evidence of recent actions aimed at achieving short-term gains; and
- that are derivative instruments that do not meet the definition of a financial collateral agreement and have not been designated as hedging instruments.

Assessment of the business model

The business model reflects the way the Bank manages its assets from a cash flow generation perspective. Therefore, it is important to understand whether the Bank's objective is only to receive contractual cash flows from assets or whether it intends to receive the contractual cash flows and the cash flows from the sale of the assets. If none of these situations apply (e.g., financial assets are held for trading), then financial assets are classified as part of "another" business model and recognized at fair value through profit or loss. Factors considered by the Bank in identifying the business model for a set of assets include past experience of how: (i) cash flows are received; (ii) how asset performance is assessed and reported to the management body; (iii) how risks are assessed and managed and (iv) how directors are remunerated.

Securities held for trading serve, essentially, for the purpose of being sold in the short term, or as part of a portfolio of jointly managed financial instruments, for which there is clear evidence of a recent pattern of short-term gains. These securities are classified under "other" business models and recognized at fair value through profit or loss.

The assessment of the business model does not depend on the intentions for an individual instrument, but rather for a set of instruments, considering the frequency, value, the timing of sales in previous financial periods, the reasons for such sales and the expectations regarding future sales. Near-maturity sales and those motivated by the increased credit risk of the financial assets, or to manage concentration risk, among others, may be consistent with the model of holding assets to receive contractual cash flows, if those sales are infrequent (albeit significant in value) or if they are of an immaterial value, both individually and in aggregate (even if frequent). To the effect, Banco Montepio considers as immaterial sales of up to 10% of the nominal value of the sales of the portfolio and as infrequent 4 sales per year, regardless of the time interval between the transactions.

If a financial asset contains a contractual clause that may modify the timing or value of the contractual cash flows (such as early amortization or extension of the term), the Bank determines whether the cash flows that will be generated during the life of the instrument, due to the exercise of said contractual clause, are only payments of principal and interest on the principal outstanding.

In the event a financial asset includes a periodic interest rate adjustment, but the frequency of such adjustment does not coincide with the reference interest rate term (for example, the interest rate is adjusted every three months), the Bank assesses, on initial recognition, such inconsistency in the interest component to determine whether the contractual cash flows represent only payments of principal and interest on the principal outstanding.

Contractual conditions that, on initial recognition, have a minimal effect on cash flows or depend on the occurrence of exceptional or highly unlikely events (such as settlement by the issuer) do not preclude their classification in the portfolios at amortized cost or at fair value through other comprehensive income.

SPPI assessment

When the business model consists of holding assets for the purpose of: (i) receiving contractual cash flows or (ii) receiving contractual cash flows and selling these assets, the Bank assesses whether the cash flows of the financial instrument correspond solely to payments of principal and interest on the principal outstanding (the "solely payments of principal and interest" ("SPPI") test).

In this assessment, the Bank considers whether the contractual cash flows are consistent with a basic loan agreement, i.e., the interest includes only considerations regarding the time value of money, credit risk, other

normal credit risks and a profit margin that is consistent with a basic loan agreement. When the contractual terms introduce risk exposure or cash flow variability that is inconsistent with a simple loan agreement, the financial instrument is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether cash flows correspond solely to payments of principal and interest on the principal outstanding ("SPPI" test).

b.1.2) Equity instruments

Equity instruments are instruments that meet the definition of capital from the issuer's perspective, that is, they are instruments that do not contain a contractual obligation to pay and that show a residual interest in the issuer's net assets. An example of equity instruments are the ordinary shares.

Investments in equity instruments are an exception to the general valuation criteria described above. The Bank exercises the option, on initial recognition, to irrevocably designate in the category of financial assets at fair value through other comprehensive income the investments in equity instruments that are not classified as held for trading and which, in the case of not exercising said option, would be classified as assets at fair value through profit or loss.

b.2) Classification of financial liabilities

An instrument is classified as a financial liability when there is a contractual obligation for its settlement to be realized through the delivery of cash or another financial asset, regardless of its legal form. Financial liabilities are classified in the following categories:

(i) Financial liabilities at amortized cost

This category includes deposits from central banks and other credit institutions, deposits from customers, debt securities issued and other subordinated liabilities.

(ii) Financial assets held for trading

This category includes derivative financial instruments with a negative fair value, as per note 1 c).

(iii) Financial liabilities at fair value through profit or loss (Fair Value Option)

This category includes financial instruments designated by the Bank, on initial recognition, in this category provided that at least one of the following requirements is met:

- the financial liabilities are internally managed, valued and analysed based on their fair value;
- derivative operations are contracted to hedge these assets or liabilities, in this manner ensuring consistency in the valuation of assets or liabilities and the derivatives (countering accounting mismatch); and
- the financial liabilities contain embedded derivatives.

(iv) Financial liabilities associated with assets transferred

This category includes liabilities associated with credit securitization operations that were not derecognized following the application of IFRS 9 - Financial instruments. These liabilities are initially recorded at the amount received on the cession of the loans and are subsequently valued at amortized cost, in a manner coherent with the valuation of the corresponding assets and the conditions defined in the securitization operation.

b.3) Recognition and initial valuation of financial instruments

On initial recognition all financial instruments are recorded at fair value. For financial instruments that are not recorded at fair value through profit or loss, the fair value is adjusted by adding or subtracting transaction costs directly attributable to their acquisition or issue. In the case of financial instruments at fair value through profit or loss, directly attributable transaction costs are recognized immediately in profit or loss.

Transaction costs are defined as costs directly attributable to the acquisition or disposal of a financial asset, or the issue or assumption of a financial liability, which would not have been incurred if the Bank had not

made the transaction. These include, for example, commissions paid to intermediaries (such as promoters) and mortgage formalization expenses.

Financial assets and liabilities are recognized in the balance sheet on the transaction date - the date on which the Bank undertakes to acquire the assets, unless there is a contractual stipulation or applicable legal figure stating that the transfer of the rights occurs at a later date.

On initial recognition, when the fair value of financial assets and liabilities differs from the transaction price, the entity shall recognize this difference as follows:

- When the fair value is evidenced by the quotation in an active market of an equivalent asset or liability (i.e., level 1 inputs) or based on a valuation technique that uses only observable market data, the difference is recognized as a gain or loss; and
- In the remaining cases, the difference is deferred, and the moment of the initial recognition of the gain or loss is determined individually. This difference may then be: (i) amortized over the life of the instrument; (ii) deferred until the fair value of the instrument can be determined using observable market data or (iii) recognized through the liquidation of the asset or liability.

Banco Montepio recognizes in profit or loss the day one profit, generated primarily by the intermediation of derivative and foreign exchange financial products, since the fair value of these instruments, both on the date of initial recognition or subsequently, is determined based solely on observable market variables and reflects Banco Montepio's access to wholesale financial markets.

b.4) *Subsequent valuation of financial instruments*

Subsequent to initial recognition, the Bank values its financial assets: (i) at amortized cost; (ii) at fair value through other comprehensive income or (iii) at fair value through profit or loss.

Amounts receivable from commercial operations that do not have a significant financing component and commercial loans and short-term debt instruments that are initially valued at transaction price or outstanding principal, respectively, are valued at said amount net of impairment losses.

Immediately after initial recognition, an impairment is also recognized for expected credit losses (ECL), of financial assets measured at amortized cost and investments in debt instruments measured at fair value through other comprehensive income, resulting in the recognition of an impairment loss when the asset is originated.

Financial liabilities are initially recorded at fair value less transaction costs incurred and subsequently at amortized cost, based on the effective interest rate method, except for financial liabilities designated at fair value through profit or loss, which are recorded at fair value.

Whenever there is a change in the estimate of future cash flows, the new estimate of future cash flows is discounted at the initially estimated effective interest rate. The difference between the sum of these new future cash flows discounted at the initially estimated effective interest rate and the amount currently on the balance sheet is recognized in the income statement. Subsequently, interest continues to be accrued based on the original effective rate considering the estimated new cash flows and the amortized cost of the recalculated liability.

b.5) *Interest recognition*

Interest income and expense from financial asset and liability instruments measured at amortized cost and from financial assets at fair value through other comprehensive income are recognized in interest and similar income or interest and similar expense (net interest income) using the effective interest rate method. Interest from financial assets and liabilities at fair value through profit or loss are recognized in net gains/(losses) arising from financial operations.

The effective interest rate is the rate that discounts the estimated future payments or receipts over the expected life of the financial instrument (or, where appropriate, over a shorter period) to the net present book value of the financial asset or liability.

For the determination of the effective interest rate, Banco Montepio estimates future cash flows considering all contractual terms of the financial instrument (e.g., prepayment options) but not considering any impairment losses. The calculation includes commissions paid or received as an integral part of the effective interest rate, transaction costs and all premiums or discounts directly related to the transaction, except in respect of financial assets and liabilities at fair value through profit or loss.

Interest income related to financial instruments measured at amortized cost or a fair value through other comprehensive income and associated with contracts classified in Stage 1 or 2 is calculated by applying the effective interest rate of each contract to its gross book value, which corresponds to its amortized cost before deducting the respective impairment.

For financial assets included in Stage 3, interest is recognized in profit or loss based on their book value net of impairment. Interest is always recognized prospectively, i.e., for financial assets that enter Stage 3, interest is recognized on the amortized cost (net of impairment) in the subsequent periods.

For financial assets originated or acquired in credit impairment ("POCI"), the effective interest rate reflects the expected credit losses determined based on the expected future cash flows receivable from the financial asset.

For derivative financial instruments, except for those classified as interest rate risk hedging instruments, the interest component is not separated from the changes in their fair value, being classified in Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss. For interest rate risk hedging derivatives associated with financial assets or financial liabilities recognized in the Fair Value Option category, the interest component is recognized in interest and similar income or interest and similar expense (net interest income).

b.6) *Reclassifications between financial instrument categories*

Reclassifications of financial assets can only occur when Banco Montepio changes its financial asset management business model, which changes are expected to be very infrequent. In this case, all affected financial assets shall be reclassified. The reclassification shall be applied prospectively from the date of the reclassification and there shall be no restatement of any previously recognized gains, losses (including impairment gains or losses) or interest. IFRS 9 does not permit the reclassification of investments in equity instruments measured at fair value through other comprehensive income or when the fair value option has been exercised for financial assets or liabilities. Financial liabilities may not be reclassified between categories.

b.7) *Modification of loans*

Occasionally, the Bank renegotiates or modifies contractual cash flows from loans to customers. In this situation, the Bank assesses whether the new contract terms are substantially different from the original terms. The Bank makes this analysis considering, among others, the following factors:

- If the debtor is in financial difficulty, whether the modification only reduces the contractual cash flows to an amount that the debtor is expected to be able to pay;
- A significant new term such as profit sharing or an equity-based return that substantially affects credit risk has been introduced;
- A significant extension of the contract maturity when the debtor is not in financial difficulty;
- A significant change in interest rate;
- A change from the currency in which the credit was contracted; and
- The inclusion of a collateral, a guarantee or another credit enhancement instrument that significantly affects the credit risk associated with the loan.

If the terms of the contract differ significantly, the Bank derecognizes the original financial asset and recognizes the new asset at fair value, calculating its new effective interest rate. On the renegotiation date the initial recognition date is considered for the purpose of calculating impairment, including for the purpose

of assessing whether a significant increase in credit risk has occurred. The Bank also assesses whether the newly recognized financial asset is impaired on initial recognition (designating it as a financial asset acquired or originated in impairment), especially when the renegotiation is related to the fact that the debtor did not make the originally agreed payments. Differences in book value are recognized in profit or loss as a de-recognition gain or loss. Financial assets acquired or originated in impairment, do not have impairment on initial recognition. Instead, expected credit losses over the lifetime are incorporated into the calculation of the effective interest rate. Consequently, on initial recognition, the gross book value of this asset is equal to the net book value.

If the terms of the contract are not significantly different, the renegotiation, or the modification, does not result in de-recognition and the Bank recalculates the gross book value based on the revised cash flows of the financial asset and recognizes a gain or loss from this modification in profit or loss. The new gross book value is recalculated by discounting the modified cash flows at the original effective interest rate.

Following the modification, the Bank may determine that credit risk has significantly improved, and assets have moved from Stage 3 to Stage 2 ("ECL lifetime") or from Stage 2 to Stage 1 ("ECL 12 months"), except for financial assets acquired or originated in impairment that are classified in Stage 3, it being that this situation can only occur when the performance of the modified asset is in accordance with the new contract terms for a period of twelve consecutive months. Additionally, the Bank shall continue to monitor whether there has been a significant increase in the credit risk of these assets, applying specific models for modified assets.

b.8) *De-recognition that does not result from a modification*

Financial assets granted are derecognized when the associated cash flows are extinguished, collected or disposed of to third parties and: (i) the Bank substantially transfers all risks and rewards associated with holding the asset or (ii) the Bank neither transfers nor substantially holds all risks and rewards associated with holding the asset and does not have control of the asset. Gains and losses from the disposal of loans and advances to customers on a definitive basis are recorded in Gains and losses from the disposal of other assets. These gains or losses correspond to the difference between the sale value set and the book value of these assets, net of impairment losses.

The Bank engages in transactions in which it has the contractual right to receive cash flows from assets but assumes a contractual obligation to channel those cash flows to other entities and substantially transfers all the risks and rewards. These transactions result in de-recognition of the asset if the Bank:

- Does not have any obligation to make payments unless it receives equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Is obliged to remit any cash flow it receives from assets without material delays.

Guarantees granted by the Bank (shares and bonds) through repurchase agreements and securities' lending and borrowing operations are not derecognized because the Bank substantially holds all risks and rewards based on the pre-established repurchase price, thus not meeting the de-recognition criteria. Financial liabilities are derecognized when the underlying obligation is settled, expires or is cancelled.

b.9) *Write-off policy*

Banco Montepio recognizes a loan write-off from assets when it has no reasonable expectation of fully or partially recovering that asset. This recognition occurs after all recovery actions performed by Banco Montepio turn out to be unsuccessful. Loans written off from assets are recorded in off-balance sheet accounts.

b.10) *Impairment of financial assets*

The Bank determines impairment losses of debt instruments that are measured at amortized cost and fair value through other comprehensive income, as well as for other exposures that have an associated credit risk such as bank guarantees and commitments.

The requirements of IFRS 9 have as their objective to recognize expected losses from operations, assessed on an individual or collective basis, considering all reasonable, reliable, and duly substantiated information that is available, including forward-looking information.

Impairment losses of debt instruments that are measured at amortized cost are recognized against a cumulative balance sheet caption, which reduces the book value of the asset, while impairment of assets measured at fair value through other comprehensive income is recognized against other comprehensive income.

Impairment losses of loans and advances to customers and of loans and advances to credit institutions in the financial year, measured at amortized cost, are recognized in the income statement in the caption Impairment of loans and advances, while those of the remaining financial assets are recognized in the caption Impairment of other financial assets.

Impairment losses of exposures that have an associated credit risk and that are not positions recorded in assets (e.g., bank guarantees and commitments assumed) are recorded as a provision in the caption Provisions under liabilities, in the balance sheet. The allocations and reversals are recorded in the caption Other provisions in the income statement.

For the purpose of accounting for impairment losses of debt instruments, the following definitions shall be considered:

a) Credit losses: correspond to the difference between all cash flows owed to the Bank, according to the contractual conditions of the financial asset, and all cash flows that the Bank expects to receive (i.e., the total cash-flow shortfall), discounted at the original effective interest rate or, at the effective interest rate on the date to which the financial statements refer, when the rate is variable. For financial assets acquired or originated in impairment with credit losses, the cash flows are discounted at the effective interest rate adjusted for credit quality.

   For commitments assumed, the contractual cash flows owed to the Bank that are expected to be received in the event of the use of the commitment are compared with the cash flows expected to be received on the recognition of the asset. In the case of bank guarantees, the payments that the Bank expects to make less the cash flows it expects to receive from the originator are considered.

   The Bank estimates cash flows considering the contractual term defined for the operations or the behavioural maturity.

   For the purpose of determining the cash flows, those arising from the sale of collateral received are also included, considering the flows that would be obtained from their sale, less the costs necessary to obtain, maintain and subsequently sell them, or other guarantees that may be part of the contractual conditions, such as financial collateral.

b) Expected credit losses: correspond to the weighted average of credit losses, using as weighting factor the probability of the occurrence of default events, considering: (i) expected credit losses over the lifetime of the operation for operations classified in Stage 2 or 3: these are the expected credit losses that result from possible default events over the expected life of the operation and (ii) expected credit losses over a twelve-month period for operations classified in Stage 1: these are part of the expected credit losses over the life of the instrument representing the expected credit losses that result from default events of a financial instrument that may occur within the period of twelve months from the reference date.

b.11) Impairment model of loans and advances to customers

IFRS 9 considers the expected losses throughout the lifetime of the financial instruments. Thus, prospective macroeconomic scenarios are considered when determining ECL, which changes have an impact on expected losses.

The impairment model is applicable to the following financial instruments of Banco Montepio that are not measured at fair value through profit or loss:

- Financial assets at amortized cost, including Loans and advances to customers, Loans and advances to credit institutions and Other financial assets at amortized cost;
- Financial assets classified as debt instruments at fair value through other comprehensive income; and
- Commitments and financial guarantees issued.

Impairment is not recognized on equity instruments since these are measured at fair value and the gains or losses resulting from their disposal are recognized in other comprehensive income.

Instruments that are subject to impairment calculations are divided into three Stages considering their credit risk level, as follows:

- Stage 1: no significant increase in credit risk since initial recognition. In this case, impairment losses reflect expected credit losses resulting from default events that may occur within twelve months after the reporting date;
- Stage 2: instruments for which there is a significant increase in credit risk since initial recognition, but for which there is still no objective evidence of impairment. In this case, impairment losses reflect expected credit losses resulting from default events that may occur over the expected residual life of the instrument; and
- Stage 3: instruments for which there is objective evidence of impairment as a result of events that originated losses. In this case, impairment losses reflect expected credit losses over the expected residual life of the instrument.

The calculation of impairment losses is complex and requires decisions from Management, estimates and assumptions, particularly in the following areas:

- Assessment of the existence of a significant increase in credit risk since initial recognition; and
- Incorporation of forward-looking information in the ECL calculation.

b.11.1) Calculation of ECLs

ECLs correspond to unbiased weighted estimates of credit losses, determined as follows:

- Financial assets in stages 1 or 2 at the reporting date: the present value of the difference between the contractual cash flows and the cash flows that Banco Montepio expects to receive;
- Financial assets in stage 3 at the reporting date: difference between the gross book value and the present value of the estimated cash flows;
- Unused credit commitments: the present value of the difference between the contractual cash flows that would result if the commitments were used and the cash flows that Banco Montepio expects to receive; and
- Financial guarantees: the present value of the expected reimbursement payments less the amounts that Banco Montepio expects to recover.

b.11.2) Definition of default

Banco Montepio aligned the definition used in the regulatory perspective with the accounting perspective, with financial assets classified in Stage 3 corresponding to the internal definition of default/NPL.

The main criteria for classification in default considered by Banco Montepio are the following:

- Overdue loans above the materiality limits defined for more than 90 consecutive days. For this purpose, the following materiality limits are considered: (i) relative limit of 1% and (ii) absolute limit of Euro 100 for retail exposures and Euro 500 for non-retail exposures;
- Non-performing loans, that is, when interest relating to loan obligations is no longer recognized in the financial statements due to the degradation of credit quality;
- Specific credit risk adjustment ("SCRA"), i.e., transactions/counterparties with impairment allocation on an individual basis or whose calculation strategy is gone concern;

- Sale of loan contract with losses in excess of 5%;
- Bankruptcy/insolvency/PER/PEAP/PEVE/EPR/RERE customers;
- Customers with loans written off from assets in Banco Montepio or the Central Credit Register ("CRC") (in the case of Corporate customers); and
- Transactions with restructuring due to financial difficulties, which meet the criteria defined for the identification of defaults (e.g., irregular payments/bullets, economic loss exceeding 1%, second restructurings, delay in excess of 30 days).

b.11.3) Significant increase in credit risk ("SICR")

To determine if a significant increase in credit risk has occurred since the financial instrument´s initial recognition (i.e., risk of default), Banco Montepio considers as relevant information all the information available and without costs and/or excessive effort, including both quantitative and qualitative information, as well as an analysis based on Banco Montepio's history (expert judgment).

The identification of a significant increase in credit risk is performed by comparing:

- The exposure's risk rating at the reporting date and the exposure's risk rating attributed at the initial moment of the exposure´s recognition; and
- The exposure's annualized lifetime PD at the reporting date and the lifetime PD identified at the initial moment of the exposure´s recognition.

Banco Montepio identifies the occurrence of a significant increase in credit risk when at least one of the following criteria is verified: (i) through a comparison of the actual risk rating with the risk rating attributed at the contract's inception, with the change in the risk rating necessary to identify a significant increase in credit risk being lower the higher the original rating was and (ii) when there is a change in the annualized lifetime PD since the origination and until the reporting date with an increase of 200% or 5 percentage points.

Additionally, according to IFRS 9, loans considered to have Low Credit Risk are not classified as SICR (loans with a 12 months PD, as per IFRS 9, at the reference date, of less than 0.3%), in line with the Low Default Assumption approach used within the scope of the AQRs. In market terms, counterparties with "investment grade" risk ratings are considered Low Credit Risk.

When evaluating the significant increase in credit risk, Banco Montepio also considers the existence of arrears of more than 30 days, as well as other indicators of customer behaviour vis-à-vis Banco Montepio and/or the financial system (e.g., restructurings due to financial difficulties that do not meet the criteria for classification in Stage 3, overdue credit in the Bank of Portugal's Central Credit Register ("Central de Responsabilidades de Crédito"), indicators of financial difficulties, credit events).

b.11.4) Additional criteria for impairment rate deterioration

Considering the likelihood of greater difficulty in the energy transition, for Customers in Stage 1 belonging to economic activity sectors with greater carbon intensity, specifically to sectors A - Agriculture, Forestry and Fisheries, C - Manufacturing industries, E - Water supply, sanitation, waste management and depollution and H - Transport and storage, the impairment rate was determined considering the lifetime PD, maintaining the Customer in Stage 1.

b.11.5) Measurement of ECL – Collective analysis

The main inputs used for measuring ECLs on a collective basis include the following parameters:

- Probability of Default – PD;
- Loss Given Default – LGD; and
- Exposure at Default – EAD.

These parameters are obtained through internal statistic models, and other relevant historical data, based on the existing regulatory models adjusted to reflect the forward-looking information.

In a simplified way, the measurement of ECL through collective analysis results from the product of the PD of the financial asset, of the LGD and of the EAD, discounted at the original effective interest rate of the contract, or when the rate is variable, at the effective interest rate of the date to which the financial statements refer.

For securities portfolios and other assets, given their nature, the collective impairment estimation approach includes parameters provided by external sources, which consider the characteristics of the exposures (e.g., rating, type of counterparty).

The PDs are estimated based on a certain historical period and are calculated supported on statistical models. These models are based on internal data, including qualitative and quantitative factors. If a change in the risk rating of the counterparty or the exposure occurs, the estimate of the associated PD is also changed.

The following types of PD are estimated:

- 12-month PD: the probability of a default occurring in the next 12 months, considering forward-looking information for one year, applicable to contracts belonging to Stage 1;
- Lifetime PD: the probability of a default occurring during the remaining life of the credit, applicable to contracts belonging to Stage 2. In this case, lifetime parameters are used, which consider forward-looking information for a horizon of up to 3 years and for the remaining years the historical PD is considered; and
- PD = 100% for all contracts belonging to Stage 3.

The risk levels, defined based on the internal master scale, are a very important input for the determination of the PDs associated with each exposure. Banco Montepio collects default and performance indicators regarding its credit risk exposures through analyses by type of customer and by product.

The segmentation of the PDs considered by the Bank is in line with the segmentation used in risk management, namely regarding the type of customer and the product (e.g., Individuals vs. Companies, home loans, consumption).

Additionally, an additional segmentation level is considered for each segment supported by statistical analysis, based on risk variables, such as risk rating and delay indicators.

LGD is the magnitude of the loss that is expected to occur if the exposure enters in default. Banco Montepio estimates LGD parameters based on historical recovery rates after the counterparties' entry into default. The LGD models consider associated collateral and time in default as well as recovery costs. In case of contracts collateralized by real estate, LTV (loan-to-value) ratios are an extremely important parameter in the determination of the LGD.

The segmentation of LGDs considered by the Bank is in line with the segmentation used in risk management, namely regarding the type of customer and the product; furthermore, an additional segmentation is defined in the corporate segment, distinguishing between retail companies and non-retail companies. Each segment is sub segmented according to statistical analyses, based on risk variables, such as collateralization level, EAD or product type.

The EAD represents the expected loss if the exposure and/or customer enters default. Banco Montepio obtains the EAD values from the counterparty´s current exposure and from potential changes to its current value, permitted by the contractual conditions, including amortizations and prepayments. For commitments and financial guarantees, the EAD value includes both the amount of credit used as well as the expectation of the potential future value that may come to be used in accordance with the contract. For this purpose, credit conversion factors (CCF) are estimated based on internal historical data, which are adjusted to reflect forward-looking information.

As described above, except for the financial assets that consider a 12-month PD because they do not present a significant increase in credit risk, Banco Montepio calculates the ECL considering the risk of default during

the maximum maturity period of the contract or, in certain specific situations, based on the behavioural maturity.

b.11.6) Measurement of ECL – Individual analysis

The exposure of Individually Significant Customers is subject to individual analysis which focuses on the credit quality of the debtor, as well as on the expectations of recovering the credit, considering, namely, the economic-financial viability of the debtor, the collateral and existing guarantees as well as the remaining factors relevant for said analysis.

Within the scope of the methodology review process and in alignment with the principles established in IFRS 9 and with best market practices, Banco Montepio adjusted the criteria for selecting customers for the purposes of individual analysis, incorporating factors related to the materiality and risk perception of the exposures, as well as reinforcing the periodicity of the respective analysis process.

As at 30 June 2026 and 31 December 2025, all customers of Banco Montepio that meet the following criteria are subject to individual analysis:

- Customers classified in Stage 1 with exposure/EAD ≥ Euro 10.0 million and risk rating ≥ Risk Appetite Statement limit defined or without a valid risk rating;
- Customers classified in Stage 2 with exposure/EAD ≥ Euro 5.0 million and risk rating ≥ Risk Appetite Statement limit defined or without a valid risk rating;
- Customers classified in Stage 3 with exposure /EAD ≥ Euro 1.0 million;
- Customers classified in Stage 3 with exposure /EAD ≥ Euro 0.8 million, integrated in Economic Groups with exposure /EAD ≥ Euro 1.0 million; and
- Other customers when duly justified.

The selection of the Individually Significant Customer universe is made quarterly for customers in Stages 1 and 2 and monthly for customers in Stage 3, considering, for the purpose of determining the exposure of customers, all active credit operations (on- and off-balance sheet) and excluding the operations classified as written off.

The individual analysis is carried out by the Individual Impairment Department of the Risk Directorate, with the measurement of the impairment losses being supported by a case-by-case assessment of exposure, considering, namely:

- The risk profile of the customer;
- The economic and financial viability of the customer and the customer's ability to generate future cash flows to ensure the servicing of the debt;
- The collaterals associated with the financial assets, as well as their respective valuations;
- The customers' or guarantors' net assets;
- The existence of situations of bankruptcy, insolvency or other legal proceedings that might affect the recoverability of the customer's exposure; and
- The expected credit recovery period.

For the financial assets of Individually Significant Customers classified in Stage 1 and in Stage 2, the calculated loss is assigned in accordance with the collective analysis methodology, given that, for these Stages, impairment is not determined individually.

For the financial assets of Individually Significant Customers classified in Stage 3, the impairment value is determined based on the discounted cash-flows method, corresponding to the difference between the loan value and the sum of the expected cash flows relating to the various operations of the customer, discounted at the original interest rate of each financial asset.

If the individual impairment value determined is zero, the average impairment rate of financial assets classified in Stage 2 of the same segment is applied, calculated on a collective basis, in accordance with the methodology in force. In addition, if the impairment rate determined through individual analysis is lower than that determined on a collective basis, the latter prevails.

In the determination of the expected cash flows, different recovery strategies are considered in function of the specific characteristics of each exposure and of the economic-financial situation of the customer, and the valuation may be based on the going concern method or the gone concern method:

- In the case of the continuity of the activity (going concern), the future cash-flows estimate is based on financial information and projections considered reliable and representative of the expected evolution of the customer's activity. For the calculation of the impairment of these customers, the projected cash flows are considered, with, if the information available so permits, adjustments being made to reflect the debt service capacity, being subsequently discounted at the original interest rate of the financial assets;
- In the case of the cessation of the activity (gone concern), the recovery of the exposure is estimated based on the liquidation of the existing collaterals, with a detailed analysis being made of the collaterals associated with the exposure, namely, of the value of the mortgage/pledge, the valuation amount, the valuation date and the need for the application of haircuts in function of the ageing of the valuation or other factors, the estimated deadline for the foreclosure/execution or sale, as well as the associated maintenance, sale and other procedural expenses associated with the recovery process, as applicable. For the calculation of the impairment of these customers, the projected cash flows, after the adjustments considered necessary, are discounted at the original interest rate of the financial assets; and
- For each recovery strategy, the respective excepted credit loss is calculated, considering different forward-looking scenarios, weighted by the respective probability of occurrence;

Securitized loans and advances not derecognized

Banco Montepio does not derecognize from assets the credits sold in securitization operations when:

- it maintains control over the operations;
- it continues to receive a substantial portion of their remuneration; and
- it maintains a substantial portion of the risk of the transferred credits.

Loans sold and not derecognized are recorded in the caption Loans and advances to customers and are subject to accounting criteria identical to those of other loan operations.

The maintenance of the risk and/or benefit is represented by the higher-risk bonds issued by the securitization vehicle. The amount recorded in the assets and liabilities of Banco Montepio's separate financial statements represents the proportion of the risk/benefit held by Banco Montepio (continuing involvement). The bonds issued by the securitization vehicles and held by Banco Montepio are eliminated in the consolidation process.

c) Derivative financial instruments and hedge accounting

Banco Montepio designates derivatives and non-financial instruments to hedge its exposure to interest rate and foreign exchange risks arising from financing and investment activities. Derivatives that do not qualify for hedge accounting are accounted for as trading derivatives.

Derivative financial instruments can be classified for accounting purposes as hedging instruments provided they meet, cumulatively, the following conditions:

(i) Hedging instruments and hedged items are eligible for the hedging relationship;

(ii) At the start date of the transaction, the hedging relationship is identified and formally documented, including the identification of the hedged item, the hedging instrument, the nature of the hedged risk and the assessment of the hedge's effectiveness;

(iii) There is an economic relationship between the hedged item and the hedging instrument;

(iv) The credit risk effect does not dominate the changes in value that result from this economic relationship; and

(v) The effectiveness of the hedge can be reliably measured at the start date of the transaction and throughout the life of the operation.

Fair value hedging

In a fair value hedging operation of an asset or liability, the balance sheet value of that asset or liability, determined based on the respective accounting policy, is adjusted to reflect the change in its fair value attributable to the hedged risk. Changes in the fair value of hedging derivatives are recognized in the income statement, together with changes in the fair value of the hedged assets or liabilities, attributable to the hedged risk. In cases where the hedging instrument hedges an equity instrument designated at fair value through other comprehensive income, the changes in fair value are also recognized in other comprehensive income. If the hedge no longer meets the effectiveness requirement, but the risk management objective remains, Banco Montepio may adjust the hedge to comply with the eligibility criteria. If the hedge fails to meet the criteria required for hedge accounting (in the event that the hedge instrument expires, is sold, terminated or exercised, without having been replaced according to the entity's documented risk management objective), the derivative financial instrument is transferred to the trading book and hedge accounting is discontinued prospectively. If the hedged asset or liability corresponds to a fixed-income instrument, the revaluation adjustment is amortized via the income statement until its maturity using the effective rate method.

Cash flow hedging

In a highly probable future cash flow hedging operation, the effective part of the changes in the fair value of the hedging derivative is recognized in reserves, being transferred to results in the financial years in which the respective hedged item affects results. The ineffective part of the hedge is recorded in the income statement. When a hedging instrument expires or is sold, or when the hedge no longer meets the criteria required for hedge accounting, changes in the fair value of the derivative accumulated in reserves are recognized in the income statement when the hedged operation also affects results. If it is foreseeable that the hedged operation will not take place, the amounts still recorded in equity are immediately recognized in the income statement and the hedging instrument is transferred to the trading portfolio.

d) Equity instruments

A financial instrument is classified as an equity instrument when there is no contractual obligation at settlement to deliver cash or another financial asset to another entity, independently of its legal form, evidencing a residual interest in the assets of an entity after deducting all its liabilities.

Transaction costs directly attributable to an equity instrument issuance are recognized in equity as a deduction from the amount of the issue. Amounts paid or received related to sales or acquisitions of equity instruments are recognized in equity, net of transaction costs.

Distributions made on account of equity instruments are deducted from equity as dividends when declared.

e) Financial and performance guarantees

Financial guarantees

Financial guarantees are contracts that require the issuer to make payments to compensate the holder for losses incurred as a result of breaches of the contractual terms of debt instruments, namely the payment of capital and/or interest. Financial guarantees issued are initially recognized at their fair value. Subsequently, these guarantees are measured at the higher of: (i) the initially recognized fair value and (ii) the amount of any obligation arising from the guarantee contract, measured at the balance sheet date.

Any change in the amount of the obligation associated with financial guarantees issued is recognized in profit or loss. Financial guarantees issued by the Bank usually have a defined maturity and a periodic prepaid commission, which varies according to counterparty risk, amount and period of the contract. On that basis, the fair value of the guarantees on the date of their initial recognition is approximately equivalent to the amount of the initial commission received, considering that the agreed conditions are market. Thus, the amount

recognized on the contract date equals the amount of the initial commission received, which is recognized in profit or loss over the financial year to which it relates. Subsequent commissions are recognized in profit or loss in the financial year to which they relate.

Performance guarantees

Performance guarantees are contracts that result in the compensation of one of the parties if same does not fulfil a contractual obligation. Performance guarantees are initially recognized at fair value, which is usually evidenced by the amount of commissions received over the term of the contract. Upon breach of contract, the Bank has the right to revert the guarantee, and the amounts are recognized in Loans and advances to customers after the compensation of the losses has been transferred to the guarantee's beneficiary.

f) Securities' loan and repurchase agreement transactions

Securities' loans

Securities loaned under securities' loan agreements continue to be recognized in the balance sheet and are measured in accordance with the accounting policy of the category to which they belong. Cash collateral received in respect of securities loaned is recognized as a financial liability. Securities borrowed under securities' borrowing agreements are not recognized on-balance sheet. Cash collateral placements in respect of securities borrowed are recognized under loans and advances to either customers or credit institutions. Income and expenses arising from the securities' lending and borrowing business are recognized on an accrual basis over the period of the transactions and are included in interest and similar income or interest and similar expense (net interest income).

Repurchase agreements

Banco Montepio carries out acquisitions/sales of securities under reselling/repurchase agreements of substantially equivalent securities at a future date at a predetermined price.

The securities acquired subject to reselling agreements (reverse repos) at a future date are not recognized in the balance sheet. The amounts paid are recognized in Loans and advances to customers or Loans and advances to credit institutions. The receivables are collateralized by the related securities.

Securities sold through repurchase agreements (repos) continue to be recognized in the balance sheet and are measured in accordance with the accounting policy of the category to which they belong. The proceeds from the sale of these securities are considered as Deposits from customers or Deposits from other credit institutions.

The difference between the acquisition/sale and resale/repurchase conditions is recognized on an accrual basis over the period of the transaction and is included in interest and similar income or interest and similar expense (net interest income).

g) Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for in Banco Montepio's separate financial statements at historical cost less any impairment losses.

Subsidiaries are entities (including investment funds and securitization vehicles) controlled by Banco Montepio. Banco Montepio controls an entity when it is exposed to, or has rights to, the variability of returns from its involvement with that entity and can take possession of same through its power over the relevant activities of that entity (de facto control).

Associates are entities over which Banco Montepio has significant influence but does not control their financial and operating policy. Banco Montepio is presumed to have significant influence when it has the power to exercise more than 20% of the associate's voting rights. If Banco Montepio, directly or indirectly, holds less than 20% of the voting rights, Banco Montepio is presumed not to have significant influence, except when such influence can be clearly demonstrated.

Dividends received from subsidiaries and associates are recorded as gains from equity interests, when attributed.

Significant influence on the part of Banco Montepio is usually demonstrated in one or more of the following ways:

- representation on the Board of Directors or equivalent management body of the investee;
- participation in policy-making processes, including participation in decisions involving dividends or other distributions;
- material transactions between Banco Montepio and the investee;
- interchange of management personnel; and
- provision of essential technical information.

In addition to recognizing impairment of investments in subsidiaries and associates, the Bank recognizes additional losses if it has assumed obligations or made payments for the benefit of these entities.

Impairment

The recoverable value of investments in Subsidiaries and Associates is assessed whenever there are signs of evidence of impairment. Impairment losses are calculated based on the difference between the recoverable value of investments in subsidiaries or associates and their book value. Impairment losses identified are recorded against profit or loss and subsequently reversed through profit or loss if the amount of the estimated loss is reduced in a subsequent period. The recoverable value is determined based on the higher of the value in use of the assets and the fair value less costs to sell, and is calculated using valuation methodologies, supported by discounted cash flow techniques, considering market conditions, time value and business risks.

h) Non-current assets held for sale

Non-current assets and groups of non-current assets held for sale (groups of assets together with their respective liabilities, which include at least one non-current asset) are classified as held for sale when there is an intention to sell the referred assets and liabilities and when the referred assets or groups of assets are available for immediate sale and their sale is highly probable.

Banco Montepio also classifies as non-current assets held for sale those non-current assets or groups of assets acquired exclusively with a view to their subsequent disposal, which are available for immediate sale and which sale is highly probable. Immediately before their classification as non-current assets held for sale, the measurement of all the non-current assets or of all assets and liabilities in a disposal group, is performed in accordance with the applicable IFRS. After their reclassification, these assets or disposal groups are measured at the lower of their cost and their fair value less costs to sell, with the unrealized losses being recorded in the profit or loss for the financial year. When the book value corresponds to the fair value less costs to sell, the fair value level of the IFRS 13 hierarchy corresponds to level 3.

Although the Bank intends to immediately sell all properties and other assets received in recovery of credit, the Bank classifies these assets in the caption Other assets, due to their length of stay in the portfolio exceeding 12 months. The accounting method is unchanged from that laid down above, with these being recorded at initial recognition at the lower of their fair value less costs to sell and the book value of the loan being recovered.

i) Leases (IFRS 16)

Definition of lease

The definition of lease entails a focus on the control of the identified asset, i.e., an agreement constitutes or contains a lease if it conveys the right to control the use of an identified asset, i.e., substantially obtaining all the economic benefits of using same and the right to direct the use of this identified asset for a certain period of time in exchange for consideration.

Lessee perspective

Banco Montepio recognizes for all leases, except for leases with a period of less than 12 months or for leases relating to assets of a reduced unitary value:

- a right-of-use asset, initially measured at cost, taking into account the Net Present Value (NPV) of the lease liability, plus payments made (fixed and/or variable) minus lease incentives received, penalties for termination (if reasonably certain), as well as any estimated costs to be borne by the lessee with the dismantling and removal of the underlying asset and/or with the restoration of the location where it is located. It is subsequently measured according to the cost model (subject to amortization according to the lease term of each agreement and to impairment tests); and
- a lease liability, initially recorded at the present value of the future lease cash flows (NPV), which includes:
  - fixed payments, less lease incentives receivable;
  - variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date of the agreement;
  - the amounts to be paid by the lessee as residual value guarantees;
  - the exercise price of a call option if the lessee is reasonably certain to exercise that option; and
  - payments of lease termination penalties, if the lease term reflects the exercise of a lease termination option by the lessee.

When it is not possible to easily determine the interest rate implicit in the lease, lease payments are discounted at the lessee's incremental financing interest rate, which incorporates the risk-free interest rate curve (swap curve), increased by a Banco Montepio risk spread, applied to the weighted average term of each lease agreement. For agreements with a termination date, such date is considered the lease termination date, and for other agreements without a termination date the period during which it will be enforceable is assessed. In the assessment of enforceability, the specific clauses of the agreements are considered as is the current legislation for Urban Leases.

It is subsequently measured as follows:

- by increasing its book value to reflect interest on same;
- by decreasing its book value to reflect lease payments; and
- the book value is remeasured to reflect any revaluations or changes in the lease, as well as to incorporate the revision of lease payments that are, in substance, fixed and the revision of the lease term.

Banco Montepio remeasures a lease liability and calculates the related adjustment to the right-of-use asset whenever there is:

- a modification in the lease term, or in the valuation of a call option on the underlying asset. In this situation, the lease liability is remeasured, discounting the revised lease payments and also using a revised discount rate;
- a modification in the amounts payable under a residual value guarantee, or in the future lease payments resulting from a change in an index or rate used to determine such payments. In this situation, the lease liability is remeasured, discounting the revised lease payments using an unchanged discount rate (unless the change in lease payments results from a change in variable interest rates, in which case a revised discount rate should be used); and
- a modification of the lease agreement but such modification in the lease is not accounted for as a separate lease. In this situation, the lease liability is remeasured, discounting the revised lease payments using a revised discount rate.

Right-of-use assets are amortized from the date of the agreement's entry into force to the end of the useful life of the underlying asset, or until the end of the lease term, if earlier. If the lease transfers ownership of the underlying asset, or if the cost of the right-of-use asset reflects the fact that Banco Montepio will exercise a call option, the right-of-use asset shall be amortized from the date of the agreement's entry into force to the

end of the useful life of the underlying asset. Amortization begins on the date of the lease agreement's entry into force.

The recording of the lease agreements in the income statement is made in the following captions:

(i) recording in Net interest income of the interest expense related to lease liabilities;

(ii) recording in General and administrative expenses of the amounts related to short-term lease agreements and low-value asset lease agreements; and

(iii) recording in Depreciation and amortization of the amortization cost for the financial year of the right-of-use assets.

The recording of the lease agreements in the balance sheet is made in the following captions:

(i) recording in Tangible assets of the right-of-use assets recognized; and

(ii) recording in Other liabilities of the amount of the lease liabilities recognized.

Regarding the classification of the cash flows originated by the lease agreements, these are recorded in the statement of cash flows:

(i) in the caption Cash flows from operating activities – Costs with staff and suppliers, which includes the amounts related to short-term and to low-value lease agreements; and

(ii) the caption Cash flows from financing activities - Finance lease agreements, which includes the amounts related to payments of the capital portion of the lease liabilities.

Lessor perspective

In accordance with IFRS 16, lessors will continue to classify leases as finance or operating.

Within the scope of its activity, the Bank classifies as finance leases, operations in which, substantially, all the risks and rewards associated with the leased asset are transferred to the lessee.

Finance leases are recorded as a loan granted in the Loans and advances to customers caption of the balance sheet by the sum of the present value of all instalment's receivable from the lessee during the lease term and any unsecured residual value that the lessee is responsible for. These include fixed instalments (less payments made by the lessee) as well as variable instalments determined with reference to an index or rate, as well as the exercise price of the purchase option, if there is reasonable certainty that it will be exercised by the lessee, and lessee termination penalties if the lease term reflects the exercise of the termination option.

Financial income obtained as a lessor is recorded in the income statement under the caption Interest and similar income.

j) Net gains/(losses) arising from financial operations (Net gains/(losses) arising from financial assets at fair value through other comprehensive income and Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss)

Net gains/(losses) arising from financial operations include gains and losses arising from financial assets and financial liabilities at fair value through profit or loss, that is, fair value changes and interest on trading derivatives and embedded derivatives, as well as dividends received associated with these portfolios. This caption also includes gains and losses arising from the sale of debt instruments, of financial assets at fair value through other comprehensive income. The changes in fair value of hedging derivatives and hedged items, when applicable to fair value hedging, are also recognized in this caption.

k) Fee and commission income

Fee and commission income are recognized as revenue from contracts with customers to the extent the performance obligations are met:

4. When obtained and to the extent the services are provided, they are recognized in income in the financial year to which they relate (for example: income in the form of account maintenance fees);

5. When they result from the execution of a significant act, they are recognized as income when the respective service is complete and are recorded in the income statement on being charged (for example: foreign currency exchange, consultancy or loan assemblage/syndication); and
6. When they are an integral part of the effective interest rate of a financial instrument, they are recognized in net interest income. Their characteristics are:

(iv) Commissions received on credit operations realized that are not valued at fair value through profit or loss (for example: valuation of guarantees, preparation and processing of documentation) are received in advance and are deferred and recognized over the life of the operation;

(v) Commissions agreed for the commitment to provide financing are received in advance and are deferred over the expected life of the financing. If the commitment expires without the operation having materialized, the commission is recognized in profit or loss; and

(vi) Commissions paid on the issuance of financial liabilities at amortized cost are included in the financial liabilities' amount, being recognized in profit or loss at the effective cost of the operation.

l) Fiduciary activities

Assets held in the scope of fiduciary activities are not recognized in Banco Montepio's financial statements. Fee and commission income arising from this activity are recognized in the income statement in the period to which they relate.

m) Tangible assets

Tangible assets are recorded at acquisition cost less accumulated depreciation and impairment losses. Subsequent costs are recognized as a separate asset only when it is probable that future economic benefits will result for Banco Montepio. All repairs and maintenance expenses are charged to the income statement during the financial period in which they are incurred. Depreciation is calculated on a straight-line basis, over the following periods which correspond to their estimated useful lives:

	Number of years
Buildings held for own use	50
Other fixed assets	4 to 10

Whenever there is an indication that a tangible fixed asset might be impaired, its recoverable value is estimated, and an impairment loss is recognized if the net value of the asset exceeds its recoverable value.

The recoverable value is determined as the highest between the fair value less costs to sell and its value in use, this being calculated based on the present value of the future cash flows estimated to be obtained from the continued use of the asset and its sale at the end of the useful life.

The impairment losses of tangible fixed assets are recognized in profit or loss for the period.

Gains or losses on the disposal of assets are determined by the difference between the realizable value and the book value of the asset and are recognized in the income statement.

n) Intangible assets

Software

Banco Montepio accounts as intangible assets the costs associated with software acquired from external entities, including the possible contracting of additional services necessary for its implementation, and amortizes these on a straight-line basis over an estimated lifetime of between 3 and 6 years. Banco Montepio does not capitalize internal costs arising from software development.

o) Statement of cash flows

For the purpose of the statement of cash flows, cash and cash equivalents comprise balances with less than three months maturity from the trade date, with an insignificant risk of change in fair value, including cash, deposits at central banks and deposits and deposit equivalents at other credit institutions.

The concepts used in the presentation of the statements of cash flow are as follows:

- Cash flows: Cash and cash equivalents include cash, deposits at central banks and deposits and deposit equivalents at other credit institutions;
- Operating activities: the indirect method is used for the presentation of cash flows from operating activities, reflecting the flows of the typical activities of credit institutions, as well as other activities that do not qualify as investment or financing;
- Investing activities: the acquisition, sale or other disposals of long-term assets, such as financial shareholdings in subsidiaries and associates, the acquisition of tangible and intangible assets and other strategic investments not included in operating activities; and
- Financing activities: activities that produce changes in Banco Montepio's medium- and long-term financing operations that are not part of the operating activities, such as securitized and subordinated debt, capital increases and dividend distributions.

p) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the operation at the foreign exchange rate on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the respective functional currency of the operation at the foreign exchange rate as at the reporting date. Foreign exchange differences arising on translation are recognized in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated into the respective functional currency at the foreign exchange rate on the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into the respective functional currency at the foreign exchange rate on the date that the fair value was determined and recognized against profit or loss, except for financial assets at fair value through other comprehensive income, for which the difference is recognized against equity.

q) Post-employment and long-term employee benefits

Defined benefit plans

Banco Montepio has the responsibility to pay its employees old-age, disability and survival pensions, health benefits and death subsidy, in accordance with the terms and conditions of the Collective Labour Agreement ("ACT") it signed. In 2016, amendments were made to this agreement, namely the change in the retirement age, in line with the General Social Security System and the attribution of an end-of-career award corresponding to 1.5 times the monthly remuneration received at the retirement date.

Arising from the signing of the ACT and subsequent amendments, Banco Montepio set up a Pension Fund to cover the liabilities assumed with pensions on retirement, disability and survival, healthcare benefits and death subsidy.

As from 1 January 2011, bank employees were integrated in the General Social Security System, which ensures their protection in maternity, paternity, adoption, and old age. Protection associated with sickness, disability, survival, and death remains under the banks' responsibility (Decree-Law no. 1-A/2011, of 3 January).

The contribution rate is 26.6%, of which 23.6% paid by Banco Montepio and 3.0% by the employees, replacing the Caixa de Abono de Família dos Empregados Bancários ("CAFEB") extinguished by the same Decree-Law. As a result, the pension rights of active employees came to be covered by the terms defined in the General Social Security System, considering the period of service rendered since 1 January 2011 and up to their retirement age. The differential vis-à-vis the minimum pension guaranteed, in accordance with the terms defined in the Collective Labour Agreement ("Acordo Colectivo de Trabalho") is supported by the banks.

Following the Government's approval of Decree-Law no. 127/2011, of 31 December, a three-party agreement between the Government, the Portuguese Bank Association and the Union of Bank Employees was established, regarding the transfer to the Social Security's domain of the liabilities with pensions under payment to retired employees and pensioners as at 31 December 2011.

This Decree-Law established that the liabilities to be transferred were the liabilities with pensions under payment, as at 31 December 2011, to retired employees and pensioners, at constant amounts (update rate of 0%) for the component foreseen in the Collective Labour Regulation Instrument ("IRCT"). The liabilities in respect of the updating of pensions, complementary benefits, contributions to the Social-Medical Assistance Services ("SAMS") on the retirement and survival pensions, death subsidy and the deferred survival pension are still under the responsibility of the Institutions.

In December 2016, Banco Montepio signed a new ACT, introducing several changes in the employment benefits, such as the change in the retirement age, in line with the General Social Security System, and the attribution of an end-of-career award which replaced the extinguished seniority bonus, as disclosed in note 44.

The actuarial calculation is made using the projected unit credit method and considering actuarial and financial assumptions, in accordance with the parameters required by IAS 19.

The liabilities are covered by the Pension Fund managed by Futuro – Sociedade Gestora de Fundos de Pensões, S.A.

Banco Montepio´s net liability regarding the defined benefit pension plan and other benefits is calculated separately for each plan by estimating the amount of future benefits that each employee will receive in return for his/her service in the current and prior financial years. The benefit is discounted to determine its present value, using a discount rate determined by reference to interest rates associated with high-quality bonds and with a similar maturity to that of the date of the term of the plan's liabilities. The net liability is determined after deducting the fair value of the assets of the Pension Fund.

The interest income/(expense) with the pension plan is calculated by multiplying the net asset/(liability) with retirement pensions (liabilities less the fair value of the Fund's assets) by the discount rate used in the determination of the retirement pension liabilities, mentioned above. On this basis, the net interest income/(expense) includes the interest expense associated with retirement pension liabilities and the return expected from the Fund's assets, both measured based on the discount rate used to calculate the liabilities.

Gains and losses from the remeasurement, namely: (i) gains and losses resulting from differences between the actuarial assumptions used and the amounts actually observed (experience gains and losses) and from changes in the actuarial assumptions and (ii) gains and losses arising from the difference between the return expected from the Fund's assets and the amounts obtained, are recognized against equity under other comprehensive income.

Banco Montepio recognizes in its income statement a net total amount that includes: (i) the current service cost; (ii) the net interest income/(expense) from the pension plan; (iii) the effect of early retirement; (iv) past service costs and (v) the effects of any settlement or curtailment occurring during the financial period. The costs of early retirements correspond to an increase in liabilities due to the employee's retiring before reaching retirement age.

Other benefits not related to pensions, namely retired employees' health expenses and benefits attributed to spouses and descendants by death and expenses with house loans, are also considered in the calculation of the liabilities.

Contributions to the Pension Fund are made by Banco Montepio in order to ensure the Fund's solvency. In accordance with the provisions of Banco de Portugal Notice No. 12/2001, the Bank ensures, at each date on which pension obligations are determined, compliance with the required funding levels, corresponding to a minimum funding ratio of 95% of past-service liabilities relating to active members and 100% of liabilities relating to pensions in payment.

The liabilities for defined benefit post-employment benefits are determined by the responsible actuary certified by the Insurance and Pension Funds Supervisory Authority, observing at least a half-yearly frequency with reference to the end of June and December of each year.

For the purpose of determining the liabilities for defined benefit post-employment benefits, a set of relevant actuarial assumptions are considered, namely the expected rate of return for the Pension Fund, the discount rate, the growth rate of salaries and pensions and the mortality tables.

In accordance with the provisions of IAS 19, the discount rate considered on each date of determination of the liabilities for post-employment benefits must correspond to the bond rates of high-quality entities for maturities identical to those of the bonds carried in the pension plan.

In line with the recommendations of IAS 19, the Bank recognizes in the income statement the impacts related to the cost of current services, the net interest income/cost of the pension plan, the cost of past services, the cost of early retirements and any settlement or curtailment of liabilities that have been identified.

The actuarial deviations calculated on each date of determination of liabilities are recorded in equity and include, namely, the value of non-financial actuarial deviations, corresponding to the difference between the assumptions used and those actually verified and also those resulting from the change in actuarial assumptions, and the amount of financial actuarial deviations, determined by the difference between the effective rate of return and the expected rate of return of the Pension Fund.

Variable remuneration of employees and members of the Board of Directors (bonuses)

In accordance with IAS 19 - Employee benefits, variable remuneration (profit-sharing, bonuses and other) attributed to employees and to the members of the Board of Directors is recognized in profit or loss for the financial year to which it relates.

Employment termination benefits

The occurrence that gives rise to this obligation is: (i) the termination of the employment relationship between the Bank and the employee as a consequence of a Bank decision; (ii) the creation of a valid expectation for the employee or (iii) the decision of an employee to accept benefits for an irrevocable offer from the Bank in return for terminating the employment contract.

Employment termination benefits are recognized as a liability and a non-recurring cost from the moment when the Bank cannot withdraw the offer made to the employee or from the moment when the costs are recognized for a restructuring that includes the payment of benefits for termination of the employment contract. These benefits are recorded as a liability in the caption Charges payable - Staff costs in the balance sheet up to the time of their settlement or until their transfer to the Pension liabilities.

End-of-career award

As a result of the signing of the new ACT on 5 July 2016, the seniority bonus was extinguished, and Banco Montepio paid its employees the proportional bonus that would be due up to the date of the entry into force of the new ACT. In lieu of the seniority bonus, the new ACT provides for Banco Montepio to pay an end-of-career award due immediately prior to the employee's retirement if he/she retires at Banco Montepio's service, corresponding to 1.5 times the monthly remuneration at the time of payment.

The end-of-career award is accounted for by Banco Montepio in accordance with IAS 19 as another long-term employment benefit. The effects of the remeasurements and past service costs of this benefit are recognized in profit or loss for the year, treatment identical to that of the accounting model for seniority bonuses.

The amount of Banco Montepio's liabilities with this end-of-career award is also periodically estimated using the projected unit credit method, using actuarial assumptions based on expectations of future salary increases and mortality tables. The discount rate used in this calculation is determined based on the same methodology described for the calculation of retirement pension liabilities.

Defined contribution plan

Banco Montepio, for employees admitted on or after 3 March 2009, contributes, under the Defined Contribution Plan, with a percentage of 1.5% of the effective monthly remuneration of each covered employee, with the employee being responsible for making an identical contribution.

r) Income taxes

The Bank is subject to the regime established in the Corporate Income Tax Code (Código do Imposto sobre o Rendimento das Pessoas Coletivas ("CIRC")), as well as the Special Regime applicable to Deferred Tax Assets (Regime Especial aplicável aos Ativos por Impostos Diferidos ("REAID")), approved by Law no. 61/2014, of 26 August, to which it adhered, and to complementary legislation. Additionally, deferred taxes are recognized on tax losses and timing differences between the accounting results and those accepted for tax purposes, whenever there is a reasonable probability that such taxes will be paid or recovered in the future.

Income tax recognized in the income statement includes the current and deferred tax effects. Income tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity, in which case the corresponding income tax is recognized in equity. Deferred taxes recognized in equity arise from the revaluation of financial assets at fair value through other comprehensive income and from cash-flow hedging derivatives. Only deferred taxes related to fair value hedging derivatives are subsequently recognized in profit or loss at the same moment the gains and losses that originated the deferred taxes are recognized.

Current tax corresponds to the tax assessed on the taxable income for the financial year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to taxes assessed in respect of previous financial periods.

Deferred taxes are calculated for timing differences between the book values of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes, using the tax rates approved or substantially approved at the balance sheet date and that are expected to apply when the timing differences are reversed.

Deferred tax liabilities are recognized for all taxable timing differences except for intangible assets with an indefinite life, which are not deductible for tax purposes, differences arising on initial recognition of assets and liabilities that affect neither the accounting nor the taxable income and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the future, and to the extent that Banco Montepio does not exercise control over the period of the reversal of the differences.

Deferred tax assets are recognized when it is probable that future taxable income will be available to absorb the deductible timing differences for taxation purposes (including tax losses carried forward).

Banco Montepio offsets the deferred tax assets and liabilities if, and only if: (i) it has a legally enforceable right to set off current tax assets against current tax liabilities and (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In the year 2018, Banco Montepio became the dominant company of the Group subject to Corporate Income Tax under the Special Taxation Regime of Groups of Companies ("Regime Especial de Tributação dos Grupos de Sociedades" ("RETGS")), constituted by the companies in which it holds a shareholding equal to or higher than 75% and which meet the conditions provided for in article 69 et sec of the CIRC.

The companies included in the RETGS calculate and record income tax as if they were taxed on a separate basis. The liabilities determined are, however, payable to the parent company of the tax group, Banco Montepio, which is responsible for the global calculation and self-assessment of the tax. Gains or losses arising from the application of this regime are recorded in each of the companies that originate them.

The recording of the tax impacts of transactions carried out by Banco Montepio corresponds to Management's understanding of the applicable tax treatment in light of the legislation issued. In situations where interpretation takes place and this is questioned by the Tax and Customs Authority, Management reanalyses same, assessing the probability of there being a liability to be recorded, depending on whether the probability of paying same is higher or lower than 50%.

Pillar II

In October 2021, within the framework of the Base Erosion and Profit Shifting ("BEPS 2.0") project of the Organization for Economic Co-operation and Development ("OECD"), approximately 137 OECD/G20 members, representing roughly 90% of global GDP, reached an agreement to reform the international tax system, approving a general framework for the introduction of a global minimum tax, commonly referred to as "Pillar II".

In this context, Pillar II of BEPS 2.0, enshrined in Council Directive (EU) 2022/2523, of 15 December 2022, established a global minimum tax rate of 15% applicable to large multinational companies and large domestic groups, with this regime potentially leading to the assessment and payment of a supplementary tax. Portugal transposed this Directive through the publication of Law no. 41/2024, which approved the Global Minimum Tax Regime ("GMTR").

Considering that it meets the eligibility criteria for the application of the Pillar II rules - namely by presenting consolidated annual incomes exceeding Euro 750 million in two of the last four financial years -, the Montepio Geral Associação Mutualista ("MGAM") Group has been making efforts to identify the potential impacts arising from the implementation of this regime, as well as to comply with the respective reporting obligations.

According to the analysis carried out, with reference to the first financial year of application of the Pillar II rules (i.e., 2024), the perimeter of the MGAM Group, for the purpose of Pillar II, will consist of 21 entities, located in two jurisdictions – Portugal and Mozambique -, with Montepio Geral Associação Mutualista being qualified as the ultimate parent entity of the Group.

However, article 44 of the GMTR establishes an exclusion rule for the application of the Income Inclusion Rule ("IIR") and the Undertaxed Payments Rule ("UTPR") in relation to large national groups and multinational groups of companies that are in the initial phase of their international activity.

In effect, that rule establishes that the supplementary tax due is zero in the reference jurisdiction for large national groups and multinational groups of companies that are in the initial phase of their international activity, which presupposes (in the case of multinational groups of companies) that, in each financial year: (i) they include constituent entities located in no more than six jurisdictions and (ii) the sum of the net book value of the tangible assets of all their constituent entities, with the exception of the constituent entities located in the reference jurisdiction, does not exceed Euro 50 million.

Furthermore, the aforementioned rule provides for the possibility of applying the exclusion rule for five years after the start of the first financial year in which the group becomes subject to the Pillar II rules – that is, until the 2029 financial year. However, an annual assessment must be made as to whether the requirements listed above are met.

In this context, according to the analysis carried out, the MGAM Group meets the requirements for the application of the exclusion rule relating to groups of multinational companies that are in the initial phase of their international activity, thus being exempt from paying the supplementary tax in the reference jurisdiction – Portugal – with reference to the first financial year of application of the Pillar II rules.

s) Segmental reporting

Banco Montepio adopted IFRS 8 – Operating Segments for the purpose of disclosing financial information by operating segments. An operating segment is a component of the Bank: (i) that engages in business activities from which it may earn revenues or incur costs; (ii) which operating results are regularly reviewed by the main responsible for the Bank's operating decisions regarding the allocation of resources to the segment and the assessment of its performance and (iii) for which distinct financial information is available.

Given that the separate financial statements are presented together with those of the Group, and considering paragraph 4 of IFRS 8, Banco Montepio is not required to present information on a separate basis on the Provisions, contingent assets and liabilities

t) Provisions, contingent assets and liabilities

Provisions

Provisions are recognized when: (i) Banco Montepio has a present obligation (legal or resulting from past practices or published policies that imply the recognition of certain liabilities); (ii) it is probable that its settlement will be required and (iii) a reliable estimate can be made of the amount of the obligation.

The measurement of provisions takes into consideration the principles defined in IAS 37 in respect of the best estimate of the expected cost, the most likely result for the ongoing processes considering the risks and uncertainties inherent to the process. In cases where the discount effect is material, provisions correspond to the present value of the expected future payments, discounted at a rate that considers the risk associated with the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the best estimate, being reversed through profit or loss in the proportion of the payments that cease to be probable.

This caption also includes the impairment losses related to exposures that have an associated credit risk such as bank guarantees and commitments assumed.

Contingent assets

A contingent asset is a possible asset that arises from past events, and which existence will only be confirmed by the occurrence, or not, of one or more uncertain future events that are not entirely under the control of the entity.

Contingent liabilities

A contingent liability is an obligation that is:

- Possible, which arises from past events and which existence will only be confirmed by the occurrence, or not, of one or more uncertain future events, which are not entirely under the control of the entity; or
- Present, which arises from past events, but is not recognized because: (i) It is unlikely that an outflow of resources incorporating economic benefits will be required to settle that obligation and (ii) The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the financial statements, being, in accordance with IAS 37, disclosed whenever the possibility of an outflow of resources encompassing economic benefits is not remote.

u) Insurance and reinsurance brokerage services

Banco Montepio is duly authorized by the Insurance and Pension Funds Supervisory Authority (Autoridade de Supervisão de Seguros e Fundos de Pensões (“ASF”)) to provide insurance brokerage services, under the category of Tied Insurance Broker, in accordance with article 8, paragraph a), subparagraph i), of Decree-Law no. 144/2006, of 31 July, operating in the life and non-life insurance brokerage areas.

In the insurance brokerage services scope, Banco Montepio sells insurance contracts, receiving as remuneration for the services rendered brokerage commissions on insurance and investment contracts, which are defined in agreements/protocols established between Banco Montepio and the Insurance Companies.

The commissions received for the insurance brokerage services have the following typology:

- commissions that include a fixed and a variable component. The fixed component is calculated by applying a predetermined rate to the amount of the subscriptions made by Banco Montepio and the variable component is calculated based on predetermined criteria, with the total annual commission being the sum of the commissions calculated monthly; and

- commissions in the form of profit-sharing in the results of the insurance contracts, which are calculated annually and paid by the Insurance Companies in the beginning of the year following that to which they relate.

Commissions received for insurance brokerage services are recognized on an accrual basis. Fees paid in a different period from that to which they relate are recorded as a receivable in the caption Other assets with a corresponding entry in the caption Fee and commission income - Insurance brokerage services.

v) Earnings per share

Basic earnings per share are calculated by dividing the net income attributable to the shareholders of Banco Montepio by the weighted average number of ordinary shares outstanding. For the calculation of diluted earnings per share, when applicable, the weighted average number of ordinary shares outstanding is adjusted to reflect the effect of all potential dilutive ordinary shares, such as those resulting from convertible debt and share options granted to employees. The effect of the dilution translates into a reduction in earnings per share resulting from the assumption that convertible instruments are converted or that the options granted are exercised.

w) Significant judgements and estimates in the application of the accounting policies

The IFRS set forth a range of accounting treatments and require the Board of Directors to apply judgment and make the necessary estimates in deciding which treatment is most appropriate. These estimates were determined considering the best information available at the date of the preparation of the financial statements. The most significant of these accounting estimates and judgments used in the application of the accounting policies by Banco Montepio are discussed in the following paragraphs in order to improve understanding of how their application affects Banco Montepio's reported results and related disclosure.

Considering that in some cases there are several alternatives to the accounting treatment chosen by the Board of Directors, Banco Montepio's reported results would differ if a different treatment was chosen. The Board of Directors believes that the choices made are appropriate and that the financial statements present the Banco Montepio's financial position and results fairly in all material aspects.

The alternative outcomes discussed below are presented solely to assist the reader in understanding the financial statements and are not intended to suggest that other alternatives or estimates would be more appropriate.

Impairment losses of financial assets at amortized cost and debt instruments at fair value through other comprehensive income

The determination of impairment losses of financial instruments involves judgments and estimates regarding the following aspects, among others:

a) Significant increase in credit risk:

Impairment losses correspond to the expected losses in the event of default within a twelve-month time horizon, for Stage 1 assets, and the expected losses considering the likelihood of a default event occurring at some point up to the maturity date of the financial instrument, for Stage 2 and 3 assets. An asset is classified as Stage 2 whenever there is a significant increase in its credit risk since its initial recognition. In assessing the existence of a significant increase in credit risk, the Bank considers reasonable and sustainable qualitative and quantitative information.

b) Definition of asset groups with common credit risk characteristics:

When the expected credit losses are measured on a collective basis, financial instruments are grouped based on common risk characteristics. The Bank monitors the appropriateness of credit risk characteristics on a regular basis to assess whether they maintain their similarity. This is necessary to ensure that in the event of a change in credit risk characteristics, the asset segmentation is revised. This

revision may result in the creation of new portfolios or the transfer of assets to existing portfolios that better reflect their credit risk characteristics.

c) *Definition of the number of scenarios and respective relative weighting of prospective information for each segment and determination of relevant prospective information:*

In estimating the expected credit losses, the Bank uses reasonable and sustainable forward-looking information that is based on assumptions about the future evolution of different economic variables and how each one impacts the others.

d) *Probability of default:*

The probability of default represents a determining factor in measuring expected credit losses. The probability of default corresponds to an estimate of the probability of default in a given time period, which is calculated based on historical data, assumptions and expectations about future conditions.

e) *Loss given default:*

The loss given default corresponds to an estimate of the loss in a default scenario, being determined by the difference between the contractual and the expected cash flows that the Bank expects to receive, through cash flows generated by the customer's business or from the credit collateral. The calculation of the estimated loss given default is based, among other things, on the different recovery scenarios, historical information, the costs involved in the recovery process and the estimated valuation of the collateral associated with credit operations.

The use of alternative methodologies and of different assumptions and estimates could result in a different level of the impairment losses recognized and presented in notes 19, 20, 23, and 25, with a consequent impact in the income statement of Banco Montepio.

In accordance with the provisions of IFRS 9, Banco Montepio, for the purpose of measuring credit impairment losses, updated the prospective information related to the macroeconomic data available on risk parameters, determining impacts at the level of the expected credit loss (see notes 13 and 48).

Fair value of derivative financial instruments and other financial assets measured at fair value

Fair values are based on listed market prices, if available, being, in their absence, determined based either by recent transaction prices, similar and realized under market conditions or based on discounting techniques applied to future cash flows which consider market conditions, time value, yield curve and volatility factors. These methodologies may require assumptions or judgments in the estimation of fair value.

Consequently, the use of different methodologies or of different assumptions or judgments in applying a particular model could result in financial results different from those reported in notes 21, 22 and 23.

The detail of the fair value calculation of derivative financial instruments and other financial assets carried at fair value is presented in note 43.

Impairment of investments in subsidiaries and associates

Banco Montepio assesses the recoverable value when there are signs of evidence of impairment. Impairment losses are assessed based on the difference between the recoverable value of the investments in subsidiaries or associates and their book value. Impairment losses identified are recorded against profit or loss and subsequently reversed through profit or loss if the amount of the estimated loss is reduced in a subsequent period.

The recoverable value is determined based on the higher of the value in use of the assets and the fair value less costs to sell, and is calculated using valuation methodologies, supported by discounted cash flow techniques, considering market conditions, the time value and business risks, which require the use of certain assumptions or judgment in establishing the fair value estimates.

Different methodologies and the use of different assumptions and estimates could result in a different level of impairment losses being recognized and presented in note 26, with the consequent impact on the income statement of Banco Montepio.

Income taxes

Certain interpretations and estimates are required in determining the global amount of corporate income taxes. There are various transactions and calculations for which the assessment of the ultimate tax payable is uncertain during the ordinary course of business. The Bank complies with the guidelines of IFRIC 23 - Uncertainties related to the treatment of income tax related to the determination of taxable income, tax bases, tax losses to be carried forward, tax credits to be used and tax rates in scenarios of uncertainty regarding income tax treatment, with no material impact on its financial statements having resulted from the application of same.

Different interpretations and estimates could result in a different level of corporate income taxes, both of current and deferred taxes, to those recognized in the financial year and presented in note 29. This aspect has an increased relevance in the deferred tax recoverability analysis, in which the Bank considers projections of future taxable income based on a set of assumptions, including estimated pre-tax income, adjustments to the tax base, the tax legislation and its interpretation. Accordingly, the recoverability of deferred tax assets depends on the implementation of the strategy of the Bank's Board of Directors, namely the ability to generate the estimated taxable income, the tax legislation and its respective interpretation.

Law no. 98/2019, of 4 September, changed the rules applicable to impairment losses recognized from 1 January 2019, as well as to impairment losses recorded in tax periods beginning before 1 January 2019 and not yet tax accepted, contemplating a maximum adaptation period of 5 years, that is, until 31 December 2023.

Banco Montepio opted to apply the new tax regime for impairment as from the 2023 financial year onwards; therefore, as from that date, it has calculated its current and deferred tax estimate based on the new tax regime for impairment, considering the clarifications of Circular Letter no. 20277, of 2 March 2025, issued by the Tax and Customs Authority.

The Portuguese Tax and Customs Authority is entitled to review the annual taxable income assessment made by Banco Montepio, for a period of four years, save where any deduction or tax credit has been made, in which case the period is that of the exercise of that right. Hence, corrections to the assessments may occur, mainly because of differences in interpretation of tax law. The Board of Directors considers it improbable that these will have a materially relevant effect on the financial statements.

Pensions and other post-employment and long-term employee benefits

The determination of the pension payment liabilities requires the use of assumptions and estimates, including the use of actuarial projections and others, such as the discount rate, the pension and salary growth rates and the mortality tables, the estimated return on investments and other factors that may have an impact on the pension plan costs and liabilities.

Changes to these assumptions could have a significant impact on the amounts determined and presented in note 44.

Classification and valuation of non-current assets held for sale

The classification of the real estate received in recovery of credit is determined in accordance with IFRS 5.

Non-current assets held for sale are measured at the lower of their fair value less selling expenses and the book value of the loans on the date the assets are received in recovery. Fair value is determined based on periodic assessments made by external experts registered with the CMVM. Different methodologies and assumptions could have an impact on the classification and on the determination of the assets' fair value, which are presented in note 30.

Provisions and contingent liabilities

The measurement of provisions considers the principles set out in IAS 37 regarding the best estimate of the expected cost, the most likely outcome of ongoing litigation and considering the risks and uncertainties inherent in each process. Other assumptions and different judgments could have an impact on the calculation of the amount of the provisions, which are presented in note 35.

Recoverable value of own properties

The measurement of impairment considers the principles defined in IAS 36, which requires that their recoverable value be determined as the lower of their fair value and their value in use, being calculated based on the present value of the estimated future cash flows expected to be obtained from the continued use of the assets and from their disposal. Other alternative methodologies and the use of different assumptions and estimates could result in different conclusions about the recoverable value of the Bank's own properties, which are presented in note 27.

2 Net interest income

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Jun 2025**
Interest and similar income		
Deposits from central banks and other loans and advances to credit institutions	10 422	18 546
Loans and advances to customers	221 997	251 731
Financial assets held for trading	30	-
Financial assets at fair value through profit or loss	5	7
Financial assets at fair value through other comprehensive income	5 925	3 641
Hedging derivatives	2 483	3 055
Other financial assets at amortized cost	29 035	17 443
Other interest and similar income	665	4
	270 562	294 427
Interest and similar expense		
Deposits from other credit institutions and central banks	4 202	4 929
Deposits from customers	82 444	99 027
Debt securities issued	13 602	16 876
Financial liabilities associated to transferred assets	568	1 282
Hedging derivatives	164	777
Other subordinated debt	10 697	10 713
Lease liabilities	525	744
Other interest and similar expense	2 037	2 825
	114 239	137 173
Net interest income	156 323	157 254

The caption Interest and similar income – Loans and advances to customers, includes, as at 30 June 2026, respectively, the amount of Euro 7,794 thousand and the amount of Euro 3,990 thousand (30 June 2025: Euro 8,866 thousand and Euro 3,821 thousand), related to income and to expenses, accounted for under the effective interest rate method, as referred to in the accounting policy described in note 1 b).

The caption Interest and similar income – Financial assets at fair value through profit or loss includes the interest on loan contracts that do not meet the SPPI criteria, and which are recorded at fair value through profit or loss.

The caption Interest and similar expense – Other interest and similar charges includes, as at 30 June 2026, the amount of Euro 1,624 thousand (30 June 2025: Euro 2,066 thousand) related to costs incurred with the synthetic securitization operations.

3 Dividends from equity instruments

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Jun 2025**
Financial assets at fair value through other comprehensive income		
Unicre	518	-
SIBS	526	522
ABANCA	192	42
Other	2	5
	1 238	569

4 Net fee and commission income

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Jun 2025**
Fee and commission income		
From banking services	64 719	61 359
From transactions on behalf of third parties	8 069	8 822
From insurance brokerage services	4 518	4 652
Guarantees provided	1 883	2 013
Other fee and commission income	1 275	1 625
	80 464	78 471
Fee and commission expense		
From banking services rendered by third parties	10 468	12 847
From transactions with securities	149	155
Other fee and commission expense	897	979
	11 514	13 981
Net fee and commission income	68 950	64 490

As at 30 June 2026 and 2025, the caption Insurance brokerage services has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Jun 2025**
Life insurance	2 072	2 072
Non-life insurance	2 446	2 580
	4 518	4 652

5 Net gains/(losses) arising from financial assets and liabilities at fair value through profit or loss

This caption has the following breakdown:

(Euro thousand)

	Jun 2026			Jun 2025		
	Gains	Losses	Total	Gains	Losses	Total
Assets and liabilities held for trading						
Securities						
Bonds and other fixed-income securities						
Issued by public entities	525	180	345	431	198	233
Issued by other entities	20	33	(13)	193	5	188
Shares	517	554	(37)	735	603	132
Investment units	175	56	119	348	171	177
	1 237	823	414	1 707	977	730
Derivative financial instruments						
Interest rate contracts	16 179	22 029	(5 850)	14 273	20 716	(6 443)
Exchange rate contracts	12 261	11 978	283	15 397	15 479	(82)
Futures contracts	1 784	1 806	(22)	1 681	1 875	(194)
Option contracts	3 559	3 270	289	7 934	7 818	116
	33 783	39 083	(5 300)	39 285	45 888	(6 603)
Financial assets at fair value through profit or loss						
Investment units	1 199	(445)	1 644	2 144	3 788	(1 644)
Loans and advances to customers	33	-	33	49	3	46
	1 232	(445)	1 677	2 193	3 791	(1 598)
Other financial assets at fair value through profit or loss						
Securities						
Shares	-	(857)	857	27	-	27
Securitization units	555	-	555	798	-	798
Loans and advances to customers	24	5	19	7	2	5
	579	(852)	1 431	832	2	830
Financial liabilities at fair value through profit or loss						
Deposits from customers	-	-	-	336	1 621	(1 285)
	-	-	-	336	1 621	(1 285)
Hedging derivatives						
Interest rate contracts	32 441	33 821	(1 380)	46 683	42 899	3 784
Assets and liabilities hedged financial						
Other financial assets at amortized cost	1 221	286	935	1 071	52	1 019
Debt securities issued	2 273	149	2 124	4 043	1 928	2 115
Other subordinated debt	4 552	2 373	2 179	3 336	3 898	(562)
	8 046	2 808	5 238	8 450	5 878	2 572
	77 318	75 238	2 080	99 486	101 056	(1 570)

Financial assets at fair value through profit or loss in terms of Participation Units include, as at 30 June 2026, a positive impact of Euro 1,644 thousand (30 June 2025: negative impact of Euro 1,644 thousand), determined by: (i) the positive effects of Fundo Veja (fund) of Euro 1,077 thousand, of Fundo VIP (fund) of Euro 622 thousand and of Fundo Discovery Portugal Real Estate Fund of Euro 592 thousand; and (ii) by the negative effects of Fundo Carteira Imobiliária (fund) of Euro 412 thousand, of Fundo Aquarius (fund) of Euro 213 thousand and of Fundo SC1 – Fundo Capital de Risco (fund) of Euro 211 thousand.

The caption Other financial assets at fair value through profit or loss of securitization units reflects the change in the value of the securitized loan portfolio, which as at 30 June 2026 recorded the amount of Euro 11,067 thousand (30 June 2025: Euro 24,492 thousand).

Hedge accounting gains and losses include changes in the fair value of hedging instruments (derivatives), recorded under the caption Hedging derivatives, and changes in the fair value of hedged items attributable to the respective hedged risks, recorded under the corresponding hedged Financial assets and liabilities captions. Hedging relationships are described in note 24.

6 Net gains/(losses) arising from financial assets at fair value through other comprehensive income

This caption has the following breakdown:

(Euro thousand)

	Gains	
	Jun 2026	Jun 2025
Fixed-income securities		
Bonds		
Issued by public entities	911	731
Issued by other entities	415	-
	1 326	731

As at 30 June 2026, this caption includes positive net gains obtained from the sale of Spanish public debt bonds amounting to Euro 911 thousand and bonds of other private national issuers amounting to Euro 415 thousand. As at 30 June 2025, the caption Public issuers includes positive net gains obtained from the sale of Spanish public debt bonds amounting to Euro 561 thousand and of European public debt bonds amounting to Euro 170.

7 Net gains/(losses) arising from exchange differences

This caption has the following breakdown:

(Euro thousand)

	Jun 2026			Jun 2025		
	Gains	Losses	Total	Gains	Losses	Total
Foreign exchange differencies	13 834	13 401	433	15 901	13 616	2 285

This caption includes the results arising from the restatement of monetary assets and liabilities in foreign currency in accordance with the accounting policy described in note 1 p).

8 Net gains/(losses) arising from the sale of other assets

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Jun 2025
Disposal of loans and advances to customers	(1 605)	6 374
Disposal of other assets	2 460	3 177
Disposal of investments in associated companies	4 665	-
	5 520	9 551

As at 30 June 2026 and 2025, the caption Disposal of loans and advances to customers includes capital gains and losses on the sale of loans and, when applicable, the impact of repurchases related to those operations.

The caption Disposal of other assets considers the result obtained from the sale of properties.

The caption Disposal of investments in associates considers, as at 30 June 2026, the final value of the net gain obtained considering the impact of the sale of the shareholding in H.T.A – Hotéis, Turismo e Animação dos Açores, S.A. that occurred on 13 May 2026.

9 Other operating income/(expense)

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Jun 2025
Other operating income		
Services provided	2 852	2 871
Management fees on demand deposits	1 254	1 472
Reimbursement of expenses	730	1 012
Tax recovery	104	1 169
Income from banking operations	697	-
Actuarial deviations of assigned collaborators	72	-
Refund of the contribution to the solidarity surcharge on the banking sector	-	7 836
Other	611	1 529
	6 320	15 889
Other operating expenses		
Contributions		
Banking sector	8 450	7 819
National Resolution Fund	2 888	2 780
Deposits Guarantee Fund	70	67
Expense from the valuation of financial liabilities	-	5 396
Servicing and expenses with recovery and disposal of loans	2 150	1 935
Services provided by Montepio Serviços, A.C.E.	1 788	1 772
Expenses with trading properties	757	1 246
Expenses with issuances	815	1 056
Costs with means of payment	697	859
Taxes	798	686
Donations and memberships	1 179	131
Other	3 520	6 462
	23 112	30 209
Other net operating income/(expense)	(16 792)	(14 320)

The caption Contribution of the banking sector is calculated in accordance with the terms of Law no. 55 A/2010, based on: (i) the average annual liability recorded in the balance sheet less the core capital (Tier 1) and the supplementary capital (Tier 2) and the deposits covered by the Deposits Guarantee Fund and (ii) the notional amount of the derivative financial instruments.

In 2020, this regime was supplemented by an Additional solidarity contribution on the banking sector, created as a budgetary policy instrument in the context of the post-pandemic crisis, the base of incidence of which followed the same criteria applicable to the calculation of the Contribution of the banking sector previously described, as set out in Ordinance no. 191/2020.

Due to Ruling no. 478/2025 of the Constitutional Court, issued on 3 June 2025, which declared the Regime for the Additional solidarity contribution on the banking sector, with general binding force, unconstitutional, the Bank did not recognize charges for this contribution in financial year 2025. The payments already made under this Regime were challenged in court by Banco Montepio, and a favourable court decision was issued in the case related to the Additional solidarity contribution on the banking sector paid in 2020 and 2021, with said decision having become final and binding. Consequently, the amount of Euro 7,836 thousand was recognized as a gain in the first half of 2025 under the caption "Gain related to the Additional solidarity contribution on the banking sector", with said amount corresponding to the amounts from previous financial years whose refund was due. The amounts of the Additional solidarity contribution on the banking sector for financial years 2022, 2023, 2024 and 2025 were administratively challenged, and have already having been fully refunded.

The caption Contribution ex-ante to the Single Resolution Fund corresponds to the annual contribution, determined in accordance with number 1 of article 153-H of the Legal Framework of Credit Institutions and Financial Companies (Regime Geral das Instituições de Crédito e Sociedades Financeiras – "RGICSF"), which transposed articles 100(4)(a) and 103(1) of Directive 2015/59/EU of the European Parliament and of the Council, of 15 May 2014, and article 20 of Delegated Regulation (EU) no. 2015/63 of the Commission, of 21 October 2014 ("Delegated Regulation") as well as the conditions provided for in Implementing Regulation 2015/81 of the Council, of 19 December 2014 ("Implementing Regulation").

This contribution is determined by the Bank of Portugal, in its quality as national resolution authority, based on the methodology defined in articles 4, 13 and 20 of the Delegated Regulation. Under the Single Resolution Mechanism this contribution must be transferred to the Single Resolution Fund by 30 June of each year, as stipulated in the Agreement for the Transfer and Mutualization of the contributions to the Single Resolution Fund, signed in Brussels on 21 May 2014 and approved by Portuguese National Assembly Resolution 129/2015, of 3 September, pursuant to article 67(4) of Regulation (EU) no. 806/2014 of the European Parliament and of the Council, of 15 July 2014 ("MUR Regulation").

In addition, it is the responsibility of the Single Resolution Council (Conselho Único de Resolução ("CUR")), in strict cooperation with the Bank of Portugal, in its quality as national resolution authority, to calculate these contributions on an annual basis, pursuant to and for the purpose of article 70(2) of the MUR Regulation. Banco Montepio opted, in 2025 and 2024, to use irrevocable payment commitments, in the proportion of 15% of the contribution amount, as provided for in article 8(3) of the Implementing Regulation.

Considering that for the formulation of the irrevocable payments commitments only cash collateral is accepted, the accumulated amount transferred by Banco Montepio to the Single Resolution Fund in the form of irrevocable payment commitments through the constitution of a security deposit registered in the caption Loans and advances to credit institutions abroad - Term deposits, amounted, as at 30 June 2026, to Euro 11,320 thousand (31 December 2025: Euro 11,320 thousand), as per note 19.

As at 30 June 2026, Banco Montepio did not make any contribution to the Single Resolution Fund, since the information transmitted by the SRB - Single Resolution Board, on 15 February 2024, continues valid and states that the means available in the Single Resolution Fund on 31 December 2023 reached the target level of at least 1% of the covered deposits held by the Member States participating in the Single Resolution Mechanism, as stipulated in Regulation (EU) no. 806/2014.

The caption Contribution to the National Resolution Fund corresponds to mandatory periodic contributions, in accordance with Decree-Law no. 24/2013. The periodic contributions are calculated annually using a base rate, determined based on an Instruction of the Bank of Portugal, which may be adjusted in function of the credit institution's risk profile, that is to be applied in each year on the objective incidence base of said contributions. The periodic contributions have as incidence base the liabilities of the credit institutions

participating in the Fund, defined in accordance with article 10 of said Decree-Law, less the liability elements integrating Tier 1 and Tier 2 and the deposits covered by the Deposits Guarantee Fund.

In the scope of the annual periodic contributions to the Deposits Guarantee Fund ("DGF"), Banco Montepio has assumed irrevocable payment commitments, pursuant to article 161(4) of the Legal Framework of Credit Institutions and Financial Companies ("Regime Geral das Instituições de Crédito e Sociedades Financeiras" – "RGICSF"), for a portion of these contributions, with the commitment to make the respective payment upon request by the DGF.

As at 30 June 2026, the caption Expenses incurred with early repurchase of debt issues corresponds to the premium paid for the partial repayment before maturity of an EMTN bond issue, as described in note 33.

As at 30 June 2026, the caption Other operating expense - Servicing and expenses with the recovery and disposal of loans registers the servicing costs charged by third parties related to a portfolio of non-performing loans.

10 Staff costs

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Jun 2025
Remuneration	57 239	55 032
Mandatory social charges	16 451	16 035
Charges with Pension Funds	(409)	645
Other staff costs	2 311	2 064
	75 592	73 776

In the first half of 2026, variable remuneration was paid to Other key management personnel in the global amount of Euro 699 thousand for financial year 2025 (first half of 2025: Euro 557 thousand for financial year 2024). Other key management personnel are the first-line managers.

In the first half of 2026 and 2025, the remuneration and other benefits attributed to the General Meeting Board, the Board of Directors (including the members of the Audit Committee) and Other key management personnel, including the respective charges, are presented as follows:

(Euro thousand)

	Jun 2026			
	General Meeting Board	Board of Directors	Other key management staff	Total
Remuneration and other short-term benefits	4	1 992	2 674	4 670
Pension costs	-	689	47	736
Costs with healthcare benefits (SAMS)	-	8	36	44
Social Security charges	1	358	458	817
	5	3 047	3 215	6 267

(Euro thousand)

	Jun 2025			
	General Meeting Board	Board of Directors	Other key managem ent staff	Total
Remuneration and other short-term benefits	4	1 488	2 438	3 930
Costs with healthcare benefits (SAMS)	-	8	35	43
Social Security charges	1	325	434	760
	5	1 821	2 907	4 733

As at 30 June 2026, loans granted by Banco Montepio to members of the Board of Directors (including the members of the Audit Committee) amounted to Euro 58 thousand (30 June 2025: Euro 71 thousand) and to Other key management personnel, Euro 2,664 thousand (30 June 2025: Euro 3,060 thousand), as described in note 46.

11 General and administrative expenses

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Jun 2025
Rental costs	1 222	1 307
Specialized services		
IT services	10 179	9 652
Independent work	2 972	2 633
Other specialized services	9 632	9 968
Maintenance and repairs	2 455	2 446
Communication costs	2 066	2 261
Advertising costs	1 251	1 070
Transportation	1 441	1 374
Water, energy and fuel	1 628	1 614
Insurance	798	702
Travel, accommodation and entertainment expenses	714	601
Training	390	233
Consumables	243	266
Other general administrative costs	978	837
	35 969	34 964

The caption Rents and hires includes, as at 30 June 2026, the amount of Euro 346 thousand (30 June 2025: Euro 463 thousand) related to short-term lease contracts, of which Euro 12 thousand (30 June 2025: Euro 56 thousand) correspond to rents paid on real estate and Euro 334 thousand (30 June 2025: Euro 407 thousand) to rents paid on vehicles, in both cases used by Banco Montepio as a lessee.

Banco Montepio	1 074	1 069
Entidades controladas direta ou indiretamente pela EIP	118	105
	1 192	1 174

12 Depreciation and amortization

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Jun 2025**
Intangible assets (note 28)		
Software	16 658	16 648
Other tangible assets (note 27)		
Real Estate		
For own use	1 155	1 180
Leasehold improvements in rented buildings	30	47
Equipment		
IT equipment	2 189	1 732
Fixtures	1 133	1 058
Furniture	145	43
Security equipment	184	131
Machinery and tools	2	2
Right-of-use assets		
Real Estate	2 319	2 749
Motor vehicles	1 332	1 530
	8 489	8 472
	25 147	25 120

The caption Right-of-use assets corresponds, essentially, to properties (branches and central buildings) and the car fleet, being depreciated according to the period of each lease agreement, as indicated in accounting policy 1 i).

13 Impairment of loans and advances to customers and to credit institutions

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Jun 2025**
Other loans and advances to credit institutions (note 19)		
Charge for the period	23	14
Reversal for the period	(31)	(10)
	(8)	4
Loans and advances to customers (note 20)		
Charge for the period	115 890	140 759
Reversal for the period	(115 537)	(144 260)
Recovery of loans and interest	(1 710)	(4 211)
	(1 357)	(7 712)
	(1 365)	(7 708)

The caption Recovery of loans and interest refers to receipts from customers related to exposures that had already been written off.

This caption records the estimate of the expected losses determined according to the accounting policy described in note 1 b).

14 Impairment of other financial assets

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Jun 2025
Financial assets at fair value through other comprehensive income (note 23)		
Charge for the period	127	115
Reversal for the period	(102)	-
	25	115
Other financial assets at amortized cost (note 25)		
Charge for the period	1 035	937
Reversal for the period	(511)	(919)
	524	18
	549	133

15 Impairment of other assets

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Jun 2025
Investments in associated companies (note 26)		
Charge for the period	-	-
Reversal for the period	(8 068)	(5 671)
	(8 068)	(5 671)
Other tangible assets (note 27)		
Charge for the period	28	292
Other assets (note 30)		
Charge for the period	5 483	7 281
Reversal for the period	(1 129)	(1 455)
	4 354	5 826
	(3 686)	447

The caption Other assets considers, in the half year ended 30 June 2026 and 2025, the reinforcement of impairment for some properties following the regular valuations carried out.

16 Other provisions

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Jun 2025**
Guarantees and commitments (note 35)		
Charge for the period	4 385	6 108
Reversal for the period	(5 145)	(7 956)
	(760)	(1 848)
Other risks and charges (note 35)		
Charge for the period	1 036	377
Reversal for the period	(1 292)	(43)
	(256)	334
	(1 016)	(1 514)

17 Cash and deposits at central banks

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Cash	138 968	155 803
Deposits at central banks		
Bank of Portugal	849 738	1 100 243
	988 706	1 256 046

The caption Deposits at central banks – Bank of Portugal includes the amount necessary to comply with the legal requirements to maintain a minimum cash reserve, calculated based on the value of the deposits and other effective liabilities. The cash reserve constitution regime, in accordance with directives of the European Central Bank System for the Eurozone, establishes the maintenance of a deposit at the Central Bank equivalent to 1% of the average value of the deposits and other liabilities, over each reserve constitution period.

18 Deposits and deposit equivalents at other credit institutions

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Credit institutions in Portugal	653	458
Credit institutions abroad	20 989	23 787
Amounts to be collected	16 317	13 512
	37 959	37 757

The caption Amounts to be collected refers to cheques drawn by third parties on other credit institutions, and which are due for collection.

In the first half of 2026, Deposits and deposit equivalents at other credit institutions were remunerated at the implicit average rate of 0.11% (31 December 2025: 0.09%).

19 Loans and advances to credit institutions

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Other loans and advances to credit institutions in Portugal		
Term deposits	5	8 690
	5	8 690
Other loans and advances to credit institutions abroad		
Term deposits	11 863	20 081
CSA's	32 318	28 048
Reverse repos	158 820	324 838
Other loans and advances	89 658	71 757
	292 659	444 724
	292 664	453 414
Impairment for credit risk of other loans and advances to credit institutions	(40)	(47)
	292 624	453 367

As at 30 June 2026 and 31 December 2025, the caption Term deposits, recorded under Loans and advances to credit institutions abroad, includes the amount of Euro 11,320 thousand, related to a deposit made and accepted as collateral within the scope of the ex-ante Contribution to the Single Resolution Fund, as per note 9.

Credit Support Annexes (“CSA’s”) are contracts that regulate the delivery, reception and monitoring of collateral delivered/received to cover the exposure of a counterparty of the contract to the other, as a result of open positions in over-the-counter derivatives. Despite the fact that collaterals under the CSA contracts can take the form of securities or cash, in Banco Montepio’s case, all collaterals are in the form of cash.

Collaterals in cash delivered (constitution of reinforcement) or received (collateral release) result from the changes in the fair value of the various derivative instruments that Banco Montepio negotiated with each one of the counterparties and are materialized through the effective transfers of cash, which are processed via TARGET2 to each one of the counterparties in question, as a guarantee/security of Banco Montepio’s exposure vis-à-vis the counterparty.

On this basis, and in the scope of the operations of derivative financial instruments with institutional counterparties, and as established in the respective contracts, as at 30 June 2026, Banco Montepio holds the amount of Euro 32,318 thousand (31 December 2025: Euro 28,048 thousand) related to loans and advances to credit institutions given as collateral for the above-mentioned operations.

The caption Purchase operations with resale agreement refer to operations made with banks of the Eurozone.

Impairment movements for credit risks of Loans and advances to credit institutions are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	47	25
Charge for the period	23	48
Reversal for the period	(31)	(25)
Exchange rate differences	1	(1)
Closing balance	40	47

In the first half of 2026, Loans and advances to credit institutions were remunerated at the implicit average rate of 2.93% (31 December 2025: 2.85%).

20 Loans and advances to customers

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
Corporate		
Loans not represented by securities		
Loans	2 814 749	2 782 455
Current account loans	1 006 074	883 003
Finance lease	244 539	233 158
Discounted bills	17 250	14 937
Factoring	338 971	307 968
Overdrafts	1 178	1 210
Other loans	288 336	257 062
Loans represented by securities		
Commercial paper	455 168	431 372
Bonds	447 027	490 241
Retail		
Mortgage loans	6 778 816	6 276 347
Finance leases	18 942	21 695
Consumer credit and other loans	1 059 383	1 084 599
	13 470 433	12 784 047
Value correction of assets subject to hedging operations	-	(19)
Past due loans and advances and interest		
Less than 90 days	9 783	14 811
More than 90 days	88 693	58 304
	98 476	73 115
	13 568 909	12 857 143
Impairment for credit risks	(160 121)	(162 392)
	13 408 788	12 694 751

As at 30 June 2026, the caption Loans and advances to customers includes the amount of Euro 2,125,100 thousand (31 December 2025: Euro 2,190,754 thousand) related to the issue of covered bonds realized by Banco Montepio, as referred to in note 33.

As at 30 June 2026, the loans and advances granted to shareholders and to related parties, including companies in the consolidation perimeter, amounted to Euro 572,344 thousand (31 December 2025: Euro 572,489 thousand), as described in note 46. The celebration of business between Banco Montepio and its shareholders or with individual or legal persons related to these, according to article 20 of the Portuguese Securities Code, regardless of the amount, is always submitted to deliberation and assessment by the Board of Directors and the Audit Committee, under a proposal made by the commercial network, supported by analyses and opinions as to the compliance with the limit established in article 109 of the Legal Framework of Credit Institutions and Financial Companies issued by the Risk Directorate. The impairment for credit risks related to these contracts amounts to Euro 553 thousand as at 30 June 2026 (31 December 2025: Euro 482 thousand).

As at 30 June 2026, the caption Loans and advances to customers includes the amount of Euro 11,067 thousand (31 December 2025: Euro 16,862 thousand) related to loans and advances that were the object of securitization and that, in accordance with the accounting policy outlined in note 1 b), were not the object of derecognition, as referred in note 47.

The caption Value correction of assets subject to hedge operations registers the fair value of the part of the portfolio that is hedged. This appreciation is accounted for through the income statement, in accordance with the accounting policy described in note 1 c). Banco Montepio periodically tests the effectiveness of the existing hedging relationships.

The fair value of the Loans and advances to customers' portfolio is presented in note 43.

The analysis of the caption Loans and advances to customers, by interest rate type, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Variable-rate loans and advances	8 598 663	8 231 584
Fixed-rate loans and advances	4 970 246	4 625 559
	13 568 909	12 857 143

The analysis of Past due loans and advances and interest, by credit type, is presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Asset-backed loans	28 257	13 750
Other guaranteed loans	46 050	42 780
Finance leases	5 236	5 056
Secured loans	10 500	-
Other loans and advances	8 433	11 529
	98 476	73 115

The analysis of Past due loans and advances and interest, by customer type and purpose, is presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Corporate		
Construction/Production	9 112	2 387
Investment	19 735	18 074
Treasury	50 097	38 728
Others	7 751	7 276
Retail		
Mortgage loans	2 955	1 920
Consumer credit	5 482	4 132
Others	3 344	598
	98 476	73 115

The analysis of the caption Loans and advances to customers, by maturity and by credit type, as at 30 June 2026 and 31 December 2025, is as follows:

(Euro thousand)

	Jun 2026				
	Up to 1 year	1 to 5 years	More than 5 years	Undetermined	Total
Asset-backed loans	105 527	545 392	9 138 646	28 257	9 817 822
Other guaranteed loans	475 002	243 714	146 827	46 050	911 593
Finance leases	4 476	111 482	147 523	5 236	268 717
Secured loans	453 974	251 294	196 927	10 500	912 695
Other loans and advances	961 418	89 669	598 562	8 433	1 658 082
	2 000 397	1 241 551	10 228 485	98 476	13 568 909

(Euro thousand)

	Dec 2025				
	Up to 1 year	1 to 5 years	More than 5 years	Undetermined	Total
Asset-backed loans	131 942	479 738	8 693 276	13 750	9 318 706
Other guaranteed loans	378 692	245 543	147 348	42 780	814 363
Finance leases	4 898	96 270	153 685	5 056	259 909
Secured loans	431 628	232 730	257 255	-	921 613
Other loans and advances	800 630	121 811	608 582	11 529	1 542 552
	1 747 790	1 176 092	9 860 146	73 115	12 857 143

As at 30 June 2026 and 31 December 2025, the outstanding amount of finance leases, by residual maturity of instalments, is presented as follows:

(Euro thousand)

	Jun 2026			
	Up to 1 year	1 to 5 years	More than 5 years	Total
Outstanding rentals	56 576	141 421	83 830	281 827
Outstanding interest	(10 445)	(24 977)	(16 838)	(52 260)
Residual values	1 518	13 265	19 131	33 914
	47 649	129 709	86 123	263 481

(Euro thousand)

	Dec 2025			
	Up to 1 year	1 to 5 years	More than 5 years	Total
Outstanding rentals	53 234	135 298	86 669	275 201
Outstanding interest	(10 161)	(24 949)	(18 933)	(54 043)
Residual values	1 932	11 232	20 531	33 695
	45 005	121 581	88 267	254 853

As regards operating leases, Banco Montepio does not have significant agreements as lessor.

The movements in impairment for credit risk are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	162 392	203 298
Charge for the period	115 890	306 582
Reversal for the period	(115 537)	(302 645)
Utilization	(3 137)	(45 297)
Exchange rate differences	-	(47)
Financial liabilities associated with transferred assets and stage 3 interest	212	183
Transfers	301	318
Closing balance	160 121	162 392

The use of impairment corresponds, essentially, to loan and advance operations written off and to loan sale operations to third-party entities, made within the scope of the non-performing exposure reduction strategy.

The impairment for credit risk, by credit type, is presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Asset-backed loans and finance leases	76 818	78 878
Other secured loans	51 973	51 080
Unsecured loans	31 330	32 434
	160 121	162 392

The analysis of impairment used, by credit type, is as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Asset-backed loans and finance leases	83	18 875
Other secured loans	3	5 104
Unsecured loans	3 051	21 318
	3 137	45 297

Banco Montepio has adopted forbearance measures and practices, aligned in terms of risk, to adjust the disposable income or the financial capacity of customers to their debt service. On this basis, the recommendations legislated in the scope of the non-compliance regimes (Decree-Law no. 227/2012) and, for companies (SIREVE, PER), were adopted, with these being widely disclosed in the institutional website, in the internal rules and communications, to be disclosed and implemented vis-à-vis customers presenting evidence of financial difficulties.

Regarding the forbearance measures and in accordance with Implementing Regulation (EU) 2015/227, of 9 January 2015, contractual changes were considered (grace period of the principal, extension of the term, deferral of the principal, etc.) as were the consolidation of debts in another contract with conditions adjusted to the customer's current situation.

As at 30 June 2026, the loan and advances portfolio includes loans that, given the financial difficulties of the customer, were subject to amendments of the initial conditions of the contract and these amount to Euro 123,021 thousand (31 December 2025: Euro 127,788 thousand) and present an impairment of Euro 33,278 thousand (31 December 2025: Euro 29,048 thousand).

Additionally, the restructured loans and advances to customers' portfolio includes contracts that resulted in a formal restructuring with the customers and the consequent celebration of a new loan to replace the previous loans. The restructuring may result from a reinforcement of guarantees and/or liquidation of part of the loan and involve an extension of maturities or a change in the interest rate. The analysis of restructured loans as at 30 June 2026 and 31 December 2025, by credit type, is presented as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Corporate		
Loans not represented by securities		
Loans	15 680	27 349
Current account loans	452	19 898
Finance leases	225	4 612
Other loans	2 996	2 542
Retail		
Mortgage loans	1 328	3 045
Consumer credit and other loans	673	996
	21 354	58 442

As at 30 June 2026, impairment associated with restructured loans not yet due amounts to Euro 9,279 thousand, corresponding to an impairment rate of 43.5% (31 December 2025: Euro 16,303 thousand, impairment rate of 27.9%).

Synthetic securitization

On 21 December 2022, Banco Montepio carried out an operation that configures a synthetic securitization structure, based on a portfolio of loans to individuals with mortgage guarantee. The legal maturity date of the operation is 29 December 2050, and the respective amount is Euro 455,430 thousand as at 30 June 2026 (31 December 2025: Euro 491,507 thousand).

On 31 May 2023, Banco Montepio carried out a synthetic securitization, with an underlying portfolio of loans to individuals with mortgage guarantee. The legal maturity date of the operation is 4 February 2066, and the amount is Euro 576,980 thousand as at 30 June 2026 (31 December 2025: Euro 604,724 thousand).

21 Financial assets and liabilities held for trading

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
Financial assets held for trading		
Securities		
Shares	2 644	838
Bonds	17 880	6 393
Investment units	436	1 303
	20 960	8 534
Derivative instruments		
Derivative financial instruments with positive fair value	5 243	5 175
	26 203	13 709
Financial liabilities held for trading		
Derivative instruments		
Derivative financial instruments with negative fair value	5 936	5 870
	5 936	5 870

As provided for in IFRS 13, as at 30 June 2026 and 31 December 2025, the financial instruments measured in accordance with the valuation levels described in note 43, are presented as follows:

(Euro thousand)

	Jun 2026			
	Level 1	Level 2	Level 3	Total
Financial assets held for trading				
Securities				
Shares	2 644	-	-	2 644
Bonds	17 880	-	-	17 880
Investment units	436	-	-	436
	20 960	-	-	20 960
Derivative instruments				
Derivative instruments with positive fair value	-	5 243	-	5 243
	20 960	5 243	-	26 203
Financial liabilities held for trading				
Derivative instruments				
Derivative instruments with negative fair value	-	5 936	-	5 936
	-	5 936	-	5 936

(Euro thousand)

	Dec 2025			
	Level 1	Level 2	Level 3	Total
Financial assets held for trading				
Securities				
Shares	838	-	-	838
Bonds	6 393	-	-	6 393
Investment units	1 303	-	-	1 303
	8 534	-	-	8 534
Derivative instruments				
Derivative instruments with positive fair value	-	5 175	-	5 175
	8 534	5 175	-	13 709
Financial liabilities held for trading				
Derivative instruments				
Derivative instruments with negative fair value	-	5 870	-	5 870
	-	5 870	-	5 870

As at 30 June 2026, no assets had been given to the European Central Bank as collateral for possible liquidity-providing operations and, as such, no amount was recorded in this caption (31 December 2025: Euro 3,762 thousand) after the application of a haircut.

As at 30 June 2026, securities given as collateral to the EIB and recorded under the caption Financial assets held for trading, amounted to Euro 200 thousand, as described in note 31.

These financial assets given as collateral may be executed in the event of non-compliance with the contractual obligations assumed by Banco Montepio under the terms of the contracts entered.

The book value of the derivative financial instruments as at 30 June 2026 and 31 December 2025, and their comparison with the respective assets and liabilities recorded at fair value, can be analysed as follows:

(Euro thousand)

		Jun 2026								
		Fair value of the derivative					Related Asset/Liability			
Derivative	Related financial asset/liability	Notional	Positive	Negative	Total	Changes in the period [1]	Fair value	Changes in fair value in the period	Book value	Reimbursement amount at maturity date
Intereste rate swaps	Deposits for customers	115 626	675	(1 232)	(557)	(386)	-	-	114 268	115 419
Intereste rate swaps	Loans and advances t	37 552	359	(357)	2	280	-	19	-	-
Intereste rate swaps	-	92 590	2 129	(2 127)	2	(21)	-	-	-	-
Currency swap (short)		76 466	151	(86)	65	49	-	-	-	-
Currency swap (long)	-	76 772								
Futures (short)	-	7 329	-	-	-	-	-	-	-	-
Futures (long)	-	1 993								
Forwards (Short)	-	3 378	-	-	-	-	-	-	-	-
Forwards (Long)	-	3 381								
Options (Short)	-	193 166	1 929	(2 134)	(205)	80	-	-	-	-
Options (Long)	-	194 400								
		802 653	5 243	(5 936)	(693)	2	-	19	114 268	115 419

[1] Includes the result of derivatives disclosed in note 5.

(Euro thousand)

		Dec 2025								
		Fair value of the derivative					Related Asset/Liability			
Derivative	Related financial asset/liability	Notional	Positive	Negative	Total	Changes in the period [1]	Fair value	Changes in fair value in the period	Book value	Reimbursement amount at maturity date
Intereste rate swaps	Deposits from customers	101 599	609	(780)	(171)	(2 176)	-	1 285	100 570	101 563
Intereste rate swaps	Loans and advances t	38 577	269	(547)	(278)	202	(19)	6	605	582
Intereste rate swaps	Other	122 598	2 233	(2 210)	23	12	-	-	-	-
Currency swap (short)	-	61 119	28	(12)	16	125	-	-	-	-
Currency swap (long)	-	61 371								
Future options (short)	-	-	-	-	-	-	-	-	-	-
Future options (long)	-	5 401								
Forwards (Short)	-	1 283	-	-	-	-	-	-	-	-
Forwards (Long)	-	1 284								
Options (Short)	-	178 523	2 036	(2 321)	(285)	(22)	-	-	-	-
Options (Long)	-	178 606								
		750 361	5 175	(5 870)	(695)	(1 859)	(19)	1 291	101 175	102 145

[1] Includes the result of derivatives disclosed in note 5.

Derivatives held for risk management were contracted for the purpose of hedging certain financial assets and liabilities but were not designated as hedging derivatives.

The fair value of options corresponds to their respective market value, given that these are derivatives traded on organized markets, with daily settlement against the margin account. The fair value of Forwards - Foreign exchange derivatives refers to instruments with short residual maturities, to be settled at maturity.

22 Financial assets not held for trading mandatorily at fair value through profit or loss

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
Variable income securities		
Investment units	124 618	127 571
Securitization units	334	252
Loans and advances to customers at fair value		
Loans not represented by securities	426	417
	125 378	128 240

As at 30 June 2026, the level 3 assets in the caption Variable-income securities – Investment units include investments made in Real Estate Investment Funds, Specialized Credit Recovery Funds and Venture Capital Funds that are valued according to the amount of the Net Asset Value of the Fund ("NAVF") disclosed, determined by the management company, in the amount of Euro 124,618 thousand (31 December 2025: Euro 127,571 thousand), of which Euro 65,517 thousand (31 December 2025: Euro 69,215 thousand) are related to Real Estate Investment Funds and 41,911 thousand (31 December 2025: Euro 40,193 thousand) related to investment units in Specialized Credit Funds acquired in the scope of the sale of loans and advances to customers, as referred in note 50. The securitization units correspond to the residual notes acquired by Banco Montepio.

The net assets of Specialized Credit Recovery Funds represent a diversified set of assets and liabilities, which are valued in the respective Funds' accounts at fair value determined using internal methodologies adopted by the management entity.

The net assets of the Real Estate Investment Funds are valued by the management company based on valuation reports prepared by experts registered with the Portuguese Securities Commission (Comissão do Mercado de Valores Mobiliários ("CMVM")).

As at 30 June 2026, for Variable-income securities recorded under level 3, considering a 10% change in the value of the financial assets, an impact of Euro 12,495 thousand (31 December 2025: Euro 12,782 thousand) was determined.

The movements occurring in the Financial assets at fair value through profit or loss – Variable-income securities, recorded under level 3, are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	127 823	145 718
Acquisitions	757	4 114
Remeasurements	2 000	(6 911)
Disposals	(5 628)	(15 098)
Closing balance	124 952	127 823

The movements occurring in level 3 of the Loans and advances to customers at fair value relate, in their entirety, to revaluations made in the first half of 2026 and financial year 2025.

23 Financial assets at fair value through other comprehensive income

This caption has the following breakdown:

(Euro thousand)

	Jun 2026				
	Cost [1]	Fair value reserve		Impairment losses	Book value
		Positive	Negative		
Fixed income securities					
Bonds issued by public entities					
Domestic	44 088	1	(729)	(64)	43 296
Foreign	432 203	462	(2 613)	(355)	429 697
Bonds issued by other entities					
Domestic	4 142	28	-	(23)	4 147
Foreign	316	-	(9)	-	307
	480 749	491	(3 351)	(442)	477 447
Variable income securities					
Shares					
Domestic	4 902	15 672	-	-	20 574
Foreign	6 214	364	(2 229)	-	4 349
	11 116	16 036	(2 229)	-	24 923
	491 865	16 527	(5 580)	(442)	502 370

[1] Acquisition cost related to variable income securities and amortised cost by debt securities.

(Euro thousand)

	Dec 2025				
	Cost [1]	Fair value reserve		Impairment losses	Book value
		Positive	Negative		
Fixed income securities					
Bonds issued by public entities					
Domestic	43 720	20	(718)	(63)	42 959
Foreign	431 662	189	(929)	(366)	430 556
Bonds issued by other entities					-
Domestic	6 675	543	-	(512)	6 706
Foreign	341	-	(6)	-	335
	482 398	752	(1 653)	(941)	480 556
Variable income securities					
Shares					
Domestic	4 996	15 672	-	-	20 668
Foreign	6 214	364	(2 251)	-	4 327
	11 210	16 036	(2 251)	-	24 995
	493 608	16 788	(3 904)	(941)	505 551

[1] Acquisition cost related to variable income securities and amortised cost by debt securities.

As at 30 June 2026 and 31 December 2025, the analysis of financial assets at fair value through other comprehensive income, net of impairment, by valuation levels, is presented as follows:

(Euro thousand)

	Jun 2026				
	Level 1	Level 2	Level 3	Financial instruments at cost	Total
Fixed income securities					
Bonds issued by public entities					
Domestic	43 296	-	-	-	43 296
Foreign	429 697	-	-	-	429 697
Bonds issued by other entities					
Domestic	4 147	-		-	4 147
Foreign	-	307	-	-	307
	477 140	307	-	-	477 447
Variable income securities					
Shares					
Domestic	-	-	20 574	-	20 574
Foreign	-	-	4 349	-	4 349
	-	-	24 923	-	24 923
	477 140	307	24 923	-	502 370

(Euro thousand)

	Dec 2025				
	Level 1	Level 2	Level 3	Financial instruments at cost	Total
Fixed income securities					
Bonds issued by public entities					
Domestic	42 959	-	-	-	42 959
Foreign	430 556	-	-	-	430 556
Bonds issued by other entities					
Domestic	4 247	-	2 459	-	6 706
Foreign	-	335	-	-	335
	477 762	335	2 459	-	480 556
Variable income securities					
Shares					
Domestic	-	-	19 987	681	20 668
Foreign	-	-	3 961	366	4 327
	-	-	23 948	1 047	24 995
	477 762	335	26 407	1 047	505 551

As provided for in IFRS 13, financial instruments are measured according to the valuation levels described in note 43.

As at 30 June 2026, for securities recorded under level 3, when considering a 10% change in the value of financial assets, an impact of Euro 2,492 thousand (31 December 2025: Euro 2,641 thousand) was determined.

Instruments classified under level 3 have associated unrealized gains and losses in the positive net amount of Euro 13,807 thousand (31 December 2025: positive amount of Euro 14,322 thousand) recognized in fair value reserves.

As at 31 December 2025, in this caption, Banco Montepio has some securities measured at acquisition cost and it is Banco Montepio's understanding that the book value presented for financial instruments at acquisition cost does not differ materially from the fair value, with the respective fair value not having been determined given the reduced value of the positions.

As at 30 June 2026, no impairment was recorded for level 3 securities (31 December 2025: Euro 488 thousand).

The movements occurring in financial assets at fair value through other comprehensive income recorded in level 3 are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	26 407	26 254
Revaluations	22	153
Transfers to level 3	1 046	-
Disposals	(93)	-
Amortization at nominal value	(2 459)	-
Closing balance	24 923	26 407

The movements occurring in impairment of financial assets at fair value through other comprehensive income are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	941	594
Charge for the period	127	512
Reversal for the period	(102)	-
Utilization	(524)	(165)
Closing balance	442	941

Within the scope of liquidity-providing operations, the nominal value of the assets pledged as collateral to the European Central Bank included in this caption, as at 30 June 2026, amounts to Euro 441,656 thousand after haircut (31 December 2025: Euro 416,506 thousand).

As at 30 June 2026, the collateral for the loan obtained from the EIB includes a set of Spanish sovereign bonds with a nominal value of Euro 15,000 thousand, given in guarantee and recorded under the caption Financial assets at fair value through other comprehensive income, as described in note 31. As at 31 December 2025, no bonds had been given as collateral.

These financial assets pledged as collateral can be executed in the event of non-compliance with contractual obligations assumed by Banco Montepio under the terms and conditions of the contracts celebrated.

24 Hedging derivatives

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
Assets		
Interest rate swaps	1 227	23 434
Liabilities		
Interest rate swaps	31 966	28 031
	(30 739)	(4 597)

Banco Montepio contracted interest rate swaps to hedge its interest rate risk arising from bond issues at fixed rate. The accounting method depends on the nature of the hedged risk, namely whether Banco Montepio is exposed to fair value changes, or whether it is hedging future transactions. Banco Montepio performs periodic effectiveness tests of the hedging relationships.

Banco Montepio contracted hedging operations for interest rate risk on bonds issued and debt instruments recognized in the Other financial assets at amortized cost portfolio. As at 30 June 2026 and 31 December 2025, the fair value hedging operations can be analysed as follows:

(Euro thousand)

	Jun 2026						
Derivative	**Hedged item**	**Hedged risk**	**Notional**	**Fair value derivative [1]**	**Changes in fair value of derivative in the financial period**	**Fair value of hedge element [2]**	**Changes in fair value of the hedged item in the financial period [2]**
Interest rate swap	Debt securities issued	Interest rate	250 000	1 127	(9 361)	989	(2 107)
Interest rate swap	Other subordinated liabilities	Interest rate	250 000	100	(12 845)	89	(2 133)
Interest rate swap	Other financial assets at amortized cost	Interest rate	150 000	(31 966)	(3 935)	(30 683)	(2 543)
			650 000	(30 739)	(26 141)	(29 605)	(6 783)

[1] Includes accrued interest.
[2] Attributable to the hedge risk.

(Euro thousand)

	Dec 2025						
Derivative	**Hedged item**	**Hedged risk**	**Notional**	**Fair value derivative [1]**	**Changes in fair value of derivative in the financial period**	**Fair value of hedge element [2]**	**Changes in fair value of the hedged item in the financial period [2]**
Interest rate swap	Debt securities issued	Interest rate	250 000	10 489	(4 528)	3 097	(4 339)
Interest rate swap	Other subordinated liabilities	Interest rate	250 000	12 945	(2 295)	2 222	(2 360)
Interest rate swap	Other financial assets at amortized cost	Interest rate	150 000	(28 031)	(994)	(28 141)	(1 022)
			650 000	(4 597)	(7 817)	(22 822)	(7 721)

[1] Includes accrued interest.
[2] Attributable to the hedge risk.

25 Other financial assets at amortized cost

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Fixed income securities		
Bond issued by public entities		
Domestic	885 452	839 523
Foreign	3 041 821	2 497 677
Bonds issued by other entities		
Domestic	74 334	75 162
Foreign	354 406	345 034
Commercial Paper		
Domestic	9 965	8 969
Foreign	83 533	108 741
	4 449 511	3 875 106
Impairment for other financial assets at amortized cost	(4 667)	(4 142)
	4 444 844	3 870 964

Other financial assets at amortized cost are recognized in accordance with the accounting policy described in note 1 b) and their fair value is presented in note 43.

As at 30 June 2026, the loan obtained from the EIB is collateralized by Spanish, Italian, French and Greek sovereign bonds with a nominal value of Euro 270,769 thousand (31 December 2025: Euro 172,182 thousand by Italian, Greek and Spanish sovereign bonds), provided as collateral and recorded in the caption Other financial assets at amortized cost, as disclosed in note 31.

Within the scope of the liquidity-providing operations, the nominal value of the assets pledged as collateral to the European Central Bank, recorded under this caption amounts to Euro 3,066,041 thousand (31 December 2025: Euro 3,870,025 thousand) after the application of a haircut.

These financial assets pledged as collateral may be forfeited in the event of non-compliance with the contractual obligations assumed by Banco Montepio under the terms and conditions of the contracts signed.

As at 30 June 2026 and 31 December 2025, securities given in guarantee to the Portuguese Securities Market Commission (“CMVM”) within the scope of the Investors’ Compensation System, recorded under Other financial assets at amortized cost, have a nominal value of Euro 1,000 thousand.

The movements in Impairment of other financial assets at amortized cost are analysed as follows:

	(Euro thusand)	
	Jun 2026	**Dec 2025**
Opening balance	4 142	4 740
Charge for the period	1 035	2 014
Reversal for the period	(511)	(2 612)
Utilizations	1	-
Closing balance	4 667	4 142

26 Investments in subsidiaries and associates

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Montepio Holding, S.G.P.S., S.A.	413 750	413 750
HTA – Hotéis, Turismo e Animação dos Açores, S.A.	-	3 200
	413 750	416 950
Impairment of investments in associated companies	(119 689)	(127 757)
	294 061	289 193

On 13 May 2026, the shareholding in the entity H.T.A – Hotéis, Turismo e Animação dos Açores, S.A. was disposed of, resulting in a capital gain of euro 4,665 thousand (see note 8).

Investments in subsidiaries and associates

Banco Montepio analyses the adequacy of the amount of the impairment of investments made in its subsidiaries, considering the recoverable value of the businesses developed by each one. The recoverable value, in accordance with the accounting policy described in this report, was determined by the higher of fair value less costs to sell and value in use, in the case of continuing subsidiaries, and fair value less costs to sell, in the case of discontinued subsidiaries.

The value in use was determined based on the business plan approved by management and, depending on the specificity of the businesses and the markets in which Banco Montepio's subsidiaries operate, differentiated levels for the discount rate, for the solvency levels required for the banking activity and for the growth of net income in perpetuity, were also considered.

The verification of the assumptions used, and the evolution of the macroeconomic and market conditions may result in the change of these same assumptions and, consequently, in the recoverable value determined for the subsidiaries object of this analysis.

The financial statements have been prepared on the assumption of the continuity of the respective operations, which depend on the future evolution of the assumptions underlying the recoverable value of its financial shareholdings as well as on the success of the initiatives to be taken by the Board of Directors to reinforce the net equity.

Montepio Holding, S.G.P.S., S.A.

As a result of the analyses carried out, we concluded on the need to recognize, in the financial statements as at 30 June 2026, an impairment in Banco Montepio in the amount of Euro 119,689 thousand (31 December 2025: Euro 127,757 thousand) related to the financial shareholding held in Montepio Holding, S.G.P.S., S.A. (Montepio Holding). As at 30 June 2026, Montepio Holding holds financial shareholdings of 100% of the share capital and voting rights of Montepio Investimento, S.A., of Montepio Crédito – Instituição Financeira de Crédito, S.A. and of Ssagincentive, Sociedade de Serviços Auxiliares e Gestão de Imóveis, S.A.. The valuation of Montepio Holding was made considering that the best estimate for determining its fair value corresponded to the amount of its equity adjusted for the fair value effect of assets and liabilities recorded at amortized cost or historical cost.

Montepio Serviços, A.C.E.

In June 2023, Agrupamento Montepio Serviços, A.C.E. was constituted with Banco Montepio holding, as at this date, eighty per cent the voting rights. The purpose of the Grouping is to improve the conditions for the exercise and the results of the economic activities of the grouped members, essentially aiming to optimize resources, achieve greater operational efficiency and obtain economies of scale through the elimination of replicated cost structures. Montepio Serviços, A.C.E. was incorporated without share capital.

The movements in impairment of investments in subsidiaries and associates are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	127 757	139 363
Reversal for the period	(8 068)	(11 606)
Closing balance	119 689	127 757

The information related to subsidiaries and associates is presented in the following table:

(Euro thousand)

	Number of shares	% Stake	Unit value	Acquisition cost
30 June 2026				
Montepio Holding, S.P.G.S., S.A.	175 000 000	100,00%	1,00	413 750
CESource, A.C.E.	-	18,00%	-	-
Montepio Serviços, A.C.E.	-	78,00%	-	-
				413 750
31 December 2025				
Montepio Holding, S.P.G.S., S.A.	175 000 000	100,00%	1,00	413 750
HTA – Hotéis, Turismo e Animação dos Açores, S.A.	400 001	20,00%	5,00	3 200
CESource, A.C.E.	-	18,00%	-	-
Montepio Serviços, A.C.E.	-	80,00%	-	-
				416 950

The subsidiaries and associates of Banco Montepio are listed in note 52.

27 Tangible assets

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Investments		
Real estate		
For own use	155 523	155 568
Leasehold improvements in rented building	24 750	24 750
Equipment		
IT equipment	86 008	86 043
Fixtures	38 719	37 990
Furniture	18 467	18 431
Security equipment	4 470	4 206
Machinery and tools	2 627	2 624
Transportation equipment	187	201
Other equipment	1	1
Works of art	2 870	2 870
Assets in operating leases	39	39
Right-of-use assets		
Real estate	34 683	39 886
Motor vehicles	12 833	13 166
Other tangible assets	524	526
Work in progress	5 520	4 011
	387 221	390 312
Accumulated depreciation		
Charge for the period	(8 489)	(16 280)
Accumulated charge in previous years	(192 912)	(185 588)
	(201 401)	(201 868)
Impairment of Other Tangible Assets	(271)	(271)
	185 549	188 173

The caption Right-of-use assets corresponds, essentially, to real estate (branches and central buildings) and to the car fleet, being depreciated according to the lease term of each agreement, as indicated in note 1 i).

The movements in impairment of Tangible assets are analysed as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Opening balance	271	1 101
Charge for the period	28	356
Utilizations	-	(350)
Transfers	(28)	(836)
Closing balance	271	271

The caption Allocation for the period year considers, as at 30 June 2026 and 31 December 2025, the impairment for some properties following the valuations carried out, as mentioned in note 15. When these

properties cease to be used in the operations, either through disposal or transfer to the caption Other assets - Non-current assets held for sale, as described in note 30, the impairment is also considered.

28 Intangible assets

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
Investments		
Software	316 572	298 551
Other Intangible Assets	3 012	3 012
Work in progress	11 050	12 422
	330 634	313 985
Accumulated depreciation		
For the current financial period	(16 658)	(33 975)
Relating to previous financial periods	(245 716)	(211 742)
	(262 374)	(245 717)
	68 260	68 268

As at 30 June 2026 and 31 December 2025, the caption Intangible assets in progress refers, essentially, to costs incurred with software being developed internally.

29 Taxes

This caption has the following breakdown:

(Euro thousand)

	Assets		Liabilities		Net	
	Jun 2026	Dec 2025	Jun 2026	Dec 2025	Jun 2026	Dec 2025
Deferred taxes not dependent on future profitability						
Impairment on loans granted	-	-	-	-	-	-
Post-employment and long-term benefits	8 120	9 166	-	-	8 120	9 166
	8 120	9 166	-	-	8 120	9 166
Deferred taxes dependent on future profitability						
Financial instruments	9 729	11 937	(7 986)	(8 245)	1 743	3 692
Provisions/Impairment						
Impairment on loans granted	2 614	3 325	-	-	2 614	3 325
Other risks and charges	1 152	2 135	-	-	1 152	2 135
Impairment in securities and non-financial assets	5 144	5 323	-	-	5 144	5 323
Impairment in financial assets	615	715	-	-	615	715
Post-employment and long-term benefits	41 577	42 090	-	-	41 577	42 090
Tax benefits	-	1 923	-	-	-	1 923
Taxes losses carried forward	182 928	191 489	-	-	182 928	191 489
Other	5 038	5 370	-	-	5 038	5 370
	248 797	264 307	(7 986)	(8 245)	240 811	256 062
Net deferred tax assets/(liabilities)	256 917	273 473	(7 986)	(8 245)	248 931	265 228

Special regime applicable to deferred tax assets

On 6 July 2016, the Extraordinary General Meeting of Banco Montepio was held, approving the adherence to the Special Regime Applicable to Deferred Tax Assets ("Regime" or "READ"), approved by Law no. 61/2014, of 26 August, which is applicable to costs and negative equity changes recorded in tax periods beginning on or after 1 January 2015, as well as to deferred tax assets recorded in the annual accounts for the last tax period prior to that date and to the part of the costs and negative equity changes associated with same.

In accordance with Law no. 23/2016, of 19 August, the READ is not applicable to costs and negative equity changes recorded in tax periods beginning on or after 1 January 2016 nor to their associated deferred tax assets.

Law no. 61/2014, of 26 August, determines an optional framework with a subsequent waiving option, in accordance with which, in some cases (i.e. net loss in separate annual accounts or in settlement accounts on the voluntary winding-up, insolvency decided by law or withdrawal of the respective authorization), there will be a conversion into tax credits of deferred tax assets that resulted from the non-deduction of costs and of deductions of asset values resulting from credit impairment losses and post-employment and long-term employee benefits. In such case, a special reserve corresponding to 110% of their amount shall be constituted, requiring the simultaneous constitution of conversion rights attributable to the State in the same amount. These rights can be acquired by the shareholders upon payment to the State of the same amount. Tax credits may be offset against tax debts of the beneficiaries (or of an entity based in Portugal of the same prudential consolidation perimeter) or reimbursable by the State. The recovery of deferred tax assets covered by the regime approved by Law no. 61/2014, of 26 August, is not dependent upon future profits.

The aforementioned legal framework was regulated by Ordinance no. 259/2016, of 4 October, on the control and use of tax credits, and by Ordinance no. 293-A/2016, of 18 November, the latter altered by Ordinance no. 272/2017, of 13 September, determining the conditions and procedures for the acquisition of the referred State rights by the shareholders. According to this legislation, those rights are, among other factors, subject to a right of acquisition by the shareholders on their inception date, exercisable in periods to be established by the Board of Directors up to 10 years after the respective constitution, with the issuing bank depositing in the State's name the full amount corresponding to the rights issued, within 3 months from the confirmation date of the deferred tax asset conversion into tax credit. This deposit shall be redeemed when and to the extent that the State rights are acquired by the shareholders or exercised by the State.

Bearing in mind that Banco Montepio recorded a net accounting loss in 2020 and 2021, and following the approval of the annual accounts by the corporate bodies and, consequently, the application of said Regime, in financial years 2021 and 2022, respectively, there was a conversion into tax credits of deferred tax assets that resulted from the non-deduction of expenses and from deductions in respect of the value of assets resulting from impairment losses on credits and of post-employment and long-term employee benefits; with a special reserve corresponding to 110% of their amount being constituted for this purpose, as described in note 40.

As at 31 December 2024, under the terms of article 8 of the annex to Law no. 61/2014, of 26 August, Banco Montepio had a special reserve in the amount of Euro 4,809 thousand.

Following deliberation by the Extraordinary General Meeting of 31 July 2025, the capital increase of Banco Montepio, through the incorporation of the entirety of this special reserve, under the Special Regime applicable to Deferred Tax Assets ("READ"), was finalized in September 2025.

Deferred taxes are calculated based on the tax rates expected to be in force on the date of reversal of the timing differences, which correspond to the rates approved or substantially approved at the balance sheet date.

The caption Post-employment and long-term employee benefits includes the amount of Euro 1,089 thousand (31 December 2025: Euro 1,192 thousand) related to deferred taxes associated with the cost generated by the transfer of liabilities with pensioners to the General Social Security System.

The cost generated by the transfer of liabilities with pensioners to the General Social Security System is deductible for tax purposes, in equal parts, starting on 1 January 2012, according to the number of years of life expectancy of the pensioners whose liabilities were transferred (20 years in the case of Banco Montepio).

As at 30 June 2026, deferred taxes recorded in the caption Post-employment and long-term employee benefits include the amount of Euro 31,374 thousand (31 December 2025: Euro 31,374 thousand) related to the referred benefits in excess of the existing limits, of which Euro 4,637 thousand (31 December 2025: Euro 5,162 thousand) do not depend on future profitability.

In financial years 2025 and 2024, and in function of: (i) the IRC tax rate decrease for the year 2025 et. sec. foreseen in the State Budget for 2025 (Law no. 45-A/2024, of 31 December); (ii) the expectation of the conversion into tax-accepted costs and profits and (iii) the prospects of tax profits or tax losses in each one of the subsequent periods, the rate (considering the base rate and the surcharges) used by Banco Montepio to calculate deferred taxes, depending on the specific cases associated with timing differences or tax loss carry-forwards, corresponds, respectively, to 26.5% and 17.0%.

Analysis of the recoverability of deferred tax assets

Deferred tax assets related to losses carried forward are recognized only if the existence of future taxable income is probable, for which reason the uncertainty associated with the recoverability of the tax losses carried forward is considered in the calculation of deferred tax assets.

As referred in the accounting policy described in note 1 r), and in accordance with the requirements defined in IAS 12, the deferred tax assets recognized in Banco Montepio's financial statements have an underlying high expectation of recoverability.

The assessment of the recoverability of deferred tax assets is based on Banco Montepio's medium- and long-term business plan, which constitutes an extension of the strategic planning exercise drawn up by Banco Montepio for the triennium. The financial projections reflect management's perspectives as to the evolution of the activity and the business model's sustainability and, considering the macroeconomic context and financial variables, the evolution of economic activity and of the credit risk, among others.

Following the completion of the normalization cycle, Banco Montepio began a new cycle, based on 5 guiding principles approved at the General Meeting, through the execution of a Strategic Program, under the designation Triple A, to deliver an Ambitious, Agile and Authentic bank. To achieve the Program, 27 operational initiatives, grouped into 8 pillars, were defined.

In this context, the prospects of sustainable improvements in the profitability levels derive from the aforementioned 5 guiding principles, namely:

- Grow the business and market share: (i) increase the active customer base and the equipment level in core growth segments; (ii) strengthen the distribution capacity and generate complementary margins by boosting internal and external partnerships; (iii) promote an integrated ESG vision, leveraging the mutualistic nature of the Bank and fostering growth;
- Accentuate the digitalization of the new business model: (i) evolve service capabilities and deliver omnichannel experiences; (ii) automate customer journeys for key processes;
- Converge to average market profitability: (i) boost productivity and efficiency, combining simplicity and digitalization; (ii) implement a dynamic of detecting and tactically exploiting pockets of efficiency, with an always-on approach;
- Simplify the Bank and interactions with customers: (i) accelerate the front-to-back simplification and digitalization process; (ii) promote focus and pragmatism at all levels of the organization, aligned with business priorities; (iii) create an agile IT organizational culture with greater delivery capacity and a greater degree of integration with the business units; and
- Valorise the brand, reputation and talent: (i) strengthen its presence in the lives and key moments of families and be a leading partner for the Portuguese business community and the Social Economy; (ii) improve external recognition by independent stakeholders; (iii) enhance the talent value proposition and foster rejuvenation and attraction/retention for specific roles.

The Strategic Program is focused on a sustainable growth cycle:

- Ambitious: Ambition for sustainable growth and optimization of business productivity, ensuring greater relevance in strategic/key segments;
- Authentic: A brand rooted in a historical and social legacy with Portuguese DNA, leveraged to attract customers, mobilize people and reinforce ongoing support for communities; and
- Agile: Ability to respond efficiently and quickly to market changes, defining the path to evolve into a more streamlined bank.

Following this assessment, and with reference to financial year 2025, Banco Montepio recognized all deferred tax assets; hence, there are no deferred tax assets to be recognized.

In addition, a sensitivity analysis was carried out considering a scenario in which profit or loss before tax evolved at a rate 10% lower than that considered in the aforementioned projections, with no impact at the level of deferred taxes being determined.

The deferred tax assets associated with tax losses carried forward, by expiry year, are analysed as follows:

(Euro thousand)

Expiry date	Jun 2026	Dec 2025
2032	-	8 212
2033	21 997	22 346
Undetermined	160 931	160 931
	182 928	191 489

The expiry years indicated above reflect that stipulated in the State Budget Law for 2023 (Law no. 24-D/2022, of 30 December), which came into force on 1 January 2023, and that establishes that tax losses calculated in fiscal years beginning on or after 1 January 2023, as well as those calculated previously that have not expired, are carried forward to future years without any time limitation, no longer being subject to a maximum period of deduction. Additionally, it also establishes that the deduction limit against taxable income is reduced to 65%, maintaining the increase of 10 percentage points for tax losses calculated in the 2020 and 2021 tax periods (i.e., the deduction can be made up to 75% of taxable income).

However, regarding the time limitation referred to in the previous paragraph, this does not apply to tax losses calculated in tax periods prior to 1 January 2023 in which one of the situations provided for in paragraph 1 of article 6 of the REAID is verified, with the deduction period in force on 31 December 2022 being applied to tax losses calculated in those tax periods (12 years).

Tax recognized in profit or loss and in reserves as at 30 June 2026 and 2025, as well as at 31 December 2025, originated as follows:

(Euro thousand)

	Jun 2026		Dec 2025	
	Charged to net income/(loss)	Recognized in reserves and retained earnings	Charged to net income/(loss)	Recognized in reserves and retained earnings
Financial instruments	(2 795)	513	(2 163)	1 465
Impairment/Provision	(1 973)	-	(22 424)	-
Post-employment and long-term benefits [1]	(1 559)	-	4 125	(4 452)
Tax losses carried forward	(8 561)	-	(39 854)	-
Other	(1 923)	-	(123)	-
Deferred taxes/recognized as profit/(loses)	(16 811)	513	(60 439)	(2 987)
Current taxes	(6 566)	-	(1 413)	-
	(23 377)	513	(61 852)	(2 987)

[1] the amount of 4.452 thousand euros relates to the use of the unused loss related to post-employment benefits that was recorded in equity

The reconciliation of the effective tax rate, as regards the amount recognized in the income statement, can be analysed as follows:

(Euro thousand)

	Jun 2026		Dec 2025	
	%	Value	%	Value
Profit/ (loss) before income tax		87 888		182 074
Income tax based on the current nominal tax rate	(19.0)	(16 699)	(20.0)	(36 415)
Fiscal Profit/ (loss) [1]	2.3	2 007	1.0	1 771
Municipal and state surtax	(5.9)	(5 172)	(1.5)	(2 665)
Banking sector extraordinary contribution	(1.8)	(1 605)	0.0	4
Post-employment benefits and pension fund	1.4	1 197	1.5	2 770
Recognition/reversal of taxed provisions/impairments [2]	2.5	2 204	6.5	11 834
Tax benefits	2.2	1 923	2.2	3 962
Autonomous taxation	(0.3)	(255)	(0.2)	(450)
Effect of differences in income tax for the period	(8.7)	(7 626)	(22.7)	(41 279)
Deductions/(add-backs) for taxable income purposes [3]	0.7	650	(0.8)	(1 384)
Income tax for the period	(26.6)	(23 376)	(34.0)	(61 852)

[1] It encompasses capital gains arising from Ups and shares of capital.
[2] Includes the the unutilized loss offset under REAID regime.
[3] ncludes, in particular, the amount of the adjustment of the Taxable Patrimonial Value, the fair value of the UPs and fines not accepted for tax purposes.

The Tax and Customs Authority can review Banco Montepio's taxable income during a period of four years, except in the event of the carry-forward of tax losses, as well as any other deduction or tax credit, in which case the relevant period is the period of the exercise of that right.

Banco Montepio was subject to inspections by the Tax and Customs Authority under the Special Taxation Regime of Groups of Companies (Regime Especial de Tributação dos Grupos de Sociedades ("RETGS")), up to and including the 2021 financial year.

Banco Montepio became the dominant company of the Tax Group under the RETGS in 2018, with the former dominant company being Montepio Holding, S.G.P.S., S.A.

In this scope, the Group considers that the effects of the calculation of the taxable income according to the RETGS are reflected in the amount of the current tax of the period of each entity, including the effect on the calculation of the current tax of the period arising from the use of tax losses generated by another entity of the Group.

As at 30 June 2026, Current tax assets, in the amount of Euro 328 thousand (31 December 2025: Euro 472 thousand) include the amount of IRC recoverable.

As at 30 June 2026, Current tax liabilities include the amount of Euro 7,151 thousand (31 December 2025: Euro 1,059 thousand) relating to the IRC payable estimate.

30 Other assets

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Non-curret assets held for sale	144 597	160 581
Post-employment benefits	74 285	68 803
Supplies - Montepio Holding	107 145	107 145
Other debtors	39 920	29 734
Sundry debtors	6 053	7 070
Price deposits	5 467	5 467
Bonifications to be received from the Portuguese Government	6 168	5 377
Deferred costs	10 250	6 093
Other amounts receivable	3 507	3 827
	397 392	394 097
Impairment for non-curret assets held for sale	(65 794)	(67 582)
Impairment for other assets	(32 114)	(30 135)
	299 484	296 380

The caption Non-current assets held for sale is presented as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Non-current assets held for sale	144 597	160 581
Impairment for non-curret assets held for sale	(65 794)	(67 582)
	78 803	92 999

The assets included in the caption Non-current assets held for sale are accounted for in accordance with the accounting policy described in note 1 h).

The resolution of loans and advances to customers' contracts results from: (i) the simple foreclosure, delivery with a repurchase option or delivery with a leasing option, being accounted for upon the celebration of the contract or the promissory contract to deliver the asset and the respective irrevocable power of attorney issued by the customer in Banco Montepio's name or (ii) the adjudication of the assets as a result of a judicial guarantee execution process, being accounted for based on the title of adjudication or the adjudication request after having registered the first pledge.

Banco Montepio has implemented a plan aimed at the immediate sale of the non-current assets held for sale. According to Banco Montepio's expectation, it is intended that these assets be sold in under one year and that there is a strategy to this end. Nevertheless, given current market conditions, in some situations it is not possible to materialize these sales within the expected time period. The referred caption includes, as at 30 June 2026, properties for which promissory contracts to buy and sell, in the amount of Euro 13,472 thousand (31 December 2025: Euro 17,384 thousand), have already been celebrated.

The movements, in the half year ended 30 June 2026 and in financial year 2025, in Non-current assets held for sale, are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	160 581	223 647
Acquisitions	417	2 347
Disposals	(16 388)	(65 329)
Other movements	(13)	(2 835)
Transfers	-	2 751
Closing balance	144 597	160 581

The movements, in the half year ended 30 June 2026 and in financial year 2025, in impairment of Non-current assets held for sale, are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	67 582	85 551
Charge of the period	3 130	2 028
Reversal of the period	(904)	(1 117)
Utilization	(4 042)	(19 716)
Transfers	28	836
Closing balance	65 794	67 582

The caption Transfers considers the impairment associated with branches closed that were transferred to Tangible assets as described in note 27.

Despite the impairment losses observed, Banco Montepio recognized in profit or loss, in the first half of 2026, gains in the amount of Euro 2,460 thousand (31 December 2025: Euro 7,529 thousand) on the sale of non-current assets held for sale, included in the caption Disposal of other assets, as described in note 8.

The captions Shareholder loans – Montepio Holding, Other debtors, Miscellaneous accounts, Grants recoverable from the Portuguese State and Other amounts receivable, include, in aggregate, the net amount of Euro 128,780 thousand (31 December 2025: Euro 129,132 thousand) related to Banco Montepio's exposure to credit risk, as presented in note 48.

The caption Post-employment and long-term employee benefits corresponds to the net value of the assets and of the liabilities of the Pension Fund, as presented in note 44.

The caption Shareholder loans – Montepio Holding, considers the amount of the shareholder loans made by Banco Montepio to Montepio Holding, with no defined maturity and interest free.

As at 30 June 2026 and 31 December 2025, the caption Other debtors is presented as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Supplementary capital contributions	14 910	14 910
Other	25 010	14 824
	39 920	29 734

The caption Ancillary capital contributions considers the amounts subscribed in the scope of a loans and advances sales operation in the amount of Euro 14,910 thousand, with these loans being fully provided against as at 30 June 2026 and 31 December 2025.

The caption Other debtors includes the amounts outstanding related to factoring and confirming operations, advances to suppliers and other debtors.

As at 30 June 2026 and 31 December 2025, the caption Grants recoverable from the Portuguese State is presented as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Bonifications overdue and not yet claimed	2 174	2 226
Bonifications claimed from state and not yet settled	3 976	3 116
Bonifications processed and not yet claimed	18	35
	6 168	5 377

The caption Grants recoverable from the Portuguese State corresponds to recoverable grants in respect of mortgage and SME loans, which amounts were determined in accordance with the legal provisions applicable to low-interest loans, and which do not bear interest and are regularly claimed.

The movements in the impairment of Other assets are analysed as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Opening balance	30 135	28 598
Charge of the period	2 353	7 161
Reversal for the period	(225)	(5 518)
Utilization	(149)	(106)
Closing balance	32 114	30 135

As at 30 June 2026, the impairment of Other assets includes the impairment constituted for the Ancillary capital contributions of Euro 14,910 thousand (identical amount as at 31 December 2025), for Price deposits of Euro 5,467 thousand (identical amount as at 31 December 2025), for Guarantee commissions of Euro 357 thousand (31 December 2025: Euro 444 thousand), for Factoring operations of Euro 498 thousand (identical amount as at 31 December 2025), for Grants recoverable from the Portuguese State of Euro 2,597 thousand and for Other debtors of Euro 7,293 thousand (31 December 2025: Euro 6,219 thousand).

31 Deposits from other credit institutions

This caption has the following breakdown:

(Euro thousand)

	Jun 2026			Dec 2025		
	Non-interest bearing	Interest bearing	Total	Non-interest bearing	Interest bearing	Total
Deposits from credit institutions in Portugal						
Deposits repayable on demand	50 018	-	50 018	48 147	-	48 147
Term deposits	-	-	-	-	3 295	3 295
Other deposits	35	-	35	-	-	-
	50 053	-	50 053	48 147	3 295	51 442
Deposits from credit institutions abroad						
EIB loan	-	262 506	262 506	-	262 506	262 506
Loans and advances to other credit institutions	-	156	156			-
Deposits repayable on demand	16 172	-	16 172	11 636	-	11 636
Sales operations with repurchase agreement	-	427 907	427 907	-	446 144	446 144
Other deposits	2 155	-	2 155	23 409	-	23 409
	18 327	690 569	708 896	35 045	708 650	743 695
	68 380	690 569	758 949	83 192	711 945	795 137

The EIB loan amount, presented in the previous table, has as its main objective the financing of SMEs and considers the loan obtained in November 2020, in the amount of Euro 262,500 thousand, which has a term of twelve years, a grace period of four years, constant amortizations and a rate of 0.019%.

As at 30 June 2026, the Bank had entered Sales operations with repurchase agreement totalling Euro 427,907 thousand (31 December 2025: Euro 446,149 thousand).

The amount of the EIB loan is collateralized by Italian, Spanish, French and Greek sovereign bonds in the nominal amount of Euro 285,969 thousand (31 December 2025: Euro 172,182 thousand, by Italian, Spanish and French sovereign bonds), recorded in the captions of Financial assets and liabilities held for trading (Euro 200 thousand as described in note 21), Financial assets at fair value through other comprehensive income (Euro 15,000 thousand as described in note 23) and Other Financial assets at amortized cost (Euros 270,769 thousand as described in note 25).

32 Deposits from customers

This caption has the following breakdown:

(Euro thousand)

	Jun 2026			Dec 2025		
	Non-interest bearing	Interest bearing	Total	Non-interest bearing	Interest bearing	Total
Deposits repayable on demand	6 452 453	364 869	6 817 322	6 310 295	272 931	6 583 226
Term deposits	-	9 778 144	9 778 144	-	9 566 492	9 566 492
Saving accounts	-	136 959	136 959	-	132 547	132 547
Other deposits	51 927		51 927	25 331	-	25 331
	6 504 380	10 279 972	16 784 352	6 335 626	9 971 970	16 307 596

Ordinance no. 180/94, of 15 December, gave rise to the incorporation of the Deposits Guarantee Fund to guarantee the reimbursement of funds deposited at credit institutions authorized to receive deposits, pursuant to that stipulated in said Ordinance. The criteria to calculate the annual contributions to the Deposits Guarantee Fund are defined in Bank of Portugal Notice no. 11/94, of 21 December.

In the first half of 2026, deposits from customers were remunerated at the implicit average rate of 0.99% (31 December 2025: 1.15%).

33 Debt securities issued

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
EMTN bonds	950 207	616 124
	950 207	616 124

The caption EMTN Bonds includes issues which contribute to meeting the minimum requirement for eligible own funds ('MREL' or Minimum Requirement for own funds and eligible liabilities). In financial year 2025, Banco Montepio realized a new issue of Euro 350 000 thousand and early redeemed an issue of Euro 200,000 thousand, issued in October 2023, with the impacts arising from this redemption reflect in Other operating income/expense, as described in note 9.

Under the Issuance of Covered Bonds Program, with a maximum amount of Euro 5,000,000 thousand, Banco Montepio has issues in a total of Euro 1,250,000 thousand, at nominal value, as at 30 June 2026 and 31 December 2025 which are held by the Bank at both reporting dates.

As at 30 June 2026 and 31 December 2025, the main characteristics of the covered bonds issues in circulation are presented as follows:

(Euro thousand)

Jun 2026							
Description	Nominal value	Value at amortized cost	Issue date	Maturity date	Interest payment	Interest rate	Rating (Moody´s/Fitch /Dbrs)
Covered bonds - 8S	1 250 000	1 251 594	December 2016	December 2016	Quarterly	Euribor 3M + 0.90%	Aaa/AAA
	1 250 000	1 251 594					

(Euro thousand)

Dec 2025							
Description	Nominal value	Value at amortized cost	Issue date	Maturity date	Interest payment	Interest rate	Rating (Moody´s/Fitch /Dbrs)
Covered bonds - 8S	1 250 000	1 251 553	December 2016	December 2026	Quarterly	Euribor 3M + 0.90%	Aaa/AAA
	1 250 000	1 251 553					

The covered bonds are guaranteed by a pool of mortgage loans which are segregated as an autonomous asset in Banco Montepio's accounts, thus providing a statutory special creditor privilege to the holders of these securities over any other creditor.

The legal and regulatory framework of these bonds is set out in Decree-Law no. 59/2006, in Bank of Portugal Notices no. 5/2006, of 20 March, no. 6/2006, of 11 October, no. 7/2006, of 11 October, and no. 8/2006, of 11 October and Instruction no. 13/2006, of 15 November, of the Bank of Portugal.

As at 30 June 2026, the value of the loans collateralizing these issues amounted to Euro 2,125,100 thousand (31 December 2025: Euro 2,190,754 thousand), according to note 20.

The movements in Debt securities issued, during the first half of 2026 and financial year 2025, are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	616 124	467 647
Emissions	350 000	350 000
Refunds	-	(200 000)
Other movements [1]	(15 917)	(1 523)
Closing balance	950 207	616 124

[1] Include accrued interest not yet settled and valuation adjustments arising from hedge accounting adjustments.

In accordance with the accounting policy described in note 1 b), the purchase of debt securities issued by Banco Montepio is written off from liabilities and the difference between the acquisition cost and the respective book value is recognized in the income statement.

As at 30 June 2026 and 31 December 2025, the caption Debt securities issued is composed of the following issues:

(Euro thousand)

Jun 2026				
Security	Issue date	Maturity date	Interest rate	Book value
EMTN BONDS 29/05/2028	29/05/2024	29/05/2028	Annual fixed rate of 5.625% [1]	250 000
EMTN BONDS 25/06/2029	25/06/2025	25/06/2029	Annual fixed rate of 3.5% [2]	350 000
EMTN BONDS 22/06/2031	22/06/2026	22/06/2031	Annual fixed rate of 3.625% [3]	350 000
				950 000
			Accrual based accounting, deferred income, costs and others	207
				950 207

[1] If the early redemption option is not exercised at the end of the third year, the interest rate for the remaining period will be indixed to the 3-month Euribor plus a spred of 2.6%.

[2] If the early redemption option is not exercised at the end of the third year, the interest rate for the remaining period will be indixed to the 3-month Euribor plus a spred of 1.48%.

[3] The issue was priced against the 2.40% PGB due April 2030, at a spread of 107.5 basis points. The reference price was 99.22%, with a haircut of 102%.

(Euro thousand)

Dec 2025				
Security	Issue date	Maturity date	Interest rate	Book value
EMTN BONDS 29/05/2028	29/05/2024	29/05/2028	Annual fixed rate of 5.625% [1]	250 000
EMTN BONDS 25/06/2029	25/06/2025	25/06/2029	Annual fixed rate of 3.5% [2]	350 000
				600 000
			Accrual based accounting, deferred income, costs and others	16 124
				616 124

[1] If the early redemption option is not exercised at the end of the third year, the interest rate for the remaining period will be indixed to the 3-month Euribor plus a spred of 2.6%.

[2] If the early redemption option is not exercised at the end of the third year, the interest rate for the remaining period will be indixed to the 3-month Euribor plus a spred of 1.48%.

34 Financial liabilities associated with assets transferred

In the scope of the securitization operations described in note 47, in respect of which Banco Montepio retained the majority of the risks and rewards associated with the securitized loans, the Bank recorded the financial liabilities associated with the assets transferred, which are detailed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Pelican Finance No 2	10 785	16 568
	10 785	16 568

35 Provisions

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
Provisions for guarantees and commitments	5 341	6 101
Provisions for other risks and charges	5 417	5 719
	10 758	11 820

The Provisions for other risks and charges were set up based on the probability of the occurrence of certain contingencies related to risks inherent to Banco Montepio's activity, being revised at each reporting date to reflect the best estimate of the amount and probability of payment and includes provisions for legal cases, tax contingencies and fraud.

The movements in provisions for guarantees and commitments assumed, are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	6 101	10 859
Charge of the period	4 385	14 476
Reversal for the period	(5 145)	(19 231)
Utilization	-	(3)
Closing balance	5 341	6 101

The movements in provisions for other risk and charges are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	5 719	18 458
Charge of the period	1 036	1 828
Reversal for the period	(1 292)	(1 986)
Utilization	(46)	(12 581)
Closing balance	5 417	5 719

As at 31 December 2025, the caption Other risks and charges included the payment of Euro 11,384 thousand, related to the remaining value of irrevocable payment commitments associated with the Deposit Guarantee Fund.

36 Other subordinated debt

This caption has the following breakdown:

(Euro thousand)

Issue	Issue date	Maturity date	Issue amount	Interest date	Jun 2026	Dec 2025
CX ECONOMICA MONTEPIO GERAL 8.50 12/06/2034	Mar 2024	Jun 2034	250 000	8.5% for the first 5 years and at EurSwap for 5y + 5.815% for the remaining	250 872	263 630
FINIBANCO VALOR INVEST 2010	Fev 2010	-	15 000	7.0% for the first 4 coupon dates and Max[Euribor 6M + 2.75%; 5%] for the remaining years	6 454	6 454
					257 326	270 084

In financial year 2024, under the EMTN (Euro Medium Term Note) Program, Banco Montepio issued subordinated debt securities in the amount of Euro 250,000 thousand, with a fixed interest rate of 8.5% in the first 5 years and with a term of ten years. If the early repayment option is not exercised at the end of the fifth year, the interest rate for the remaining period will be indexed to the five-year swap rate plus a spread of 5.815%. In financial year 2025, the Bank decided to exercise the early repayment option of subordinated debt issues “EMTN SUB 2018/2028”, “EMTN SUB 2019/2029” and “EMTN SUB 2020/2030”, in the aggregate amount of Euro 200,000 thousand.

The movements in Other subordinated debt during the first half of 2026 and financial year 2025, were as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
	Balance at 1 January	Other movements [1]	Balance on 30 June	Balance at 1 January	Other movements [1]	Balance on 31 December
CX ECONOMICA MONTEPIO GERAL 8.50 12/06/2034	263 630	(12 758)	250 872	265 333	(1 703)	263 630
FINIBANCO VALOR INVEST 2010	6 454	-	6 454	6 491	(37)	6 454
	270 084	(12 758)	257 326	271 824	(1 740)	270 084

[1] Includs accrued interest not vet settled.

Regarding the Finibanco Valor Invest 2010 issue, the redemption is at nominal value and, as a result of applicable Laws or Regulations, including any European Union Directives or Regulations, which establish a legal regime for the recovery and liquidation of credit institutions (Directive 2015/59/EU of the European Parliament and of the Council, of 15 May 2014 and Law no. 23-A/2015, of 26 March), or any implementation of those in Portugal, the amounts may be used to cover the issuer's losses, and may be called upon to absorb losses.

37 Other liabilities

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Domestic and foreign operations pending settlement	170 928	115 243
Sundry creditors	31 094	44 848
Staff costs payable	32 188	33 180
Other expenses	12 819	14 785
Administrative public sector	14 928	13 599
Lease liabilities	13 972	16 059
Suppliers	3 322	5 269
Deferred income	345	329
	279 596	243 312

As at 30 June 2026, the caption Staff charges payable includes the amount of Euro 19,235 thousand (31 December 2025: Euro 18,962 thousand), related to holiday pay and subsidy, Euro 9,519 thousand related to accrued termination charges and variable remuneration (31 December 2025: Euro 10,912 thousand) and Euro 3,434 thousand (31 December 2025: Euro 3,306 thousand) related to end-of-career awards.

The caption Other payable corresponds, essentially, to the application of the accruals' principle to General administrative expenses.

As at 30 June 2026 and 31 December 2025, the caption Lease liabilities corresponds to the amount of lease liabilities recognized in the scope of IFRS 16, as described in accounting policy 1 i), and relates to operating leases of real estate and motor vehicles.

The residual maturity of the lease liabilities is as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Up to 1 year	2 581	1 029
1 to 5 years	9 574	13 470
More than 5 years	1 817	1 560
	13 972	16 059

38 Share capital

As at 30 June 2026, Banco Montepio's share capital, which is fully realized, amounts to Euro 1,214,810 thousand, with a share capital increase having taken place during financial year 2025.

Following the deliberation of the Extraordinary General Meeting of 31 July 2025, a share capital increase of Banco Montepio was realized through the incorporation of the entire Special Reserve, under the Special Regime for Deferred Tax Assets ("READ"), said realization having been finalized in September 2025.

The shareholder structure of Banco Montepio's share capital as at 30 June 2026 and 31 December 2025, is as follows:

	Jun 2026		Dec 2025	
	Number of shares	Percentage	Number of shares	Percentage
Montepio Geral Associação Mutualista	2 429 449 510	99.993%	2 429 449 510	99.993%
Other shareholders	169 578	0.007%	169 578	0.007%
	2 429 619 088	100.0%	2 429 619 088	100.0%

39 Legal reserve

In accordance with article 97 of the Legal Framework of Credit Institutions and Financial Companies (Regime Geral das Instituições de Crédito e Sociedades Financeiras – ("RGICSF")), approved by the Decree-Law no. 298/92, of 31 December and amended by the Decree-Law no. 201/2002, Banco Montepio shall reinforce the legal reserve annually with, at least, 10% of the annual net income, up to the limit equal to the amount of the share capital or to the sum of the free reserves and retained earnings, if higher. This reserve cannot, normally, be distributed.

As at 30 June 2026, the legal reserve amounts to Euro 229,719 thousand (31 December 2025: 217,697 thousand).

40 Fair value reserves, Other reserves and Retained earnings

This caption has the following breakdown:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Fair value reserve		
Financial assets at fair value through other comprehensive income	10 947	12 884
	10 947	12 884
Taxes		
Financial assets at fair value through other comprehensive income	(2 901)	(3 414)
	(2 901)	(3 414)
Fair value reserve net of taxes	8 046	9 470
Other reserves and retained earnings		
Special regime applicable to deferred tax assets	-	-
Post-employment benefits (note 44)	35 916	31 169
Other reserves and retained earnings	272 470	200 350
Realized gains on equity instruments	2 214	2 214
	310 600	233 733

Fair value reserves related to financial assets at fair value through other comprehensive income represent the potential gains and losses in the portfolio of financial assets at fair value through other comprehensive income.

The movements in the fair value reserve related to financial assets at fair value through other comprehensive income are presented as follows:

	(Euro thousand)					
	Jun 2026					
	Balance on 1 January	**Revaluation**	**Acquisitions**	**Disposals**	**Impairment variation**	**Balance on 30 June**
Fixed income securities						
Bonds issued by Portuguese public entities	(698)	(29)	-	-	(1)	(728)
Bonds issued by foreign public entities	(740)	(1 588)	322	(156)	11	(2 151)
Bonds issued by other entities:						
Domestic	543	(69)	-	(935)	489	28
Foreign	(6)	(3)	-	-	-	(9)
	(901)	(1 689)	322	(1 091)	499	(2 860)
Variable income securities						
Shares						
Domestic	15 672	-	-	-	-	15 672
Foreign	(1 887)	-	-	22	-	(1 865)
	13 785	-	-	22	-	13 807
	12 884	(1 689)	322	(1 069)	499	10 947

(Euro thousand)

	Dec 2025					
	Balance on 1 January	Revaluation	Acquisitions	Disposals	Impairment variation	Balance on 31 December
Fixed income securities						
Bonds issued by Portuguese public entities	(1 173)	462	38	-	(25)	(698)
Bonds issued by foreign public entities	3 787	(1 743)	(67)	(2 631)	(86)	(740)
Bonds issued by other entities:						
Domestic	(610)	1 389	-	-	(236)	543
Foreign	(12)	3	-	3	-	(6)
	1 992	111	(29)	(2 628)	(347)	(901)
Variable income securities						
Shares						
Domestic	15 385	287	-	-	-	15 672
Foreign	(837)	(1 050)	-	-	-	(1 887)
	14 548	(763)	-	-	-	13 785
	16 540	(652)	(29)	(2 628)	(347)	12 884

Fair value reserves related to financial assets at fair value through other comprehensive income, are detailed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Financial assets at fair value through other comprehensive income		
Amortized cost	491 865	493 608
Recognized accumulated impairment	(442)	(941)
Amortized cost net of impairment	491 423	492 667
Market value	502 370	505 551
Potential realized gains/(losses) recognized in the fair value reserve	10 947	12 884

The movements in deferred taxes related to Financial assets at fair value through other comprehensive income are presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	(3 414)	(4 879)
Taxes related to changes in fair value	513	1 465
Closing balance	(2 901)	(3 414)

Following the deliberation of the Extraordinary General Meeting of 31 July 2025, a share capital increase of Banco Montepio was realized through the incorporation of the entire Special Reserve, under the Special Regime for Deferred Tax Assets ("READ"), said realization having been finalized in September 2025.

The movements of Other reserves related to post-employment benefits are presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Opening balance	31 169	(1 523)
Loss Coverage	-	-
Remeasurements in the period (note 44)	4 747	32 692
Closing balance	35 916	31 169

The caption Other reserves related to post-employment benefits shows a positive balance as at 30 June 2026 and 31 December 2025, resulting from (i) the share capital decrease carried out during the 2023 financial year to cover losses, with an increase of Euro 135,667 thousand, and (ii) the proposal for the appropriation of the 2023 financial year results, with an increase of Euro 76,649 thousand to cover actuarial deviations related to the Pension Fund.

The movements of Other reserves and Retained earnings are presented as follows:

(Euro thousand)

	Jun 2026	Dez 2025
Opening balance	202 564	144 846
Application of net income	72 120	61 272
Loss coverage	-	-
Taxes on remeasuremnt of benefits plans	-	(4 452)
Gains on capital instruments	-	898
Closing balance	274 684	202 564

41 Distribution of dividends

The Annual General Meeting held on 29 April 2026 approved the proposal to apply the Net income for financial year 2025, in the positive amount of Euro 120,222,396, to reinforce the Legal reserve in Euro 12,022,239.62, to Retained earnings in Euro 72,120,313.10 and to distribute dividends in Euro 36,079,843.46.

42 Guarantees and other commitments

This caption has the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
Guarantees granted	496 252	509 681
Commitments to third parties	2 445 983	2 148 283
Deposit and custody of securities	8 741 879	8 256 618
	11 684 114	10 914 582

The amounts of Guarantees granted, and Commitments assumed vis-á-vis third parties are analysed as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Guarantees granted		
Guarantees	476 667	486 085
Letters of credit	19 585	23 596
	496 252	509 681
Commitments to third parties		
Irrevocable commitments		
Irrevocable credit facilities	1 039 812	975 718
Potential liability with the Investors Indemnity System	590	590
Securities subscription	1 749	2 670
Revocable commitments		
Revocable credit facilities	1 403 832	1 169 305
	2 445 983	2 148 283

Guarantees and standby letters granted are banking transactions essentially related to credit transactions in which the Bank provides a guarantee in relation to credit granted to a customer by a third party. In accordance with the specific nature of these transactions, some of these guarantees are expected to expire without having been required and, therefore, these transactions do not necessarily represent a cash outflow. Estimated liabilities are recorded under Provisions, as described in note 35.

Documentary credits correspond to irrevocable commitments, by Banco Montepio, on behalf of its customers, to pay/order to pay a certain amount to the supplier for a certain good or service, within a defined period, against the presentation of the documentation confirming the shipment of goods or the rendering of services. The irrevocable condition arises from the fact that the commitment is not cancellable or alterable without the express agreement of all parties involved.

Revocable and irrevocable commitments represent contractual agreements to extend credit to Banco Montepio's customers, for example unused credit facilities. These agreements are generally contracted for fixed periods of time or with other expiring requirements and, usually, impose the payment of a commission. Credit concession commitments require, substantially, that customers maintain compliance with certain conditions defined at the time of their contracting.

Notwithstanding the particular characteristics of these commitments, the analysis of these operations follows the same basic principles of any commercial operation, namely the solvency of the underlying customer and business, with Banco Montepio requiring, when necessary, that these operations be adequately covered by collaterals. Considering that it is expected that the majority of the commitments expire without having been used, the indicated amounts do not necessarily represent future cash-flow needs.

In financial year 2025, Banco Montepio handed over to the Deposits Guarantee Fund an amount of Euro 11,384 thousand, having used a provision in the same amount, as described in note 35, corresponding to the amount of the irrevocable payment commitments outstanding as at 31 December 2024.

As at 31 December 2025, in the scope of the Deposits Guarantee Fund, Banco Montepio pledged treasury bonds (TB October 2030), recorded as Other financial assets at amortized cost, with a nominal value of Euro 15,000 thousand, as described in note 25.

As at 31 December 2025 and 2024, the caption Potential liability - Investors' Compensation System refers to the irrevocable obligation that Banco Montepio assumed, as required by law, to deliver to that System, if actioned by same, the amounts necessary to pay its share of the indemnities due to investors.

The financial instruments accounted for as Guarantees and other commitments are subject to the same approval and control procedures applied to the loans and advances to customers' portfolio, namely regarding

the assessment of the adequacy of the impairment constituted, as referred in the accounting policy described in note 1 b). The maximum credit exposure is represented by the nominal amount that could be lost related to contingent liabilities and other commitments assumed by Banco Montepio in the event of default by the respective counterparties, without considering potential loan or collateral recoveries.

43 Fair value

Fair value is based on market prices, whenever these are available. If market prices are not available, as is the case with many products sold to customers, fair value is estimated through internal models based on cash-flow discounting techniques. Cash flows for the different instruments sold are calculated according to their financial characteristics and the discount rates used include both the market interest rate curve and the current conditions of the pricing policy of Banco Montepio.

Therefore, the fair value obtained is influenced by the parameters used in the valuation model that, necessarily, have some degree of judgement and reflect, exclusively, the value attributed to the different financial instruments. However, it does not consider prospective factors, like the future business evolution. Consequently, the values presented cannot be understood as an estimate of the economic value of Banco Montepio.

Financial instruments recorded in the balance sheet at fair value

Financial instruments accounted for in the balance sheet at fair value were classified by levels in accordance with IFRS 13, as follows:

Debt and equity instruments

- Level 1: In addition to financial instruments admitted to trading on a regulated market, bonds and investment units in harmonized funds, valued based on active market prices/quotations, disclosed through trading platforms, are included in this category. The aforementioned financial instruments are traded on an active market whenever the financial instruments in question are quoted through multi-contributed sources for bonds and the primary exchange for shares.

- Level 2: Financial instruments that are not traded on an active market or valued using valuation techniques supported by observable data in active markets, whether direct data (prices, rates, spreads, etc.) or indirect (derivatives), and valuation assumptions similar to those that an unrelated party would use in estimating the fair value of the same financial instrument, are considered Level 2. The classification of fair value in Level 2 is made according to the following rules:
  c) Financial instruments shall be classified in level 2 if they are:

     iii. valued based on models using observable market data (such as interest rate curves or exchange rates). Market interest rates are calculated based on information disseminated by financial content providers, such as, for example Bloomberg, namely those resulting from interest rate swap quotations. The values for very short-term rates are obtained from a similar source, but with reference to the interbank money market. The interest rate curve obtained is further calibrated against the values of short-term interest rate futures. Interest rates for specific cash-flow periods are determined by appropriate interpolation methods. The same interest rate curves are also used to project non-deterministic cash flows, such as indexers; or

     iv. valued using indicative third-party purchase prices, based on observable market data.

  d) For financial instruments that do not have a 30-day history available in the system, the fair value level is assigned based on the available history.

- Level 3: Financial instruments are classified in level 3 whenever they do not meet the criteria to be classified in level 1 or level 2, or fair value is determined based on unobservable data in active markets,

using techniques and assumptions that market participants would use to assess the same instruments, namely:

c) financial instruments not admitted to trading on a regulated market that are valued using valuation models and for which there is no generally accepted consensus on the criteria to be used, namely:

iv. valuation prepared in accordance with the Net Asset Value of non-harmonized funds, updated and disclosed by the respective management companies;

v. valuation prepared in accordance with indicative prices disclosed by the entities that participated in the issuance of certain financial instruments, without an active market; or

vi. valuation prepared in accordance with the realization of impairment tests, using the performance indicators of the underlying operations (e.g., degree of protection by subordination of the tranches held, delinquency rates of underlying assets, evolution of ratings, etc.).

b) financial instruments valued through indicative purchase prices based on theoretical valuation models disclosed by specialized third parties.

Derivative financial instruments

Operations involving financial derivatives, in the form contracts in respect of exchange rate, interest rate, share or share indices, inflation or a combination of these are traded over the counter (OTC) and in organized markets (especially stock markets). For OTC derivative operations (swaps and options), their valuation is based on generally accepted methods, always favouring market values.

- Level 1: This classification includes futures, options and other derivative financial instruments traded on a regulated market;
- Level 2: This level includes derivative financial instruments traded on unregulated (OTC) markets that do not have an optional component.
  The valuation of these derivatives is made by discounting the cash flows from operations, using as a discounting base the market interest rate curves deemed appropriate for the currency in force at the time of the calculation. Interest rates are obtained from Bloomberg or Reuters.

  Market interest rates are calculated based on information disseminated by financial content providers - Bloomberg or Reuters - specifically those resulting from interest rate swap quotations. The values for very short-term rates are obtained from a similar source, but with reference to the interbank money market. The interest rate curve obtained is further calibrated against the values of short-term interest rate futures. Interest rates for specific cash-flow periods are determined by appropriate interpolation methods. Interest rate curves are also used to project non-deterministic cash flows such as indexers.
- Level 3: This level includes options and derivatives traded on an unregulated (OTC) market, incorporating optional elements.
  Options are valued based on statistical models that consider the market values of the underlying assets and their volatilities (assuming that they are not directly observable in the market). The theoretical models used in the valuation of derivatives classified in level 3 are presented as follows:

  iii. For simple options, the Black-Scholes, Black, Ho and other models are used, considering the applicable volatility surfaces for their derivatives (models commonly used by the market in valuing this type of operations). Unobservable market inputs used in the valuation (implied volatilities of the subjacent) are taken from Bloomberg; and

  iv. For exotic options or for complex derivatives with embedded optional elements for which no valuation models are available, Banco Montepio hires specialized entities that value such assets using specific models that they develop according to generally accepted criteria and methodologies.

The valuations thus obtained are, in the case of interbank operations, compared with those used by the counterparties and, whenever it is understood that there are insufficient quality market references or that the

available models do not fully apply to the characteristics of the financial instrument, specific quotations provided by an external entity, typically the counterparty of the business, are used.

The valuation of non-optional components, not adjusted for credit risk, (cash flows from the operations), is made based on their respective discounting, using a methodology similar to that used for derivatives without an optional component; even so, the derivative in question is still considered in level 3.

Financial instruments recorded in the balance sheet at amortized cost

For financial instruments recorded in the balance sheet at amortized cost, Banco Montepio calculates their fair value using valuation techniques that seek to be based on the market conditions applicable to similar operations at the reference date of the financial statements, namely the value of the respective cash flows discounted based on the interest rates considered most appropriate, that is:

- *Loans and advances to credit institutions, Deposits from central banks, Deposits from other credit institutions and Assets with repurchase agreements*

The fair value of these financial instruments is calculated discounting the expected cash flows of principal and interest of these instruments, considering that the payments of the instalments occur on the contractually defined dates.

As 30 June 2026, no funds had been taken from the European Central Bank. The interest rate of the main refinancing operations from the European Central Bank was 2.40% at the end of the first half of 2026 (as at 31 December 2025 the rate was 2.15%).

For the remaining funds from credit institutions, the discount rate used reflects the current conditions applied by Banco Montepio to identical instruments for each of the different residual maturities. The discount rate includes the market rates for the residual maturity dates (money market or interest rate swap market rates, at the end of the financial period). As at 30 June 2026, the average discount rate for the remaining deposits was 3.02% (31 December 2025: 2.83%).

For Loans and advances to credit institutions a discount rate reflecting the conditions in use by Banco Montepio for the most significant residual term operations was applied. Considering the short-term maturity of these financial instruments, the book value is a reasonable estimate of their fair value.

- *Other financial assets at amortized cost*

These financial instruments are accounted for at amortized cost net of impairment. Fair value is based on market prices, whenever these are available. If market prices are not available, fair value is estimated through numerical models based on cash-flow discounting techniques, using the market interest rate curve adjusted for associated factors, predominantly the credit and liquidity risks, determined in accordance with the respective market conditions and periods.

- *Loans and advances to customers without a defined maturity date and Deposits from customers repayable on demand*

Considering the short-term maturity of this type of financial instruments, the conditions of this portfolio are similar to those in force at the reporting date; their book value is, therefore, a reasonable estimate of their fair value.

- *Loans and advances to customers with a defined maturity date*

The fair value of these financial instruments is calculated by discounting the expected future cash flows of principal and interest of these instruments, considering that the payments of the instalments occur on the contractually defined dates. For loans in default, the value, net of impairment, of these operations is a reasonable estimate of their fair value, given the economic valuation performed for the calculation of this impairment for individually significant customers. The discount rate used reflects the current conditions applied by Banco Montepio to similar instruments for each of the homogeneous classes of this type of instrument and with a similar residual maturity.

The discount rate includes the market rates for the residual maturity periods (money market or interest rate swap market rates, at the end of the financial period) and the spread used at the reporting date, calculated

based on the average production of the last half year. As at 30 June 2026, the average discount rate was 3.66% for mortgage loans (31 December 2025: 3.72%), 7.79% for private individual loans (31 December 2025: 6.54%) and 4.12% for the remaining loans (31 December 2025: 4.13%), assuming a projection of the variable rates that is based on macroeconomic fundamentals and on market forward rates. The calculations also include the credit risk spread.

- *Deposits from customers*

The fair value of these financial instruments is calculated discounting the expected future cash flows of principal and interest of these instruments, considering that the payments of the instalments occur on the contractually defined dates. The discount rate used reflects the current conditions applied by Banco Montepio to identical instruments with a similar residual maturity. The discount rate includes the market rates for the residual maturity periods (money market or interest rate swap market rates, at the end of the financial period) and the spread of Banco Montepio at the reporting date, calculated based on the average production of the last quarter. The average discount rate as at 30 June 2026 was 1.86% (31 December 2025: 1.66%).

- *Debt securities issued and Other subordinated debt*

For these financial instruments, the fair value was calculated for the components which fair value is not yet reflected in the balance sheet. For the fixed interest rate instruments in respect of which Banco Montepio applies hedge accounting, the fair value related to the interest rate risk is already accounted for.

In the fair value calculation, the other risk components were also considered, besides the interest rate risk already accounted for. Fair value is based on market quotations, whenever these are available. If these are not available, fair value is estimated using internal models, based on cash-flow discounting techniques, using the market interest rate curve adjusted by the associated factors, predominantly the credit risk and the trading margin, the latter only in the case of issues sold to non-institutional customers of Banco Montepio.

As original reference, the interest rate swaps market curves for each specific currency are used. The credit risk (credit spread) is represented by an excess over the interest rate swaps' curve, calculated specifically for each term and class of instruments based on the market prices of equivalent instruments.

In the case of covered bond issues, the fair value is determined based on quotations disseminated by the financial content provider Bloomberg.

As regards subordinated issues, the fair value was determined to reflect the spreads observed on the market for comparable issues increased by a liquidity premium, considering the lower depth of the market for the subordinated debt issued by Banco Montepio.

- *Cash, Deposits at central banks and Deposits and deposit equivalents at other credit institutions*

Considering the extremely short-term maturity of these financial instruments, the book value is a reasonable estimate of their fair value. It should be noted that the fair value presented may not correspond to the realization value of these financial instruments in a sale or liquidation scenario, since it has not been calculated for this purpose.

The main valuation methods, assumptions and inputs used to calculate the fair value estimate for levels 2 and 3, depending on the type of financial instrument, are presented as follows:

	Type of instruments		Valuation methods	Main assumptions
Financial assets and liabilities held for trading	Derivatives [1]	Swaps	Discounted Cash Flow Method (2)	Interest rate curves
		Exchange rate options	Black-Scholes Model	Implied Volatilities
		Interest rate options	Normal Model	Probability of default for CVA and DVA calculation
	Debt representative financial instruments		Discounted Cash Flow Method [2]	Interest rate curves Risk premiums Comparable assets [3] Market Observable Prices
Financial assets at fair value through profit or loss	Equity representative financial instruments		Discounted Cash Flow Method [2]	Interest rate curves Risk premiums Comparable assets [3] Market Observable Prices
	Debt representative financial instruments			
Financial assets at fair value through other comprehensive income	Equity representative financial instruments		Discounted Cash Flow Method [2]	Interest rate curves Risk premiums Comparable assets [3]
	Debt representative financial instruments			
Financial assets at amortized cost	Debt securities		Discounted Cash Flow Method [2]	Interest rate curves Comparable assets [3]
	Loans and advances outstanding			Spreads
Derivatives - Hedge accounting	Swaps [1]		Discounted Cash Flow Method [2]	Interest rate curves Implied Volatilities Probability of default for CVA and DVA calculation
Financial liabilities at amortized cost	Term deposits		Discounted Cash Flow Method [2]	Interest rate curves
	Debt securities issued			Spreads

[1] The Bank incorporates specific adjustments (add-ons) into the valuation of derivative instruments held for trading and hedging to reflect its own credit risk based on a market discount curve that reflects its associated risk profile. At the same time, the Bank adopts an analogous methodology to reflect the credit risk of counterparties in derivatives with positive fair value. Therefore, the fair value obtained is composed of the unaffected risk-free valuation of this additional amount. The Credit Valuation Adjustment and Debt Valuation Adjustment – CVA/DVA are determined based on the estimated exposure at the time of default (Exposure at default, EAD) for each transaction and on the application of risk parameters to the estimated EAD in order to determine the expected loss for the Bank (CVA) and for the counterparty (DVA).

[2] Cash-flow discounting method (net present value): this model uses the cash flows of each instrument, established in the different contracts, and discounts them to calculate their present value.

[3] Comparable assets (prices of similar assets): comparable financial instrument prices or market benchmarks are used to calculate yield from the purchase price to its current valuation, making subsequent adjustments to consider possible differences between the revalued instrument and the reference instrument. It can also be assumed that the price of one instrument equals that of another.

Valuation adjustments for Credit Risk

Counterparty Credit Risk Valuation Adjustments ("CVA") and the Bank's Credit Risk Valuation Adjustments ("DVA") are incorporated in the valuation of OTC derivatives as a result of the risk associated with the credit exposure of the counterparty and its own, respectively.

The CVA value is calculated considering the expected exposure for each counterparty in each future term, with the CVA by counterparty being calculated by summing the various CVA values of the various future terms. The adjustments are then determined by estimating the counterparty's exposure at default (EAD), the respective probability of default (PD) and the loss given default (LGD) for all derivative financial instruments traded under the same contract negotiated with Banco Montepio with a netting clause (of the same netting set). Similarly, the DVA corresponds to the product of the negative expected exposure at default by the probability of default and by Banco Montepio's LGD.

The PD and LGD values are calibrated using market data, for the effect using the counterparty's rating and sector or historical information on the probability of default.

Changes in CVA/FVA and DVA/FVA adjustments are accounted for as gains or losses on assets and liabilities held for trading in the profit or loss. The detail of the movements of these adjustments is presented in the table.

Movements in CVA and DVA

(Euro thousand)

	Jun 2026		Dec 2025	
	CVA	DVA	CVA	DVA
Adjustment	225	26	312	31
Of which: Derivates expiry	-	-	-	1

Fair value of Non-current assets held for sale

The fair value and the impairment constituted for non-current assets held for sale are a function of the valuation amount and the book value of the properties. The valuation amount is equal to the lower of the following values:

- Value of an *in-situ* valuation; and
- Sale value (if a sale and purchase contract is celebrated).

Real estate valuations and revaluations are carried out by expert appraisers, regulated by Law no. 153/2015, of 14 September.

Pursuant to Decree-Law no. 74-A/2017, of 23 June, and for the purpose of article 18 thereof, in mortgage loan agreements for residential real estate, the borrower may request of the Bank a second valuation of the property.

Since the same appraisers are required to carry out surveys of works in progress subject to funding to determine the amount of the works realized to be financed, given the nature of this type of valuation, the training and professional qualifications of these experts shall, cumulatively, respect the professional qualifications defined by Law no. 31/2009, of 3 July, as amended by Law no. 40/2015, of 1 June.

External Appraiser Companies

The selection of appraiser companies is based on the universe of entities registered as "expert appraisers" with the CMVM and seeks to always ensure an adequate diversification and rotation in the performance of the valuations.

Independent external appraisers follow the principles defined by:

- Notice no. 5/2006 of the Bank of Portugal (Valuation of Mortgaged Properties as a Guarantee of Loans Assigned to Covered Bonds); and
- Regulation no. 575/2013 of the European Parliament and of the Council (Prudential Requirements).

Fair value determination is made by independent appraisers duly certified for this purpose, duly registered with the CMVM, and using at least two of the following methods.

Comparative market method

This method provides an estimate of the amount by which it is understood that a particular property may be traded, after an appropriate period of trading, between an interested seller and buyer, in which both parties act in an informed, prudent and unconditional or non-coerced manner.

The value of the property is determined after analysis of comparable transaction and property offer values, obtained through knowledge of the local market and the exhaustive collection of real estate market data that provides knowledge of the supply and demand situation for similar properties, and which constitute a decisive factor in determining the Market Value of the property under valuation.

Income method

In this method, the market value of a property corresponds to the present value of all the rights to future benefits arising from its ownership.

This method assumes that property management and operation is based on the principles of legality, rationality and competence. The purpose of the analysis is to determine its respective ability to generate revenue flows, as well as the frequency of their occurrence, as well as to infer all the inherent expenses.

Cost method

In this method, the estimated value of a property corresponds to the cost of constructing a property that fulfils the same functions and with the same material and technology characteristics, at current market prices. The value assessed includes the value of the land, construction costs and the investment promotion profit margin, as well as a deduction corresponding to the depreciation, or loss of property value, resulting from physical, functional, economic or environmental obsolescence or a combination of these.

The expert appraiser should consider the local market characteristics and the specific characteristics of the property under valuation. The valuation adopted shall be the lower of the values determined because it is the most prudent in terms of guarantee.

Interest rate curve of the main currencies

As at 30 June 2026 and 31 December 2025, the following tables present the interest rates adopted in the calculation of the interest rate curve of the major currencies, namely Euro, United States Dollar, Pound Sterling, Swiss Franc and Yen, used to determine the fair value of financial assets and liabilities of Banco Montepio:

	Jun 2026				
	Currencies				
	Euro	United States Dollar	Sterling Pound	Swiss Franc	Yen
1 day	2.2500	3.6300	3.7700	-0.5200	0.7000
7 days	2.1850	3.6429	3.7900	-0.2200	0.7200
1 month	2.1910	3.7500	3.8000	0,0000	0.7200
2 months	2.1965	3.7700	3.9150	0.0100	0.8800
3 months	2.2265	3.7700	4.0100	0.0600	0.8900
6 months	2.3105	3.8000	4.1400	0.1200	1.0100
9 months	2.3605	4.2700	4.3150	0.0400	1.1400
1 year	2.3975	4.3750	4.4000	0.3000	1.2700
2 years	2.4175	4.3752	4.3526	0.1565	1.2652
3 years	2.4215	4.3755	4.3526	0.2260	1.2652
5 years	2.4751	4.3760	4.3526	0.3390	1.2652
7 years	2.5650	4.3765	4.3526	0.4528	1.2652
10 years	2.7070	4.3772	4.3526	0.6070	1.2652
15 years	2.9080	4.4343	4.3526	0.8043	1.2652
20 years	2.9950	4.5287	4.3526	0.8043	1.2652
30 years	2.9801	4.4883	4.3526	0.8043	1.2652

	Dec 2025				
	Currencies				
	Euro	United States Dollar	Pound Sterling	Swiss Franc	Yen
1 day	1.9320	3.6350	3.7600	-0.1100	0.0500
7 days	1.9320	3.6530	3.7600	-0.1100	0.0500
1 month	1.9340	3.7250	3.8600	-0.0700	0.0500
2 months	1.9350	3.8600	3.8600	-0.0300	0.4500
3 months	1.9380	3.8750	4.0250	0,0300	0.5200
6 months	1.9340	3.8700	3.9700	0.0900	0.6700
9 months	1.9300	3.8350	3.9950	0.1600	0.7700
1 year	1.9390	3.8200	4.0850	0.2500	0.7100
2 years	2.0175	3.8532	4.0441	0.1080	0.7087
3 years	2.1265	3.8864	4.0441	0.2150	0.7087
5 years	2.3205	3.9528	4.0441	0.3980	0.7087
7 years	2.4810	4.0191	4.0441	0.5475	0.7087
10 years	2.6842	4.1188	4.0441	0.7495	0.7087
15 years	2.9253	4.1899	4.0441	0.9490	0.7087
20 years	3.0292	4.1980	4.0441	0.9490	0.7087
30 years	3.0562	4.4340	4.0441	0.9490	0.7087

Exchange rates and volatility

We present below the exchange rates (European Central Bank) as at the balance sheet date and the implied volatilities (at the Money) for the main currency pairs used in the valuation of derivatives:

			Volatility (%)				
Exchange rates	**Jun 2026**	**Dec 2025**	**1 month**	**3 months**	**6 months**	**9 months**	**1 year**
EUR/USD	1.1394	1.1750	5.6950	5.5850	5.7500	5.8900	6.2400
EUR/GBP	0.8618	0.8726	3.8200	3.9750	4.3680	4.6600	5.0700
EUR/CHF	0.9224	0.9314	3.6500	4.0500	4.3800	4.6330	5.0250
EUR/JPY	185.08	184.09	7.1200	7.2250	7.4700	7.7300	8.1250

Regarding exchange rates, Banco Montepio uses in its valuation models the spot rate observed in the market at the time of the valuation.

The fair value of financial assets and liabilities of Banco Montepio, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

	Jun 2026				
	At fair value through profit or loss	**At fair value through reserves**	**Amortized cost**	**Book value**	**Fair value**
Financial assets					
Cash and deposits at central banks	-	-	988 706	988 706	988 706
Loans and deposits to credit institutions payable on demand	-	-	37 959	37 959	37 959
Loans and advances to credit institutions	-	-	292 624	292 624	292 624
Loans and advances to customers	-	-	13 408 788	13 408 788	13 307 937
Financial assets held for trading	26 203	-	-	26 203	26 203
Financial assets at fair value through profit or loss	125 378	-	-	125 378	125 378
Financial assets at fair value through other comprehensive income	-	502 370	-	502 370	502 370
Hedging derivatives	1 227	-	-	1 227	1 227
Other financial assets at amortized cost	-	-	4 444 844	4 444 844	4 229 236
	152 808	502 370	19 172 921	19 828 099	19 511 640
Financial liabilities					
Deposits from other credit institutions	-	-	758 949	758 949	734 449
Deposits from customers	-	-	16 784 352	16 784 352	16 766 899
Debt securities issued	-	-	950 207	950 207	955 443
Financial liabilities related to transferred assets	-	-	10 785	10 785	10 804
Financial liabilities held for trading	5 936	-	-	5 936	5 936
Hedging derivatives	31 966	-	-	31 966	31 966
Other subordinated debt	-	-	257 326	257 326	282 617
	37 902	-	18 761 619	18 799 521	18 788 114

(Euro thousand)

	Dec 2025				
	At fair value through profit or loss	At fair value through reserves	Amortized cost	Book value	Fair value
Financial assets					
Cash and deposits at central banks	-	-	1 256 046	1 256 046	1 256 046
Loans and deposits to credit institutions payable on demand	-	-	37 757	37 757	37 757
Loans and advances to credit institutions	-	-	453 367	453 367	453 367
Loans and advances to customers	605	-	12 694 146	12 694 751	12 601 645
Financial assets held for trading	13 709	-	-	13 709	13 709
Financial assets at fair value through profit or loss	128 240	-	-	128 240	128 240
Financial assets at fair value through other comprehensive income	-	505 551	-	505 551	505 551
Hedging derivatives	23 434	-	-	23 434	23 434
Other financial assets at amortized cost	-	-	3 870 964	3 870 964	3 685 788
	165 988	505 551	18 312 280	18 983 819	18 705 537
Financial liabilities					
Deposits from other credit institutions	-	-	795 137	795 137	768 806
Deposits from customers	-	-	16 307 596	16 307 596	16 299 236
Debt securities issued	-	-	616 124	616 124	611 630
Financial liabilities related to transferred assets	-	-	16 568	16 568	24 002
Financial liabilities held for trading	5 870	-	-	5 870	5 870
Hedging derivatives	28 031	-	-	28 031	28 031
Other subordinated debt	-	-	270 084	270 084	290 194
	33 901	-	18 005 509	18 039 410	18 027 769

The following tables summarize, by valuation levels, the fair value of Banco Montepio's financial assets and liabilities, as at 30 June 2026 and 31 December 2025:

(Euro thousand)

	Jun 2026				
	Level 1	Level 2	Level 3	Financial instruments at cost	Fair value
Financial assets					
Cash and deposits at central banks	988 706	-	-	-	988 706
Loans and deposits to credit institutions payable on demand	37 959	-	-	-	37 959
Other loans and advances to credit institutions	-	-	292 624	-	292 624
Loans and advances to customers	-		13 307 937	-	13 307 937
Financial assets held for trading	20 960	5 243	-	-	26 203
Financial assets at fair value through profit or loss	-	-	125 378	-	125 378
Financial assets at fair value through other comprehensive income	477 140	307	24 923	-	502 370
Hedging derivatives	1 227	-	-	-	1 227
Other financial assets at amortized cost	4 135 236	-	94 000	-	4 229 236
	5 661 228	5 550	13 844 862	-	19 511 640
Financial liabilities					
Deposits from other credit institutions	-	-	734 449	-	734 449
Deposits from customers	-	-	16 766 899	-	16 766 899
Debt securities issued	-	-	955 443	-	955 443
Financial liabilities related to transferred assets	-	-	10 804	-	10 804
Financial liabilities held for trading	-	5 936	-	-	5 936
Hedging derivatives	-	31 966	-	-	31 966
Other subordinated debt	278 128	-	4 489	-	282 617
	278 128	37 902	18 472 084	-	18 788 114

(Euro thousand)

	Dec 2025				
	Level 1	Level 2	Level 3	Financial instruments at cost	Fair value
Financial assets					
Cash and deposits at central banks	1 256 046	-	-	-	1 256 046
Loans and deposits to credit institutions payable on demand	37 757	-	-	-	37 757
Other loans and advances to credit institutions	-	-	453 367	-	453 367
Loans and advances to customers	-	605	12 601 040	-	12 601 645
Financial assets held for trading	8 534	5 175	-	-	13 709
Financial assets at fair value through profit or loss	-	-	128 240	-	128 240
Financial assets at fair value through other comprehensive income	477 762	335	26 407	1 047	505 551
Hedging derivatives	23 434	-	-	-	23 434
Other financial assets at amortized cost	3 531 649	-	154 139	-	3 685 788
	5 335 182	6 115	13 363 193	1 047	18 705 537
Financial liabilities					
Deposits from other credit institutions	-	-	768 806	-	768 806
Deposits from customers	-	-	16 299 236	-	16 299 236
Debt securities issued	-	-	611 630	-	611 630
Financial liabilities related to transferred assets	-	-	24 002	-	24 002
Financial liabilities held for trading	-	5 870	-	-	5 870
Hedging derivatives	-	28 031	-	-	28 031
Other subordinated debt	285 388	-	4 806	-	290 194
	285 388	33 901	17 708 480	-	18 027 769

In the first half of 2026 and in financial year 2025, there were no transfers between the levels of the fair value hierarchy.

As at 30 June 2026, the Bank considered for purposes of the valuations of the shares of SIBS, Unicre and ABANCA, the maintenance of the assumptions disclosed in the financial statements as at 31 December 2025.

44 Post-employment and long-term employee benefits

Banco Montepio, in accordance with the accounting policy described in note 1 q), assumed the responsibility to pay its employees and to the members of the Management Body old-age and disability pensions and other benefits.

In accordance with the same policy, Banco Montepio calculates at least once a year, with reference to 31 December of each year, the liabilities with retirement pensions and other benefits. This also occurs whenever the changes substantiated on the main actuarial assumptions so determine.

Banco Montepio's pension plan for employees covers liabilities for the retirement benefits provided for in the Collective Labour Agreement for the Banking Sector and is a complementary plan to the General Social Security System.

Under the Collective Labour Agreement ("ACT") for the Banking Sector, employees admitted after 1 January 1995 contribute with 5% of their monthly remuneration to the Pension Fund.

The existing pension plan corresponds to a defined benefit plan, since it defines the criteria determining the amount of pension that an employee will receive during retirement, usually dependent on one or more factors such as age, years of service and remuneration.

The benefits provided by this pension plan are as follows:

- Retirement due to presumable disability (old age);

- Retirement due to disability; and

- Survival pension.

The respective beneficiaries are guaranteed all benefits, on the terms, conditions and values included in the pension plan in the quality of employees who at their retirement date are in the service of Banco Montepio, or as employees who had been its permanent employees and who, at their retirement date, met all the enforceability requirements defined in the pension plan.

The pension provided by the Pension Fund is that corresponding to the employee's level at retirement and respective seniority payments, according to the salary scale applicable. In the case of employees entitled to a pension under the General Pension Fund (Caixa Geral de Aposentações ("CGA")) or the National Pensions Centre (Centro Nacional de Pensões ("CNP")), for the same period of service counted by the Bank, such pension shall be deducted from the pension guaranteed by the present pension plan.

In case of death of an active employee or a pensioner, the pension plan guarantees a survival pension calculated under the terms foreseen in the ACT applicable to Banco Montepio.

Banco Montepio's former employees, when attaining the situation of retirement due to old-age or disability, are entitled to a pension, to be paid by the Pension Fund, calculated as per the preceding paragraphs and proportional to the period of service rendered to Banco Montepio.

Additionally, pursuant to the ACT, the pension plan guarantees the Social-Medical Assistance Services ("SAMS") costs and the death subsidy.

Banco Montepio has no other mechanisms that ensure the coverage of liabilities assumed with old-age, disability and survival pensions, health benefits and death subsidy of its employees.

In December 2016, Banco Montepio signed a new Collective Labour Agreement (ACT), introducing a number of changes in the employment benefits, such as the change in the retirement age, in line with the General Social Security System, and the attribution of an end-of-career award which replaced the extinguished seniority bonus.

As a result of the amendment to the ACT, the contributions to SAMS came to be made based on a fixed amount per employee and were, thus, no longer indexed to the remuneration, being updated solely by the percentage increase agreed with the workers' representative structures each year.

The main actuarial assumptions used in calculating the present value of the liabilities are as follows:

	Assumptions	
	Jun 2026	Dec 2025
Financial assumptions		
Salary growth rate	2.5% in the first year, 2.0% in the second year and 1.25% in the following years	2.5% in the first year, 2.0% in the second year and 1.25% in the following years
Pension growth rate	2.0% in the first year, 1.50% in the second year and 0.75% in the following years	2.0% in the first year, 1.50% in the second year and 0.75% in the following years
Rate of return of Fund	4.30%	4.30%
Discount rate	4.30%	4.30%
Revaluation rate		
Salary growth rate - Social Security	1.50%	1.50%
Monetary correction rate	1.25%	1.25%
Demographic assumptions and valuation methods		
Mortality table		
Men	TV 88/90 -1 year	TV 88/90 -1 year
Women	TV 99/01 -2 years	TV 99/01 -2 years
Actuarial valuation method	UCP	UCP

UCP - Unit Credit projected

The assumptions used in calculating the present value of the liabilities are in accordance with the requirements defined by IAS 19. The determination of the discount rate considered: (i) the evolution of the main indices, for high-quality corporate bonds and (ii) duration of the liabilities. As at 30 June 2026, the average duration of the pension liabilities of the employees is 14 years (31 December 2025: 14 years), including both active employees and pensioners.

The participants in the pension plan have the following breakdown:

	Jun 2026	Dec 2025
Active	2 404	2 425
Retirees and Pensioners	1 741	1 734
	4 145	4 159

In addition, we inform that the total number of non-active employees (former employees) as at 30 June 2026 totals 406 (398 as at 31 December 2025).

The liabilities for pensions and other benefits and respective coverage levels are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Net assets/(liabilities) recognized in the balance sheet		
Liabilities with pension benefits		
Pensioners	(399 838)	(399 052)
Active	(284 849)	(280 295)
	(684 687)	(679 347)
Liabilities with healthcare benefits		
Pensioners	(26 057)	(26 208)
Active	(26 257)	(25 353)
	(52 314)	(51 561)
Liabilities with death benefits		
Pensioners	(1 959)	(1 931)
Active	(1 132)	(1 104)
	(3 091)	(3 035)
Total liabilities	(740 092)	(733 943)
Coverages		
Pension Fund value	814 377	802 746
Net assets/(liabilities) in the balance sheet	74 285	68 803
Accumulated actuarial remeasurements recognized in other comprehensive income	176 401	181 148

The amounts of Euro 74,285 thousand and Euro 68,803 thousand related to net assets and liabilities in the balance sheet, as at 30 June 2026 and 31 December 2025, respectively, are reported under the caption Other assets, as presented in note 30.

The evolution of liabilities for retirement pensions, health benefits and death subsidy is presented as follows:

(Euro thousand)

	Jun 2026				Dec 2025			
	Pension benefits	Healthcare benefits	Death benefits	Total	Pension benefits	Healthcare benefits	Death benefits	Total
Liabilities at the beginning of the financial period	679 347	51 561	3 035	733 943	712 938	56 280	3 309	772 527
Recognized in net income/(loss) (Note 11)								
Current service cost	1 574	413	20	2 007	3 168	952	46	4 166
Interest cost	14 606	1 109	65	15 780	25 310	1 998	117	27 425
Early retirement, mutually agreed termination and others	(937)	-	-	(937)	1 770	-	-	1 770
Recognized in equities (Note 40)								
Actuarial gains/(losses)								
Changes in assumptions	576	-	-	576	(44 181)	(5 640)	(356)	(50 177)
Not related to changes in assumptions de pressupostos	5 141	(769)	(29)	4 343	11 697	(2 029)	(81)	9 587
Other								
Pensions paid by the Fund	(16 495)	-	-	(16 495)	(33 142)	-	-	(33 142)
Pensions paid by Banco Montepio	(326)	-	-	(326)	(533)	-	-	(533)
Participant contributions	1 201	-	-	1 201	2 402	-	-	2 402
Other	-	-	-	-	(82)	-	-	(82)
Liabilities at the end of the financial period	684 687	52 314	3 091	740 092	679 347	51 561	3 035	733 943

The evolution of the Pension Fund's net asset value as at 30 June 2026 and 31 December 2025, can be analysed as follows:

(Euro thousand

	Jun 2026	Dec 2025
Value of the Fund at the beginning of the financial period	802 746	812 618
Recognized in net income/(loss) (note 10)		
Share of net interest	17 259	28 848
Recognized in equity (note 40)		
Financial deviations	9 666	(7 898)
Other		
Participant Contributions	1 201	2 402
Pensions paid by the Fund	(16 495)	(33 142)
Transfers	-	(82)
Value of the Fund at the end of the financial period	814 377	802 746

No additional contributions to the defined benefit plans are foreseen for the following financial year since it is expected that the Pension Fund's return will be sufficient to cover for the changes in the liabilities.

As at 30 June 2026, Banco Montepio participates in 98.4% (31 December 2025: 98.5%) in the Pension Fund managed by Futuro – Sociedade Gestora de Fundos de Pensões, S.A..

As at 30 June 2026 and 31 December 2025, the assets of the Pension Fund, split between quoted and unquoted, can be analysed as follows:

(Euro thousand)

	Jun 2026				Dec 2025			
	Assets of the Fund	%	Quoted	Unquoted	Assets of the Fund	%	Quoted	Unquoted
Variable-income securities								
Shares	17 455	2.1	17 455	-	16 674	2.1	16 674	-
Shares investment funds	147 994	18.2	76 893	71 101	124 346	15.5	42 410	81 936
Bonds	575 522	70.7	530 237	45 285	587 254	73.2	541 810	45 444
Real Estate	4 959	0.6	-	4 959	4 942	0.6	-	4 942
Real Estate investment funds	55 095	6.8	4 450	50 645	54 798	6.8	-	54 798
Venture capital funds	3 500	0.4	-	3 500	3 627	0.5	-	3 627
Loans and advances to banks and other	9 852	1.2	-	9 852	11 105	1.4	-	11 105
	814 377	100.0	629 035	185 342	802 746	100.0	600 894	201 852

The assets of the Pension Fund related to securities, real estate and loans and advances to banks that are entities of Banco Montepio, have the following breakdown:

(Euro thousand)

	Jun 2026	Dec 2025
Loans and advances to banks and other	4 336	6 243
Real Estate	4 959	4 942
	9 295	11 185

The evolution of the remeasurements in the balance sheet is analysed as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Actuarial gains/(losses) at the beginning of the financial period	181 148	213 840
Actuarial gains/(losses) in the financial period		
Changes in discount rate	-	(78 018)
Payroll update	-	19 892
Pensions growth rate update	-	7 949
Deviation of the Pension Fund return	(9 666)	7 898
Resulting from changes in plan conditions	576	-
Other changes	4 343	9 587
Actuarial gains/(losses) recognized in other comprehensive income	176 401	181 148

The costs for the period year with retirement pensions, health benefits and death subsidy are analysed as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
Current service cost	2 007	4 166
Net interest income/(expense) on the liabilities coverage balance	(1 479)	(1 423)
Costs with early retirement, mutually agreed termination and other	(937)	1 770
Costs for the financial period	(409)	4 513

The evolution of net assets/(liabilities) in the balance sheet, as at 30 June 2026 and 31 December 2025, is analysed as follows:

	(Euro thousand)	
	Jun 2026	**Dec 2025**
At the beginning of the financial period	68 803	40 091
Current service cost	(2 007)	(4 166)
Net interest income/(expense) on the liabilities coverage balance	1 479	1 423
Actuarial gains/(losses)	(4 919)	40 590
Financial gains/(losses)	9 666	(7 898)
Pensions paid by Banco Montepio	326	533
Early retirement, mutually agreed termination and other	937	(1 770)
At the end of the financial period	74 285	68 803

The actuarial assumptions have a significant impact on the liabilities for pensions and other benefits. Thus, a sensitivity analysis was performed to positive and negative changes in some of the actuarial assumptions with the purpose of calculating the effect on the value of pension liabilities.

As at 30 June 2026 and 31 December 2025, the impact of these changes is analysed as follows:

(Euro thousand)

	Jun 2026			
	Liabilities			
	Increase 0.50 p.p.	Decrease 0.50 p.p.	Increase 1.00 p.p.	Decrease 1.00 p.p.
Discount rate	(41 689)	46 144	(83 378)	92 287
Salary growth rate	25 779	(23 141)	51 559	(46 283)
Pension growth rate	43 274	(39 846)	86 547	(79 692)

(Euro thousand)

	Dec 2025			
	Liabilities			
	Increase 0.50 p.p.	Decrease 0.50 p.p.	Increase 1.00 p.p.	Decrease 1.00 p.p.
Discount rate	(42 582)	43 192	(82 949)	85 708
Salary growth rate	21 621	(19 785)	42 117	(39 259)
Pension growth rate	38 070	(35 144)	74 159	(69 737)

(Euro thousand)

	Jun 2026		Dec 2025	
	Liabilities			
	Reduction in life expectancy by 1 year	Increase in life expectancy by 1 year	Reduction in life expectancy by 1 year	Increase in life expectancy by 1 year
Future mortality	(17 585)	17 341	(17 539)	17 290

(Euro thousand)

	Jun 2026		Dec 2025	
	Liabilities			
	Decrease by 5€	Increase by 5€	Decrease by 5€	Increase by 5€
SAMS contribution	(2 472)	2 472	(2 420)	2 420

In accordance with the accounting policy described in note 1 q) and as per note 37, as at 30 June 2026, the end-of-career awards amounted to Euro 3,434 thousand (31 December 2025: Euro 3,306 thousand).

45 Assets under management

In accordance with the legislation in force, the fund management companies, and the depositary bank are jointly liable before the participants of the Funds for the non-fulfilment of the obligations assumed under law and the regulations of the funds managed.

As at 30 June 2026 and 31 December 2025, the amount of the funds for which Banco Montepio acts as depository bank is analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Securities investment funds	662 663	596 006
Real Estate investment funds	963 168	936 782
Pension funds	435 129	408 331
Bank and insurance	19 858	20 066
	2 080 818	1 961 185

The amounts recognized in these captions are measured at fair value determined as at the balance sheet date.

46 Related parties

As defined in IAS 24, the companies detailed in note 52, the Pension Fund, the members of the Corporate, Management and Supervisory Bodies and the key management personnel are considered related parties of Banco Montepio. In addition to the members of the Corporate, Management and Supervisory Bodies and the key management personnel, their family and entities controlled by them or in which management they have significant influence are also considered related parties.

According to Portuguese law, namely under article 85 of the Legal Framework of Credit Institutions and Financial Companies ("RGICSF"), the shareholders of Banco Montepio, as well as individuals related to them and entities controlled by them or in which management they have significant influence are also considered related parties.

First-line managers are considered Other key management personnel.

In operations carried out between Banco Montepio entities that are in a situation of special relationships, terms and conditions are contracted, accepted and practiced substantially identical to those that would normally be contracted, accepted and practiced between independent entities in comparable operations, that is, at market prices.

On this basis, with reference to 30 June 2026, the list of related parties considered by Banco Montepio is presented as follows:

Majority shareholder
Montepio Geral Associação Mutualista

Board of Directors
Chaim of the Board of Directors
Manuel Ferreira Teixeira
Non-executive members
Eugénio Luís Baptista
Laura Chaves
Maria Alexandra Thadeu
Maria Lúcia Bica
Sara Fonseca
Executive Committee
Chaim of the Executive Committee
José Azevedo Pereira
Executive members
Ângela Barros
Isabel Silva
José Carlos Mateus
Manuel Domingues
Nuno Carvalho
Audit Committee
Chaim of the Audit Committee
Laura Chaves
Members
Maria Alexandra Thadeu
Maria Lúcia Bica
Sara Fonseca

Board of Directors of Other Related Parties
Ana Sá Couto
Edite Cheira
Fernando Amaro
Hélio Gomes Marques
Idália Serrão
Jaquelina Rodrigues
José Eduardo Martins
Licínio Santos
Luís Pinheiro
Manuel Baptista
Maria da Conceição Zagalo
Paulo Jorge Rodrigues
Pedro Araújo
Pedro Ribeiro
Rui Gama
Rui Heitor
Virgílio Lima

Other Key Management Personnel
Alexandra Ponciano
Alexandra Quirino Silva
Alexandra Rolo
António Carlos Machado
António Costa
António Figueiredo Lopes
António Longo
Armando Cardoso
Bráulio Silva
Bruno Magalhães
Daniel Caçador
Fabienne Lehuédé
Fernanda Correia
Fernando Teixeira
Filipe Guimarães Cizeron
Frederico Tomáz
Janine Pereira
Joana Correia
Jorge Barros Luís
Jorge Dourado
Manuel Castanho
Maria Antónia Saldanha
Miguel Esteves
Miguel Gomes da Silva
Miguel Oliveira
Mónica Araújo
Nuno Cavilhas
Patrícia Fernandes
Patrícia Medeiros
Paula Pinheiro
Paula Viegas
Paulo Amorim
Paulo Soares
Paulo Trindade
Pedro Miguel Mendes
Pedro Oliveira
Pedro Pires
Ricardo Domingos Chorão
Ricardo Sarmento
Rita Santos
Rui Jorge Santos
Sanguini Shirish
Sara Candeias
Tânia Madeira

Other Related parties

Bem Comum, Sociedade de Capital de Risco, S.A.
Bolsimo - Gestão de Activos, S.A.
Carteira Imobiliária - Fundo Especial Investimento Imobiliário Aberto
CESource, A.C.E.
Empresa Gestora de Imóveis da Rua do Prior, S.A.
Fundação Montepio Geral
Fundo de Pensões - Montepio Geral
Futuro – Sociedade Gestora de Fundos de Pensões, S.A.
Lusitania Vida, Companhia de Seguros, S.A.
Lusitania, Companhia de Seguros, S.A.
Moçambique, Companhia de Seguros, S.A.
Montepio Crédito - Instituição Financeira de Crédito, S.A.
Montepio Gestão de Activos - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.
Montepio Holding, S.G.P.S., S.A.
Montepio Investimento, S.A.
Montepio Residências para Estudantes, S.A.
Montepio Serviços, A.C.E.
Polaris - Fundo de Investimento Imobiliário Fechado
Residências Montepio, Serviços de Saúde, S.A.
SILVIP - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.
Ssagincentive - Sociedade de Serviços Auxiliares e Gestão de Imóveis S.A.
Valor Arrendamento - Fundo de Investimento Imobiliário Fechado

(*) In 2025, Montepio Gestão de Activos Imobiliários, A.C.E. - In Liquidation, Portugal Estates Fund - Fundo de Investimento Imobiliário Fechado and Sociedade Portuguesa de Administrações, S.A. were no longer classified as related parties.
In 2026, HTA - Hotéis, Turismo e Animação dos Açores, S.A. was no longer classified as related parties, as it was disposed of on 13 May 2026.

As at 30 June 2026 and 31 December 2025, the assets held by Banco Montepio in respect of related parties, represented or not by securities, included in the captions Loans and advances to customers, Impairment of loans and advances to customers, Financial assets at fair value through other comprehensive income, Impairment of financial assets at fair value through other comprehensive income, Other assets, Guarantees and commitments assumed and Provisions for guarantees and commitments assumed, are analysed as follows:

(Euro thousand)

	Jun 2026						
Companies	Loans and advances to customers	Impairment of loans and advances to customers	Financial assets at fair value through other comprehensive income	Other assets	Garantees and commitments provided	Provisions for guarantees and commitments assumed	Total
Board of Directors	58	-	-	-	-	-	58
Board of Directors of Other Related Parties	1 849	1	-	-	-	-	1 848
Other Key Management Personnel	2 664	2	-	-	-	-	2 662
Bolsimo - Gestão de Activos, S.A.	1	-	-	-	-	-	1
Carteira Imobiliária - Fundo Especial de Investimento Imobiliário Aberto	-	-	-	7	-	-	7
CESource, A.C.E.	-	-	-	60	-	-	60
Futuro - Sociedade Gestora de Fundo de Pensões, S.A.	-	-	-	14	-	-	14
Lusitania Vida, Companhia de Seguros, S.A.	-	-	-	6	-	-	6
Lusitania, Companhia de Seguros, S.A.	-	-		446	-	-	446
Moçambique Companhia de Seguros, S.A.R.L.	-	-	354	-	-	-	354
Montepio Crédito - Instituição Financeira de Crédito, S.A.	665 355	549	-	1 084	35 282	549	700 623
Montepio Geral Associação Mutualista	3	-	-	958	49	-	1 010
Montepio Gestão de Activos - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	-	-	1	60	-	-	61
Montepio Holding, S.G.P.S., S.A.	-	-	-	107 161	-	-	107 161
Montepio Investimento, S.A.	-	-	-	-	181	-	181
Montepio Serviços, A.C.E.	-	-	-	2 376	-	-	2 376
PEF - Fundo de Investimento Imobiliário Fechado	-	-	-	-	-	-	-
Polaris-Fundo de Investimento Imobiliário Fechado	-	-	-	-	-	-	-
Residências Montepio, Serviços de Saúde, S.A.	488	1	-	11	750	-	1 248
Ssagincentive - Sociedade de Serviços Auxiliares e Gestão de Imóveis, S.A.	-	-	-	23	-	-	23
	670 418	553	355	112 206	36 262	549	818 139

(Euro thousand)

	Dec 2025							
Companies	Loans and advances to customers	Impairment of loans and advances to customers	Financial assets at fair value through other comprehensive income	Impairment of financial assets at fair value through other comprehensive income	Other assets	Garantees and commitments provided	Provisions for guarantees and commitments assumed	Total
Board of Directors	66	-	-	-	-	-	-	66
Board of Directors of Other Related Parties	1 904	1	-	-	-	-	-	1 903
Other Key Management Personnel	2 605	4	-	-	-	-	-	2 601
Carteira Imobiliária - Fundo Especial de Investimento Imobiliário Aberto	-	-	-	-	8	-	-	8
CESource, A.C.E.	-	-	-	-	40	-	-	40
Lusitania, Companhia de Seguros, S.A.	1	-	2 947	488	444	-	-	2 904
Moçambique Companhia de Seguros, S.A.R.L.	-	-	325	-	-	-	-	325
Montepio Crédito - Instituição Financeira de Crédito, S.A.	567 281	476	-	-	218	133 282	476	699 829
Montepio Geral Associação Mutualista	2	-	-	-	4 530	49	-	4 581
Montepio Gestão de Activos - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	-	-	1	-	-	-	-	1
Montepio Investimento, S.A.	-	-	-	-	-	181	-	181
Montepio Residências para Estudantes, S.A.	-	-	-	-	-	-	-	-
PEF - Fundo de Investimento Imobiliário Fechado	-	-	-	-	-	-	-	-
Residências Montepio, Serviços de Saúde, S.A.	630	1	-	-	11	750	-	1 390
Ssagincentive - Sociedade de Serviços Auxiliares e Gestão de Imóveis, S.A.	-	-	-	-	11	-	-	11
	572 489	482	3 273	488	113 903	134 262	476	822 481

As at 30 June 2026 and 31 December 2025, Banco Montepio's liabilities in respect of related parties, included in the captions Deposits from other credit institutions, Deposits from customers, Debt securities issued, Other subordinated debt and Other liabilities, are analysed as follows:

(Euro thousand)

Companies	Jun 2026				
	Deposits from other credit institutions	Deposits from customers	Debt securities issued and Other subordinated liabilities	Other liabilities	Total
Board of Directors	-	1 465	-	-	1 465
Board of Directors of Other Related Parties	-	1 263	-	-	1 263
Other Key Management Personnel	-	2 367	-	-	2 367
Bolsimo - Gestão de Activos, S.A.	-	6 083	-	-	6 083
Carteira Imobiliária - Fundo Especial Investimento Imobiliário Aberto	-	4 850	-	-	4 850
Empresa Gestora de Imóveis da Rua do Prior S.A	-	333	-	-	333
Fundação Montepio Geral	-	3 475	-	-	3 475
Fundo de Pensões - Montepio Geral	-	4 383	500	-	4 883
Futuro – Sociedade Gestora de Fundos de Pensões, S.A.	-	4 553	-	-	4 553
Lusitania Vida, Companhia de Seguros, S.A.	-	3 439	-	-	3 439
Lusitania, Companhia de Seguros, S.A.	-	6 278	-	-	6 278
Montepio Crédito - Instituição Financeira de Crédito, S.A.	-	3 035	-	-	3 035
Montepio Geral Associação Mutualista	-	78 258	130 788	-	209 046
Montepio Gestão de Activos - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	-	7 805	-	-	7 805
Montepio Holding, S.G.P.S., S.A.	-	160 537	-	-	160 537
Montepio Investimento, S.A.	38 740	-	-	-	38 740
Montepio Residências para Estudantes, S.A.	-	1 078	-	-	1 078
Montepio Serviços, A.C.E.	-	427	-	964	1 391
Polaris-Fundo de Investimento Imobiliário Fechado	-	1 963	-	-	1 963
Residências Montepio, Serviços de Saúde, S.A.	-	1 831	-	-	1 831
SILVIP - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	-	3 503	-	-	3 503
SSAGINCENTIVE - Sociedade de Serviços Auxiliares e Gestão de Imóveis, S.A.	-	50 555	-	-	50 555
Valor Arrendamento - Fundo de Investimento Imobiliário Fechado	-	432	-	-	432
	38 740	347 913	131 288	964	518 905

(Euro thousand)

Companies	Dec 2025				
	Deposits from other credit institutions	Deposits from customers	Debt securities issued and Other subordinated liabilities	Other liabilities	Total
Board of Directors	-	1 785	-	-	1 785
Board of Directors of Other Related Parties	-	1 013	-	-	1 013
Other Key Management Personnel	-	2 223	-	-	2 223
Bolsimo - Gestão de Activos, S.A.	-	1 458	-	-	1 458
Carteira Imobiliária - Fundo Especial Investimento Imobiliário Aberto	-	6 058	-	-	6 058
Empresa Gestora de Imóveis da Rua do Prior S.A	-	307	-	-	307
Fundação Carlos Larroudé	-	18	-	-	18
Fundação Montepio Geral	-	2 770	-	-	2 770
Fundo de Pensões - Montepio Geral	-	5 084	509	-	5 593
Futuro – Sociedade Gestora de Fundos de Pensões, S.A.	-	3 741	-	-	3 741
H.T.A. - Hoteis, Turismo e Animação dos Açores, S.A.	-	182	-	-	182
Lusitania Vida, Companhia de Seguros, S.A.	-	4 842	-	-	4 842
Lusitania, Companhia de Seguros, S.A.	-	5 868	-	-	5 868
Montepio Crédito - Instituição Financeira de Crédito, S.A.	-	1 985	-	-	1 985
Montepio Geral Associação Mutualista	-	55 274	127 187	-	182 461
Montepio Holding, S.G.P.S., S.A.	-	184 114	-	-	184 114
Montepio Investimento, S.A.	38 620	-	-	-	38 620
Montepio Residências para Estudantes, S.A.	-	983	-	-	983
Montepio Serviços, A.C.E.	-	660	-	835	1 495
Polaris-Fundo de Investimento Imobiliário Fechado	-	706	-	-	706
Residências Montepio, Serviços de Saúde, S.A.	-	1 527	-	-	1 527
SILVIP - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	-	3 676	-	-	3 676
SSAGINCENTIVE - Sociedade de Serviços Auxiliares e Gestão de Imóveis, S.A.	-	49 754	-	-	49 754
Valor Arrendamento - Fundo de Investimento Imobiliário Fechado	-	560	-	-	560
	38 620	342 897	127 696	835	510 048

As at 30 June 2026 and 31 December 2025, Banco Montepio's income and expenses with related parties, included in the captions Interest and similar income, Interest and similar expense, Net fee and commission income, Other operating income/(expense), Staff costs and General administrative expenses, are analysed as follows:

(Euro thousand)

	Jun 2026					
Companies	Interest and similar income	Interest and similar expenses	Net fee and comission income/ (expense)	Other operating income/ (expense)	Staff costs	General administrative expenses
Board of Directors	1	16	1	-	-	-
Board of Directors of Other Related Parties	47	15	3	-	-	-
Other Key Management Personnel	57	22	4	1	-	-
Bolsimo - Gestão de Ativos, S.A.	-	17	13	-	-	26
Carteira Imobiliária - Fundo Especial de Investimento Imobiliário Aberto	-	-	16	-	-	-
CESource, A.C.E.	-	-	-	-	(120)	-
Empresa Gestora de imóveis da Rua do Prior, S.A.	-	2	-	-	-	-
Fundação Montepio Geral	-	31	-	-	-	-
Fundo de Pensões - Montepio Geral	-	182	-	-	-	-
Futuro – Sociedade Gestora de Fundos de Pensões, S.A.	-	101	1 759	23	-	-
Lusitania Vida, Companhia de Seguros, S.A.	-	70	2 243	-	(37)	-
Lusitania, Companhia de Seguros, S.A.	-	28	2 526	(10)	604	391
Montepio Crédito - Instituição Financeira de Crédito, S.A.	9 445	-	3 431	1 212	(85)	54
Montepio Geral Associação Mutualista	1	4 332	3 080	242	(4 471)	945
Montepio Gestão de Activos - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	-	193	1 706	52	(395)	-
Montepio Holding, S.G.P.S., S.A.	-	1 148	-	25	-	80
Montepio Investimento, S.A.	-	258	-	41	-	-
Montepio Residências para Estudantes, S.A.	-	25	-	-	-	-
Montepio Serviços, A.C.E.	-	1	-	1 876	(1 572)	-
Polaris-Fundo de Investimento Imobiliário Fechado		6	2	-	-	-
Residências Montepio, Serviços de Saúde, S.A.	64	15	18	-	(65)	-
SILVIP - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	-	104	-	-	-	-
Ssagincentive - Sociedade de Serviços Auxiliares e Gestão de Imóveis S.A.	-	468	-	81	-	-
Valor Arrendamento - Fundo de Investimento Imobiliário Fechado	-	1	2	-	-	-
	9 615	7 035	14 804	3 543	(6 141)	1 496

(Euro thousand)

	Jun 2025					
Companies	Interest and similar income	Interest and similar expenses	Net fee and comission income/ (expense)	Other operating income/ (expense)	Staff costs	General administrative expenses
Board of Directors	1	6	1	-	-	-
Board of Directors of Other Related Parties	8	6	1	-	-	-
Other Key Management Personnel	33	14	2	-	-	-
Bolsimo - Gestão de Ativos, S.A.	-	8	14	-	-	154
Carteira Imobiliária - Fundo Especial de Investimento Imobiliário Aberto	-	-	22	-	-	-
CESource, A.C.E.	-	-	-	-	(119)	-
Fundação Montepio Geral	-	20	-	-	-	-
Fundo de Pensões - Montepio Geral	-	142	-	-	-	-
Futuro – Sociedade Gestora de Fundos de Pensões, S.A.	-	35	1 422	22	-	-
H.T.A. - Hoteis, Turismo e Animação dos Açores, S.A.	-	-	1	-	-	-
Lusitania Vida, Companhia de Seguros, S.A.	-	38	2 261	-	(33)	-
Lusitania, Companhia de Seguros, S.A.	-	14	2 485	(24)	583	338
Montepio Crédito - Instituição Financeira de Crédito, S.A.	8 947	-	325	1 598	(71)	20
Montepio Geral Associação Mutualista	-	5 673	1 719	254	(4 647)	1 027
Montepio Gestão de Activos - Sociedade Gestora de Organismos de Investimento Col	-	96	1 175	51	(396)	-
Montepio Holding, S.G.P.S., S.A.	-	1 439	-	25	-	-
Montepio Investimento, S.A.	-	307	1	41	-	-
Montepio Residências para Estudantes, S.A.	-	8	-	-	-	-
Montepio Serviços, A.C.E.	-	-	-	1 944	(1 635)	-
Polaris-Fundo de Investimento Imobiliário Fechado	2	3	2	-	-	-
Residências Montepio, Serviços de Saúde, S.A.	30	7	11	-	(64)	-
SILVIP - Sociedade Gestora de Organismos de Investimento Coletivo, S.A.	-	38	-	-	-	-
Ssagincentive - Sociedade de Serviços Auxiliares e Gestão de Imóveis S.A.	-	542	-	18	-	-
Valor Arrendamento - Fundo de Investimento Imobiliário Fechado	-	-	2	-	-	-
	9 021	8 396	9 444	3 929	(6 382)	1 539

Remuneration and social charges with the members of the Board of Directors (including members of the Audit Committee) and Other key management personnel are detailed in note 10.

In the first half of 2026 and financial year 2025, there were no transactions with Banco Montepio's Pension Fund.

47 Securitization of assets

As at 30 June 2026, there was a live securitization operation, originated by Banco Montepio and Montepio Crédito jointly, and which is characterized as presented below.

On 6 December 2021, Banco Montepio and Montepio Crédito signed contracts with Ares Lusitani – STC, S.A. leading to the securitization of a consumer loan portfolio. The securitization operation, with the name Pelican Finance no. 2, has a legal maturity of 13 years (25 January 2035), with the associated obligations having a Weighted Average Life of 2.76 years (assuming a CPR of 7.5%). The outstanding capital of the securitized loans (Aggregate Principal Amount Outstanding) was, on the reference date of 31 October 2021 (Portfolio Determination Date), Euro 356,774 thousand, this being a static portfolio, without revolving mechanisms. The sale was carried out using a syndicated public placement model, with class A being placed above par (100.606%) and the rest at par.

The entity that guarantees the debt service (servicer) of the traditional securitization operation is Banco Montepio, assuming the collection of the loans sold and channelling the amounts received to the respective Credit Securitization Company (Sociedade de Titularização de Créditos) (Pelican Finance no. 2).

Banco Montepio does not hold any direct or indirect shareholding in the company Ares Lusitani.

The loans covered by the securitization operation referred above were not derecognized from the balance sheet as the Bank retained most of the risks and rewards associated with the securitized loans. If the Bank substantially transfers the risks and rewards associated with their holding, the securitization operations are derecognized.

As at 30 June 2026 and 31 December 2025, the securitization operation realized by Banco Montepio is presented as follows:

(Euro thousand)

Jun 26								
				Loan and advances		Securities issued		
Issue	Settlement date	Currency	Asset transferred	Initial amount	Current amount	Initial nominal amount	Current nominal amount	Third party amount
Pelican Finance No. 2 [1]	December 2021	euro	Consumer Loans	360 301	11 067	360 301	55 727	55 727
				360 301	11 067	360 301	55 727	55 727

[1] The amounts presented correspond to the total issue (combined for Banco Montepio and Montepio Crédito)

(Euro thousand)

Dec 2025								
				Loan and advances		Securities issued		
Issue	Settlement date	Currency	Asset transferred	Initial amount	Current amount	Initial nominal amount	Current nominal amount	Third party amount
Pelican Finance No. 2 [1]	December 2021	euro	Consumer Loans	360 301	16 862	360 301	72 286	72 286
				360 301	16 862	360 301	72 286	72 286

[1] The amounts presented correspond to the total issue (combined for Banco Montepio and Montepio Crédito)

Additionally, the detail of the securitized loans not derecognized, of the Pelican Finance no 2 operation and contract nature, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Domestic loans and advances		
Individuals		
Consumer loans and other	10 889	16 707
	10 889	16 707
Credit and overdue interest		
Less than 90 days	1	94
More than 90 days	177	62
	178	156
	11 067	16 863

As a form of financing, the securitization vehicle created issued bonds the nominal value of which is detailed below, and which were partially subscribed in the case of Pelican Finance no. 2.

As at 30 June 2026 and 31 December 2025, the securities issued by the special purpose vehicles are analysed as follows:

Issue	Bonds	Initial nominal amount euros	Current nominal amount euros	CEMG interest held (nominal amount) euros	Maturity date	Rating (initial)		Rating (current)	
						Fitch	DBRS	Fitch	DBRS
Pelican Finance n.º 2	Class A	285 400 000	44 142 640	-	2035	AA-	AA	AA+	AAH
	Class B	20 700 000	3 201 656	-	2035	A	A	AA+	AH
	Class C	17 500 000	2 706 714	-	2035	BBB+	BBB	A+	BBBH
	Class D	19 300 000	2 985 119	-	2035	BB+	BH	BB+	BB
	Class E	17 400 000	2 691 247	-	2035	n.a.	n.a.	n.a.	n.a.
	Class X	1 000	1	1	2035	n.a.	n.a.	n.a.	n.a.

Issue	Bonds	Initial nominal amount euros	Current nominal amount euros	CEMG interest held (nominal amount) euros	Maturity date	Rating (initial)		Rating (current)	
						Fitch	DBRS	Fitch	DBRS
Pelican Finance n.º 2	Class A	285 400 000	57 258 971	-	2035	AA-	AA	AA	AAH
	Class B	20 700 000	4 152 981	-	2035	A	A	A	AH
	Class C	17 500 000	3 510 974	-	2035	BBB+	BBB	BBB+	BBBH
	Class D	19 300 000	3 872 103	-	2035	BB+	BH	BB+	BB
	Class E	17 400 000	3 490 911	-	2035	n.a.	n.a.	n.a.	n.a.
	Class X	1 000	1	1	2035	n.a.	n.a.	n.a.	n.a.

48 Risk management

Objectives of the Risk Management Policy

Banco Montepio is exposed to several risks the most relevant of which in the financial component being credit, concentration, market, interest rate, banking portfolio market, foreign currency, liquidity, real estate, and Pension Fund risks. Additionally, Banco Montepio is subject to other non-financial risks, namely operating, reputational, information and communication technologies, strategy and business risks as well as other emerging risks, namely Environmental, Social and Governance ("ESG") risks of which the climatic risks stand out. Depending on the nature and relevance of the risk, plans, programs, or actions are designed, supported by information systems and procedures providing a high degree of reliability as regards risk management measures established in due course. For all risks identified as material, Banco Montepio has implemented a process for the identification and review of same, being subject to regular monitoring and mitigation actions in order to reduce the exposure to potential losses and to increase the soundness and resilience of Banco Montepio.

The control and the efficient management of risk play a key role in the balanced and sustained development of Banco Montepio. In addition to contributing to the optimization of the profitability/risk binomial of the various lines of business, they also ensure the maintenance of an adequate risk profile in terms of solvency and liquidity.

The monitoring of these risks is centralized in the Risk Directorate, the unit responsible for the Risk Management Function of Banco Montepio, which regularly informs the Management (elsewhere also "Board of Directors") and Supervisory bodies of the evolution of the risk profile of the institution and, if necessary, proposes risk exposure mitigation/reduction actions.

Banco Montepio's risk management policy is the responsibility of the Board of Directors, which defines the tolerance levels and maximum risk limits, for each specific risk considered materially relevant, in accordance with the defined strategic objectives and business plan, with this policy being reviewed regularly. It is also the responsibility of the Board of Directors to ensure the existence of an adequate risk control at Group level, namely through the respective supervisory boards. The Risk Committee is a delegated non-executive body of the Board of Directors with the role of risk management supervision, which mission is to monitor the design and implementation of the risk strategy and risk appetite of Banco Montepio and to verify whether these are aligned with the sustainable strategy in the medium- and long-term, providing advice to the Board of Directors in these areas.

The Board of Directors, with the support of the Audit Committee (a supervisory body of Banco Montepio) must ensure that the Institution has sufficient capital to meet regulatory requirements and to guarantee the coverage of potential losses resulting from the activity, as well as an optimized balance sheet structure that ensures a stable and safe funding capacity and liquidity profile, allowing it to face stress situations and ensuring the continuity of its operations and the protection of its depositors and holders of non-subordinated debt.

Banco Montepio has clear and well-defined objectives in its strategic plan, namely as regards capital ratios, transformation of deposits into credit, liquidity, and financing ratios, in addition to a feasible and sustainable business model aligned with its risk appetite.

To this end, the definition of risk appetite is based on certain principles - namely solidity, sustainability and profitability – being prepared in function of the strategic plan and the intended market positioning, as well as the risks faced in its activity that are materially relevant. For these, objectives are set according to the desired level of return and the business strategy, tolerance levels, that is, risk variation intervals that can lead to discussions and decisions about corrective measures and limits that, if exceeded, lead to immediate corrective measures.

In defining risk appetite, the Board of Directors ensures its alignment with the other organizational components (business strategy and the global vectors of risk strategy). In addition, the Board of Directors seeks to ensure that risk appetite is well understood across the entire organization, especially the business units responsible for decision making and that can affect risk exposure and it's monitoring.

Banco Montepio's Risk Management Policy is the norm that regulates the entire monitoring and control process of risk matters and densifies the activities to be developed by the Bank that assure the adequacy of internal and regulatory capital, considering the business strategy defined.

Credit risk

Credit Risk is the probability of negative impacts on results or capital, due to the inability of a counterparty to meet its financial commitments to the institution, including possible restrictions on the transfer of payments from abroad. Credit risk exists mainly in loan exposures (including secured), credit lines, guarantees and derivatives.

The credit risk management process is based on the existence of a solid process of credit analysis and decision, supported by several tools aiding the credit decision process. The quantification of credit risk is also supported by the model used to calculate impairment losses (loss given default) and in the estimation of the regulatory and economic capital requirements (non-expected losses).

The fundamental principle of credit risk analysis is independence from the business decisions. In this analysis, instruments are used, and rules defined according to the materiality of the exposures, familiarity with the types of risk involved (e.g., the modelling capacity of such risks) and the liquidity of the instruments.

Credit risk models play a significant role in the credit decision process. Indeed, the decision process concerning the credit portfolio operations is based on a set of policies, relying on scoring models for the retail portfolios and rating models for the non-retail segment.

In the credit risk scope, and as regards analytical methodologies, the risk control techniques and models are based on econometric modelling, based on the Institution's experience in the granting of various types of credit and also, whenever possible, the level of recovery.

Credit decisions are dependent on risk ratings and compliance with various rules governing the financial capacity and behaviour of the applicants.

There are scoring models for the admission of individuals to the retail portfolios, namely for mortgage loans, individual loans, and credit cards.

Sole traders ("Empresários em nome individual" – "ENI") and Micro businesses are considered retail, being therefore subject to the respective scoring models.

There are also behavioural scoring models for retail portfolios, which are used to monitor the credit portfolio as well as to evaluate new credit proposals, being coupled with software-based scoring information, where applicable.

Regarding non-retail credit portfolios, internal rating models are used for small, medium and large companies, distinguished by activity sectors, such as the tertiary sector, or by ageing of the company's activity, namely start-up companies.

Regardless of the typology of the applicable model, any proposal, contract or credit customer is classified into a single risk scale class, in ascending order of Probability of Default, with this scale being composed of 18 classes, of which the first 15 correspond to performing risk classes, classes 16 and 17 to those recording arrears, and class 18 to default, in accordance with the applicable internal definition, which follows the guidelines of the supervisors in terms of prudential requirements.

The derogation of the response of scoring systems, internal ratings, and internal price lists is allowed, but only by higher decision levels, in accordance with the established principles of delegation of responsibilities. Rejection situations are defined in order to minimize the risk of adverse selection, with risk classes for rejection having been defined.

Intervention limits are also defined for the different decisions, by operation amount and global customer exposure, type of operation/collateral and assigned risk class. In this context, higher hierarchical positions must approve operations with higher exposures. The levels and limits are approved by the Board of Directors, and the highest decision level corresponds to the Board of Directors. At the intermediate levels the collegial intervention of at least two persons is compulsory, one belonging to the commercial network and the other to the Credit Analysis Directorate, a body independent of the commercial structure. The Risk Directorate is the unit responsible for the development of the credit risk models (scoring and rating), and for the monitoring of Banco Montepio's risk control, on a global basis.

Within the scope of credit risk monitoring, internal reports are prepared with the main risk indicators of the credit portfolios and metrics on the use of the rating/scoring models. In terms of preventive monitoring, an alert system is in place for indicators of credit risk profile deterioration of a certain counterpart (Early Warning Signs), for corporate customers and the Action Plan for Default Risk ("APDR") for individual customers.

Banco Montepio uses real and financial collaterals as instruments to mitigate credit risk. The real collaterals correspond mainly to mortgages on residential properties in the scope of housing loans and mortgages on other types of properties in the scope of other types of loans. To reflect the market value of these, they are reviewed regularly based on valuations conducted by certified independent appraiser entities or using revaluation coefficients that reflect the trend in the market for the type of property and the geographical area. Most of the physical collaterals are revalued at least annually. The financial collaterals are revalued based on market values of the respective assets, when available, with certain depreciation coefficients being applied to reflect their volatility.

The expected loss measurement process follows the general principles defined in IFRS 9. The accounting policies considered in this process are described in note 1 b).

As part of the calculation of the estimated impairment losses, sensitivity analyses were carried out on the macroeconomic variables considered in the forward-looking models and the following results were obtained:

1. Macroeconomic projection degradation scenario of 10%: impact of +2.00% of total impairment of the loan portfolio; and
2. Macroeconomic projection improvement scenario of 10%: impact of -1.87% of total impairment of the loan portfolio.

In addition, sensitivity analyses were also performed directly on the PD and LGD parameters, with the following results being obtained:

1. Parameter degradation scenario of 5%: impact of +7.33% of total impairment of the loan portfolio; and
2. Parameter improvement scenario of 5%: impact of -7.14% of total impairment of the loan portfolio.

Regarding the process of incorporating macroeconomic projections into the parameters for estimating impairment, the established process provides for the projections to be updated at least annually.

Below is a summary of the evolution of the main macroeconomic variables considered in the models:

	2023	2024	2025	2026	2027	2028
Unemployment Rate [2]						
Base Scenario	6.50%	6.53%	5.70%	5.94%	5.71%	5.67%
Worst-case Scenario	6.50%	6.53%	5.70%	7.61%	7.66%	6.98%
Best-case Scenario	6.50%	6.53%	5.70%	5.62%	5.36%	5.40%
GDP Growth Rate [2]						
Base Scenario	2.62%	2.58%	1.94%	1.80%	2.20%	1.30%
Worst-case Scenario	2.62%	2.58%	1.94%	-2.45%	1.39%	2.55%
Best-case Scenario	2.62%	2.58%	1.94%	3.67%	2.18%	1.09%
3-Month Euribor Interest Rate [1]						
Base Scenario	3.96%	3.00%	2.04%	2.04%	2.31%	2.34%
Worst-case Scenario	3.96%	3.00%	2.04%	2.68%	0.75%	0.73%
Best-case Scenario	3.96%	3.00%	2.04%	2.54%	2.56%	2.33%
Housing Price Index Growth Rate [2]						
Base Scenario	2.95%	10.55%	16.31%	1.54%	1.64%	-0.25%
Worst-case Scenario	2.95%	10.55%	16.31%	-4.59%	1.85%	2.20%
Best-case Scenario	2.95%	10.55%	16.31%	3.27%	1.06%	-0,56%
Growth Rate of Disposable Income Per Capita [1]						
Base Scenario	3.51%	6.79%	2.24%	2.61%	1.78%	1.50%
Worst-case Scenario	3.51%	6.79%	2.24%	-0.10%	-0.71%	1.53%
Best-case Scenario	3.51%	6.79%	2.24%	3.29%	2.52%	1.74%
Growth Rate of Exports of Goods and Services [2]						
Base Scenario	2.96%	3.78%	-0.72%	2.84%	3.67%	3.85%
Worst-case Scenario	2.96%	3.78%	-0.72%	-5.29%	0.02%	5.30%
Best-case Scenario	2.96%	3.78%	-0.72%	6.96%	4.44%	4.45%
Growth Rate of Family Comsumption [2]						
Base Scenario	2.30%	4.10%	2.80%	1.34%	2.71%	0.78%
Worst-case Scenario	2.30%	4.10%	2.80%	-1.47%	1.17%	0.61%
Best-case Scenario	2.30%	4.10%	2.80%	2.54%	3.10%	0.99+%

[1] Source: Eurostat; Projections: Moody's Analytics

[2] Source: National Institute of Statistics; Projections: Moody's Analytics

Banco Montepio's credit risk exposure can be presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Customers (on-balance sheet and off-balance sheet)		
Loans and advances to customers	13 568 909	12 857 143
(Impairment)	(160 121)	(162 392)
Guarantees granted	496 252	509 681
Irrevocable credit lines	1 039 812	975 718
Revocable credit lines	1 403 832	1 169 305
(Provisions)	(5 341)	(6 101)
	16 343 343	**15 343 354**
Securities		
Financial assets held for trading	23 123	11 568
Financial assets at fair value through profit or loss	334	669
Financial assets at fair value through other comprehensive income	477 889	481 497
(Impairment)	(442)	(941)
Other financial assets at amortized cost	4 449 511	3 875 106
(Impairment)	(4 667)	(4 142)
	4 945 748	**4 363 757**
Loans and deposits at credit institutions payable on demand	37 959	37 757
Other loans and advances to credit institutions	292 664	453 414
(Impariment)	(40)	(47)
Hedging derivatives	1 227	23 434
Other financial assets at amortized cost	128 780	129 132
	21 749 681	**20 350 801**

The credit risk exposure of Loans and advances to customers, presented in the balance sheet and in the off-balance sheet captions, as at 30 June 2026 and 31 December 2025, by sector of activity, can be analysed as follows:

(Euro thousand)

Activity	Jun 2026							
	On-balance sheet			Off-balance sheet				Total
	Loans and advances to customers			Guarantees provided	Irrevocable lines of credit	Revocable lines of credit		
	Gross value	Impairment	Net Value		Gross value		Provisions	
Agriculture, forestry and fishing	103 780	3 271	100 509	518	12 783	6 337	109	120 038
Extractive Industries	12 396	603	11 793	1 292	2 224	1 570	5	16 874
Manufacturing industries	866 072	51 250	814 822	17 508	203 082	115 856	1 073	1 150 195
Electricity generation and distribution, gas, steam and air conditioning	172 985	560	172 425	2 786	14 311	3 842	8	193 356
Water supply	43 988	317	43 671	2 468	22 470	4 565	94	73 080
Construction	413 076	10 201	402 875	148 452	97 195	160 195	2 427	806 290
Wholesale and retail trade	758 256	22 525	735 731	52 601	200 231	102 486	365	1 090 684
Transport and storage	273 954	9 446	264 508	10 000	27 936	19 624	248	321 820
Accommodation and catering activities	493 052	6 028	487 024	10 062	31 201	22 367	69	550 585
Information and Communication	22 059	164	21 895	4 352	6 491	1 730	22	34 446
Financial and insurance activities	45 147	1 311	43 836	7 795	6 191	3 815	16	61 621
Consulting, scientific, technical and similar	479 134	8 984	470 150	12 679	116 273	103 300	228	702 174
Administrative and supporting service activities	495 435	4 839	490 596	8 987	111 879	37 412	104	648 770
Public administration and defence, compulsory social security	139 822	2 162	137 660	6 475	28 803	15 762	33	188 667
Education	94 057	135	93 922	44	8 223	115 286	4	217 471
Healthcare services and social support	67 357	927	66 430	126	11 051	23 299	35	100 871
Artistic activities, shows and recreational	357 703	5 142	352 561	2 892	30 385	71 027	82	456 783
Other services	42 834	804	42 030	5 801	8 125	3 675	37	59 594
Other insurance services	1 181 177	4 913	1 176 264	199 231	100 958	27 595	55	1 503 993
Mortgage Loans	7 235 293	16 744	7 218 549	-	-	-	-	7 218 549
Consumer Loans	271 332	9 795	261 537	2 183	-	564 089	327	827 482
	13 568 909	**160 121**	**13 408 788**	**496 252**	**1 039 812**	**1 403 832**	**5 341**	**16 343 343**

(Euro thousand)

Activity	Dec 2025							
	On-balance sheet			Off-balance sheet				
	Loans and advances to customers			Guarantees provided	Irrevocable lines of credit	Revocable lines of credit		Total
	Gross value	Impairment	Net Value		Gross value		Provisions	
Agriculture, forestry and fishing	101 107	3 591	97 516	399	9 936	6 136	74	113 913
Extractive Industries	12 849	623	12 226	995	2 308	2 274	14	17 789
Manufacturing industries	911 881	48 744	863 137	19 689	162 749	66 162	771	1 110 966
Electricity generation and distribution, gas, steam and air conditioning	180 577	777	179 800	1 086	6 508	79	24	187 449
Water supply	45 140	361	44 779	2 698	13 573	3 152	83	64 119
Construction	398 977	10 095	388 882	151 283	114 743	141 594	2 731	793 771
Wholesale and retail trade	716 856	23 507	693 349	50 799	129 335	66 821	751	939 553
Transport and storage	249 523	9 184	240 339	9 588	15 704	16 406	160	281 877
Accommodation and catering activities	507 074	7 298	499 776	10 819	22 509	21 800	80	554 824
Information and Communication	57 579	1 406	56 173	7 991	24 473	8 705	255	97 087
Financial and insurance activities	1 015 774	4 394	1 011 380	209 725	211 463	17 643	25	1 450 186
Real estate activities	421 985	9 416	412 569	10 590	98 773	59 889	289	581 532
Consulting, scientific, technical and similar	463 017	5 746	457 271	13 589	89 880	13 057	109	573 688
Administrative and supporting service activities	147 577	2 081	145 496	5 970	17 513	12 017	113	180 883
Public administration and defence, compulsory social security	87 720	194	87 526	44	9 680	90 813	13	188 050
Education	57 954	1 021	56 933	129	9 364	6 637	42	73 021
Healthcare services and social support	336 913	7 187	329 726	2 849	22 564	65 005	110	420 034
Artistic activities, shows and recreational	44 283	928	43 355	5 787	9 136	9 366	28	67 616
Other services	63 521	1 490	62 031	3 281	5 507	7 282	39	78 062
Mortgage Loans	6 729 727	15 101	6 714 626	-	-	-	-	6 714 626
Consumer loans	307 109	9 248	297 861	2 370	-	554 467	390	854 308
	12 857 143	**162 392**	**12 694 751**	**509 681**	**975 718**	**1 169 305**	**6 101**	**15 343 354**

The credit risk exposure of Securities, as at 30 June 2026 and 31 December 2025, by sector of activity, can be analysed as follows:

(Euro thousand)

Activity	Jun 2026								
	Financial assets held for trading	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income			Other financial assets at amortised cost			Total
	Gross value	Gross value	Gross value	Impairment	Net value	Gross value	Impairment	Net value	
Extractive Industries	-	-	-	-	-	2 576	(1)	2 575	2 575
Manufacturing industries	-	-	-	-	-	28 066	(12)	28 054	28 054
Electricity generation and distribution, gas, steam and air conditioning	498	-	-	-	-	105 525	(114)	105 411	105 909
Construction	-	-	-	-	-	8 468	(3)	8 465	8 465
Wholesale and retail trade	-	-	-	-	-	8 979	(2)	8 977	8 977
Transport and storage	-	-	-	-	-	6 796	(2)	6 794	6 794
Information and Communication	-	-	-	-	-	18 843	(5)	18 838	18 838
Financial and insurance activities	6 239	334	-	-	-	366 929	(139)	366 790	373 363
Administrative and supporting service activities	-	-	-	-	-	1 018	-	1 018	1 018
Public administration and defence, compulsory social security	16 386	-	473 412	(418)	472 994	3 879 426	(4 364)	3 875 062	4 364 442
Healthcare services and social support	-	-	4 170	(24)	4 146	3 079	(10)	3 069	7 215
Other services	-	-	307	-	307	19 806	(15)	19 791	20 098
	23 123	**334**	**477 889**	**(442)**	**477 447**	**4 449 511**	**(4 667)**	**4 444 844**	**4 945 748**

(Euro thousand)

Activity	Dec 2025								
	Financial assets held for trading	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income			Other financial assets at amortised cost			Total
	Gross value	Gross value	Gross value	Impairment	Net value	Gross value	Impairment	Net value	
Extractive Industries	-	-	-	-	-	4 064	(1)	4 063	4 063
Manufacturing industries	-	5	-	-	-	49 849	(18)	49 831	49 836
Electricity generation and distribution, gas, steam and air conditioning	1 324	-	-	-	-	83 373	(91)	83 282	84 606
Construction	-	101	-	-	-	9 949	(21)	9 928	10 029
Wholesale and retail trade	-	179	-	-	-	8 516	(3)	8 513	8 692
Transport and storage	-	-	-	-	-	17 452	(4)	17 448	17 448
Accommodation and catering activities	-	-	-	-	-	6 776	(2)	6 774	6 774
Information and Communication	-	-	-	-	-	9 907	(3)	9 904	9 904
Financial and insurance activities	5 176	-	2 947	(488)	3 435	299 647	(83)	299 564	308 175
Real estate activities	-	49	-	-	-	14 820	(18)	14 802	14 851
Consulting, scientific, technical and similar	-	-	-	-	-	9 981	(13)	9 968	9 968
Administrative and supporting service activities	-	-	-	-	-	1 001	-	1 001	1 001
Public administration and defence, compulsory social security	5 068	-	473 944	(429)	474 373	3 337 200	(3 861)	3 333 339	3 812 780
Healthcare services and social support	-	-	4 271	(24)	4 295	3 008	(9)	2 999	7 294
Other services	-	335	335	-	335	-	-	-	670
Government-issued securities	-	-	-	-	-	19 563	(15)	19 548	19 548
	11 568	**669**	**481 497**	**(941)**	**482 438**	**3 875 106**	**(4 142)**	**3 870 964**	**4 365 639**

As at 30 June 2026 and 31 December 2025, the amounts included in the captions Deposits and deposit equivalents at other credit institutions, Loans and advances to credit institutions and Hedging derivatives concern the Financial activities and insurance sector.

The credit risk exposure of Loans and advances to customers, presented in the balance sheet and in the off-balance sheet captions, as at 30 June 2026 and 31 December 2025, broken down between the collective and individual analysis, can be analysed as follows:

(Euro thousand)

Stage impacts	Jun 2026			Dec 2025		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Collective analysis	**16 199 587**	**128 486**	**16 071 101**	**15 201 034**	**132 058**	**15 068 976**
Stage 1	14 714 484	23 945	14 690 539	13 413 281	22 335	13 390 946
Stage 2	1 340 787	38 201	1 302 586	1 647 251	48 421	1 598 830
Stage 3	144 316	66 340	77 976	140 502	61 302	79 200
Individual analysis	**309 218**	**36 976**	**272 242**	**310 814**	**36 436**	**274 378**
Stage 1	181 598	1 746	179 852	156 226	2 202	154 024
Stage 2	30 952	918	30 034	61 109	1 739	59 370
Stage 3	96 668	34 312	62 356	93 479	32 495	60 984
	16 508 805	**165 462**	**16 343 343**	**15 511 848**	**168 494**	**15 343 354**

As at 30 June 2026 and 31 December 2025, the detail of the Stages of Other financial assets at amortized cost, of Financial assets at fair value through other comprehensive income and of Loans and advances to credit institutions, is presented as follows:

(Euro thousand)

Stage impacts	Jun 2026			Dec 2025		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Amortized cost (AC)	**4 449 511**	**4 667**	**4 444 844**	**3 875 106**	**4 142**	**3 870 964**
Stage 1	4 424 572	4 656	4 419 916	3 875 106	4 142	3 870 964
Stage 2	24 939	11	24 928	-	-	-
Fair value (FVOIC)	**477 889**	**442**	**477 447**	**481 497**	**941**	**480 556**
Stage 1	477 889	442	477 447	478 470	453	478 017
Stage 2	-	-	-	3 027	488	2 539
Loans and advances to other institutions	**292 664**	**40**	**292 624**	**453 414**	**47**	**453 367**
Stage 1	292 151	24	292 127	452 877	30	452 847
Stage 2	513	16	497	537	17	520
	5 220 064	**5 149**	**5 214 915**	**4 810 017**	**5 130**	**4 804 887**

As at 30 June 2026 and 31 December 2025, the transfer between Stages, related to the gross amount of Other financial assets at amortized cost, is presented as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Gross value at the beginnig of the period	3 875 106	-	3 875 106	3 478 444	-	3 478 444
Transfer to Stage 2	(24 939)	24 939	-	-	-	-
Exposure of new net derecognition credits, refunds and other variations	574 405	-	574 405	396 662	-	396 662
Gross value at the end of the period	4 424 572	24 939	4 449 511	3 875 106	-	3 875 106

As at 30 June 2026 and 31 December 2025, the transfer between Stages, related to Impairment losses of Other financial assets at amortized cost, is presented as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Impairment loss at the beginnig of the period	4 142	-	4 142	4 740	-	4 740
Transfer to Stage 2	(11)	11	-	-	-	-
Exposure of new net derecognition credits, refunds and other variations	525	-	525	(598)	-	(598)
Impairment loss at the end of the period	4 656	11	4 667	4 142	-	4 142

As at 30 June 2026 and 31 December 2025, the transfer between Stages, related to the gross amount of Financial assets at fair value through other comprehensive income, is presented as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Gross value at the beginnig of the period	478 470	3 027	481 497	277 174	1 946	279 120
Transfer to Stage 1	72	(72)	-	-	-	-
Exposure of new net derecognition credits, refunds and other variations	(653)	(2 955)	(3 608)	201 296	1 081	202 377
Gross value at the end of the period	477 889	-	477 889	478 470	3 027	481 497

As at 30 June 2026 and 31 December 2025, the transfer between Stages, related to Impairment losses of Financial assets at fair value through other comprehensive income, is presented as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Impairment loss at the beginnig of the period	453	488	941	343	251	594
Exposure of new net derecognition credits, refunds and other variations	(11)	(488)	(499)	110	237	347
Impairment loss at the end of the period	442	-	442	453	488	941

As at 30 June 2026 and 31 December 2025, the transfer between Stages, related to the gross amount of Loans and advances to credit institutions, is presented as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Gross value at the beginnig of the period	452 878	536	453 414	99 428	3 872	103 300
Exposure of new net derecognition credits, refunds and other variations	(160 726)	(24)	(160 750)	353 450	(3 336)	350 114
Gross value at the end of the period	292 152	512	292 664	452 878	536	453 414

As at 30 June 2026 and 31 December 2025, the transfer between Stages, related to Impairment losses of Loans and advances to credit institutions, is presented as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Impairment loss at the beginnig of the period	30	17	47	7	18	25
Exposure of new net derecognition credits, refunds and other variations	(6)	(1)	(7)	23	(1)	22
Impairment loss at the end of the period	24	16	40	30	17	47

As at 30 June 2026 and 31 December 2025, the detail of the credit risk exposure of Loans and advances to customers subject to collective analysis, structured by segment and by Stage, is presented as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
Segment	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Retail	**8 072 896**	**26 866**	**8 046 030**	**7 592 569**	**24 710**	**7 567 859**
Mortgage loans	*7 366 321*	*16 745*	*7 349 576*	*6 851 506*	*15 073*	*6 836 433*
Stage 1	6 796 732	1 077	6 795 655	6 309 867	745	6 309 122
Stage 2	547 044	8 983	538 061	518 355	7 093	511 262
Stage 3	22 545	6 685	15 860	23 284	7 235	16 049
Consumer credit	*296 190*	*8 456*	*287 734*	*334 238*	*8 272*	*325 966*
Stage 1	241 439	539	240 900	275 360	663	274 697
Stage 2	45 784	2 870	42 914	51 643	3 396	48 247
Stage 3	8 967	5 047	3 920	7 235	4 213	3 022
Credit cards	*410 385*	*1 665*	*408 720*	*406 825*	*1 365*	*405 460*
Stage 1	388 537	466	388 071	386 082	602	385 480
Stage 2	19 569	220	19 349	19 304	103	19 201
Stage 3	2 279	979	1 300	1 439	660	779
Corporate	**8 126 691**	**101 620**	**8 025 071**	**7 608 465**	**107 348**	**7 501 117**
Non Construction	*7 308 878*	*94 309*	*7 214 569*	*6 833 254*	*99 370*	*6 733 884*
Stage 1	6 571 143	20 751	6 550 392	5 820 334	19 282	5 801 052
Stage 2	653 929	23 768	630 161	932 570	34 629	897 941
Stage 3	83 806	49 790	34 016	80 350	45 459	34 891
Construction	*817 813*	*7 311*	*810 502*	*775 211*	*7 978*	*767 233*
Stage 1	716 634	1 112	715 522	621 638	1 043	620 595
Stage 2	74 460	2 360	72 100	125 379	3 200	122 179
Stage 3	26 719	3 839	22 880	28 194	3 735	24 459
	16 199 587	**128 486**	**16 071 101**	**15 201 034**	**132 058**	**15 068 976**

As at 30 June 2026 and 31 December 2025, the detail of the impairment associated with the credit risk exposure of Loans and advances to customers is presented as follows:

(Euro thousand)

	Jun 2026						
	Impairment calculated on an individual basis		Impairment calculated on a portfolio basis		Total		
	Loans amount	Impairment	Loans amount	Imparidade	Loans amount	Impairment	Loans net of impairment
Corporate loans	309 218	36 976	8 126 690	101 620	8 435 908	138 596	8 297 312
Retail - Mortgage loans	-	-	7 366 321	16 744	7 366 321	16 744	7 349 577
Retail - Other loans	-	-	706 576	10 122	706 576	10 122	696 454
	309 218	36 976	16 199 587	128 486	16 508 805	165 462	16 343 343

(Euro thousand)

	Dec 2025						
	Impairment calculated on an individual basis		Impairment calculated on a portfolio basis		Total		
	Loans amount	Impairment	Loans amount	Imparidade	Loans amount	Impairment	Loans net of impairment
Corporate loans	309 710	36 408	7 608 466	107 347	7 918 176	143 755	7 774 421
Retail - Mortgage loans	1 104	28	6 851 505	15 073	6 852 609	15 101	6 837 508
Retail - Other loans	-	-	741 063	9 638	741 063	9 638	731 425
	310 814	36 436	15 201 034	132 058	15 511 848	168 494	15 343 354

As at 30 June 2026 and 31 December 2025, the transfer between Stages, associated with the credit risk exposure of Loan and advances to customers, is presented as follows:

(Euro thousand)

	Jun 2026			
	Stage 1	Stage 2	Stage 3	Total
Gross value at the beginnig of the period	13 569 507	1 708 360	233 981	15 511 848
Transfer to stage 1	451 420	(449 733)	(1 687)	-
Transfer to stage 2	(382 909)	393 823	(10 914)	-
Transfer to stage 3	(8 459)	(30 151)	38 610	-
Write-Offs	-	-	(4 822)	(4 822)
Exposure of new net derecognition credits, refunds and other variations	1 266 523	(250 560)	(14 184)	1 001 779
Gross value atthe end of the period	14 896 082	1 371 739	240 984	16 508 805

(Euro thousand)

	Dec 2025			
	Stage 1	Stage 2	Stage 3	Total
Gross value at the beginnig of the period	11 772 826	2 074 020	289 736	14 136 582
Transfer to stage 1	879 368	(873 431)	(5 937)	-
Transfer to stage 2	(607 921)	625 511	(17 590)	-
Transfer to stage 3	(19 470)	(48 398)	67 868	-
Write-Offs	(20)	(2 558)	(42 719)	(45 297)
Exposure of new net derecognition credits, refunds and other variations	1 544 724	(66 784)	(57 377)	1 420 563
Gross value atthe end of the period	13 569 507	1 708 360	233 981	15 511 848

As at 30 June 2026 and 31 December 2025, the transfer between Stages, related to Impairment losses associated with the credit risk exposure of Loans and advances to customers, is presented as follows:

(Euro thousand)

	Jun 2026			
	Stage 1	Stage 2	Stage 3	Total
Impairment losses at the beginnig of the period	24 537	50 160	93 797	168 494
Transfer to stage 1	1 615	(1 614)	(1)	-
Transfer to stage 2	(10 273)	10 943	(670)	-
Transfer to stage 3	(3 415)	(10 002)	13 417	-
Write-Offs	-	-	216	216
Exposure of new net derecognition credits, refunds and other variations	13 227	(10 368)	(6 107)	(3 248)
Impairment losses at the end of the period	25 691	39 119	100 652	165 462

(Euro thousand)

	Dec 2025			
	Stage 1	Stage 2	Stage 3	Total
Impairment losses at the beginnig of the period	36 177	71 073	106 907	214 157
Transfer to stage 1	2 354	(2 351)	(3)	-
Transfer to stage 2	(18 708)	19 394	(686)	-
Transfer to stage 3	(10 134)	(15 969)	26 103	-
Write-Offs	(20)	(2 558)	(42 719)	(45 297)
Exposure of new net derecognition credits, refunds and other variations	14 868	(19 429)	4 195	(366)
Impairment losses at the end of the period	24 537	50 160	93 797	168 494

As at 30 June 2026 and 31 December 2025, the fair value analysis of collaterals associated with Banco Montepio's credit risk exposure of Loans and advances to customers, is as follows:

(Euro thousand)

Fair value of collaterals	Jun 2026	Dec 2025
Individual analysis		
Securities and other financial assets	19 117	15 780
Real estate - Construction and CRE	131 737	72 870
Other real estate	273 286	287 972
Other guarantees	90 079	89 650
Collective analysis - Stage 1		
Securities and other financial assets	870 121	839 040
Real estate - Mortgage loans	15 099 385	14 192 327
Real estate - Construction and CRE	1 466 004	2 438 563
Other real estate	2 683 964	2 363 094
Other guarantees	650 137	694 114
Collective analysis - Stage 2		
Securities and other financial assets	152 012	220 506
Real estate - Mortgage loans	1 260 554	1 204 006
Real estate - Construction and CRE	1 069 565	282 129
Other real estate	273 853	382 386
Other guarantees	187 964	76 860
Collective analysis - Stage 3		
Securities and other financial assets	45 726	39 010
Real estate - Mortgage loans	61 307	61 912
Real estate - Construction and CRE	9 129	15 582
Other real estate	29 489	21 737
Other guarantees	4 190	2 435
	24 377 619	**23 299 973**

Banco Montepio's credit risk exposure of Loans and advances to customers, by segment and impairment, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

Segment	Jun 2026			Dec 2025		
	Total exposure	Total impairment	Total net exposure	Total exposure	Total impairment	Total net exposure
Corporate	6 905 357	116 513	6 788 844	6 519 937	120 833	6 399 104
Construction and CRE	1 530 551	22 083	1 508 468	1 398 239	22 922	1 375 317
Retail mortgage loans	7 366 321	16 744	7 349 577	6 852 609	15 101	6 837 508
Retail other loans	706 576	10 122	696 454	741 063	9 638	731 425
	16 508 805	165 462	16 343 343	15 511 848	168 494	15 343 354

The credit risk exposure of Loans and advances to customers, by segment and by production year, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

	Jun 2026												
	Corporate			Construction and CRE			Mortgage loans			Other loans			Total
Production year	Number of operations	Amount	Impairment	Number of operations	Amount	Impairment	Number of operations	Amount	Impairment	Number of operations	Amount	Impairment	
2004 and previous	246	11 393	131	373	18 768	2 228	24 580	506 158	1 761	15 206	12 257	57	544 399
2005	61	7 332	114	105	3 364	32	6 702	266 557	850	4 113	3 458	14	279 701
2006	86	10 584	48	92	3 352	62	8 137	335 115	1 201	11 060	8 616	49	356 307
2007	156	5 590	142	104	1 915	45	8 410	344 289	1 041	27 626	39 095	135	389 526
2008	699	23 977	586	224	6 352	470	4 382	181 582	604	44 133	72 576	228	282 599
2009	916	23 950	259	259	5 645	354	2 334	106 103	170	34 417	45 817	163	180 569
2010	1 005	27 165	380	179	6 798	350	2 365	124 759	392	25 093	18 734	218	176 116
2011	1 147	54 774	476	225	3 420	170	884	43 855	153	19 895	20 599	144	121 705
2012	1 162	32 679	460	680	5 544	43	514	25 327	214	14 069	9 558	119	72 272
2013	1 959	77 696	1 148	143	9 690	15	659	32 717	114	12 947	11 425	213	130 038
2014	3 001	133 140	1 683	1 942	24 201	348	811	43 511	344	13 961	15 360	398	213 439
2015	2 803	64 615	1 025	286	8 404	100	920	47 588	336	11 131	13 253	393	132 006
2016	3 353	211 546	3 492	683	27 659	1 309	1 312	78 407	366	18 490	16 070	186	328 329
2017	3 015	121 054	2 599	321	54 407	1 470	1 801	120 023	381	12 473	11 683	117	302 600
2018	3 459	87 250	1 559	563	39 315	508	1 913	130 476	433	21 308	33 496	324	287 713
2019	3 469	97 911	3 955	917	32 839	296	2 333	166 809	402	15 519	28 668	323	321 251
2020	5 132	908 474	4 310	744	56 699	1 340	2 613	213 759	752	11 797	23 171	452	1 195 249
2021	7 056	218 860	11 149	1 207	64 433	1 310	4 727	424 607	1 171	17 489	40 004	842	733 432
2022	10 000	626 728	16 744	1 400	139 522	1 602	4 100	393 588	1 103	15 535	41 084	1 172	1 180 301
2023	9 497	502 604	12 848	1 227	73 794	1 394	5 678	523 794	1 145	21 993	66 924	1 298	1 150 431
2024	9 891	798 398	14 354	2 747	251 409	4 003	10 224	1 059 094	2 305	25 212	96 797	2 173	2 182 863
2025	14 081	1 368 178	28 622	2 236	443 601	3 820	10 776	1 351 080	1 171	18 171	62 630	1 056	3 190 820
2026	9 684	1 491 459	10 429	1 261	249 420	814	5 622	847 123	335	7 173	15 301	48	2 591 677
	91 878	6 905 357	116 513	17 918	1 530 551	22 083	111 797	7 366 321	16 744	418 811	706 576	10 122	16 343 343

(Euro thousand)

	Dec 2025												
	Corporate			Construction and CRE			Mortgage loans			Other loans			Total
Production year	Number of operations	Amount	Impairment	Number of operations	Amount	Impairment	Number of operations	Amount	Impairment	Number of operations	Amount	Impairment	
2004 and previous	264	12 485	368	433	19 494	2 267	25 627	555 226	1 972	15 348	12 535	49	595 084
2005	64	7 342	116	109	3 419	56	6 934	282 121	942	4 171	3 567	16	295 319
2006	88	10 774	73	94	3 566	128	8 511	353 571	1 024	11 265	8 922	56	375 552
2007	158	6 027	171	116	3 709	120	8 669	361 245	1 266	28 233	40 224	142	409 506
2008	699	21 773	376	289	9 678	582	4 546	190 763	625	45 189	74 335	210	294 756
2009	946	25 342	296	272	5 647	358	2 415	110 504	206	35 273	46 983	163	187 453
2010	1 162	30 408	694	183	6 778	614	2 439	130 551	313	25 702	19 425	216	185 325
2011	1 321	53 645	554	241	3 798	191	931	46 569	120	20 383	21 199	129	124 217
2012	1 233	33 203	543	504	6 072	104	535	26 813	217	14 440	9 877	121	74 980
2013	2 017	79 301	1 522	149	8 745	33	682	34 457	162	13 289	11 864	164	132 486
2014	3 286	136 217	1 867	1 522	22 814	549	825	44 827	329	14 363	15 983	462	216 634
2015	2 676	65 200	901	324	8 996	140	953	50 752	304	11 549	13 537	204	136 936
2016	3 871	237 788	4 843	769	23 839	1 450	1 372	82 812	332	19 267	17 387	362	354 839
2017	3 966	123 653	3 050	321	57 424	1 469	1 869	126 490	384	12 863	12 354	113	314 905
2018	3 735	107 543	2 616	594	39 754	508	1 977	137 463	404	22 170	35 154	353	316 033
2019	4 347	171 969	4 707	746	34 392	813	2 438	177 500	453	16 028	31 032	344	408 576
2020	6 371	945 989	5 373	868	57 814	1 686	2 721	225 505	648	12 296	26 078	449	1 247 230
2021	7 692	256 957	11 623	1 148	73 108	1 453	4 950	449 855	1 172	18 647	45 256	906	810 022
2022	11 189	776 980	17 952	1 617	152 253	1 900	4 250	416 579	960	16 373	46 966	1 177	1 370 789
2023	9 421	610 244	15 401	1 227	103 078	1 871	5 910	557 251	929	22 958	74 520	1 198	1 325 694
2024	9 947	890 317	17 190	4 733	309 828	3 987	10 525	1 104 790	1 803	25 979	106 769	2 030	2 386 694
2025	14 177	1 916 780	30 597	2 025	444 033	2 643	10 948	1 386 965	536	18 028	67 096	774	3 780 324
	88 630	6 519 937	120 833	18 284	1 398 239	22 922	110 027	6 852 609	15 101	423 814	741 063	9 638	15 343 354

The credit risk exposure of Loans and advances to customers, by segment, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

	Jun 2026									
	Corporate		Construction and CRE		Retail mortgage loans		Retail other loans		Total	
	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment
Assessment										
Individual	223 837	29 136	85 381	7 840	-	-	-	-	309 218	36 976
Collective	6 681 520	87 377	1 445 170	14 243	7 366 321	16 744	706 576	10 122	16 199 587	128 486
	6 905 357	116 513	1 530 551	22 083	7 366 321	16 744	706 576	10 122	16 508 805	165 462

(Euro thousand)

	Dec 2025									
	Corporate		Construction and CRE		Retail mortgage loans		Retail other loans		Total	
	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment
Assessment										
Individual	261 814	30 046	47 896	6 362	1 104	28	-	-	310 814	36 436
Collective	6 258 123	90 787	1 350 343	16 560	6 851 505	15 073	741 063	9 638	15 201 034	132 058
	6 519 937	120 833	1 398 239	22 922	6 852 609	15 101	741 063	9 638	15 511 848	168 494

The credit risk exposure of Loans and advances to customers, by activity sector for Companies, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

	Jun 2026											
	Construction		Industries		Trade		Real estate activities		Other activities		Total	
	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment
Assessment												
Individual	27 577	5 846	60 526	22 978	29 811	1 506	57 805	1 994	133 499	4 652	309 218	36 976
Collective	817 813	7 311	1 159 464	29 953	1 093 896	21 816	627 357	6 932	4 428 160	35 608	8 126 690	101 620
	845 390	13 157	1 219 990	52 931	1 123 707	23 322	685 162	8 926	4 561 659	40 260	8 435 908	138 596

(Euro thousand)

	Dec 2025											
	Construction		Industries		Trade		Real estate activities		Other activities		Total	
	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment
Assessment												
Individual	31 766	5 215	59 963	21 098	31 859	1 608	16 130	1 147	169 993	7 340	309 711	36 408
Collective	775 211	7 978	1 118 972	29 056	931 999	22 674	575 131	8 582	4 207 152	39 057	7 608 465	107 347
	806 977	13 193	1 178 935	50 154	963 858	24 282	591 261	9 729	4 377 145	46 397	7 918 176	143 755

The amount of restructured loans and advances by Stage and by segment, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

	Jun 2026									
	Corporate		Construction and CRE		Retail - Mortgage loans		Retail - Others		Total	
	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment
Stage 2	12 591	1 075	3 033	146	19 769	259	2 227	162	37 620	1 642
Stage 3	50 309	24 247	28 964	4 786	4 555	1 497	1 854	1 105	85 682	31 635
	62 900	25 322	31 997	4 932	24 324	1 756	4 081	1 267	123 302	33 277

(Euro thousand)

	Dec 2025									
	Corporate		Construction and CRE		Retail - Mortgage loans		Retail - Others		Total	
	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment	Exposure	Impairment
Stage 2	12 762	848	16 302	469	23 204	247	2 297	198	54 565	1 762
Stage 3	43 167	18 433	24 922	4 650	6 092	1 986	1 821	1 197	76 002	26 266
	55 929	19 281	41 224	5 119	29 296	2 233	4 118	1 395	130 567	28 028

The gross exposure of performing and non-performing credit, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

Jun 2026	Gross carrying amounts of performing and non-performing							Accumulated impairment and other negative fair value adjustments related to credit risk				Collaterals and financial guarantees received	
		Of which performing but past due >30 days and <= 90 days	Of which performing loans	Of which non-performing				on performing exposure		on non-performing exposure			
					of which in default	of which impairment	of which forborne		of which forborne		of which forborne	on non-performing exposure	of which forborne
Loans represented by securities [1]	5 840 429	-	-	10 503	10 503	10 503	-	8 207	-	6 562	-	-	-
Other balance sheet credit exposures [2]	13 944 146	10 696	37 236	185 883	185 883	185 883	81 039	59 114	1 637	91 407	31 603	58 770	65 888
Off-balance sheet exposures [3]	2 939 896	1 157	639	44 296	44 296	44 296	4 622	2 955	5	2 387	11	-	-

(1) Includes debt instruments of the financial asset available for sale and commercial paper and bonds recognised under loans and advances to customers.
(2) Includes loans and advances to customers, cash and deposits at central banks and other loans and advances to credit institutions and foreign exchange operations to be settled.
(3) Includes revocable and irrevocable credit facilities, guarantees and documentary credit provided.

(Euro thousand)

Dec 2025	Gross carrying amounts of performing and non-performing							Accumulated impairment and other negative fair value adjustments related to credit risk				Collaterals and financial guarantees received	
		Of which performing but past due >30 days and <= 90 days	Of which performing loans	Of which non-performing				on performing exposure		on non-performing exposure			
					of which in default	of which impairment	of which forborne		of which forborne		of which forborne	on non-performing exposure	of which forborne
Loans represented by securities	5 278 968	-	-	10 421	10 421	10 421	-	10 100	-	5 491	-	-	-
Other balance sheet credit exposures (2)	13 526 862	7 033	47 779	180 062	180 062	180 035	72 826	66 408	1 741	85 523	26 232	55 799	72 735
Off-balance sheet exposures (3	2 654 704	673	7 048	43 074	43 074	43 074	3 151	3 762	20	2 339	10		

(1) Includes debt instruments of the financial asset available for sale and commercial paper and bonds recognised under loans and advances to customers.
(2) Includes loans and advances to customers, cash and deposits at central banks and other loans and advances to credit institutions and foreign exchange operations to be settled.
(3) Includes revocable and irrevocable credit facilities, guarantees and documentary credit provided.

The fair value of the collateral underlying the credit risk exposure of Loans and advances to customers of the Corporate, Construction and Real Estate activities and Mortgage segments, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

	Corporate, Construction and CRE				Mortgage			
	Real estate		Other collateral		Real estate		Other collateral	
Fair value	Number	Amount	Number	Amount	Number	Amount	Number	Amount
< 0.5 M€	2 636	436 998	7 985	635 371	86 470	14 663 452	1 756	53 904
>= 0.5 M€ and <1M€	436	308 107	275	183 296	2 285	1 447 263	2	1 100
>= 1 M€ and <5M€	515	1 179 410	209	381 179	203	291 966	-	-
>= 5 M€ and <10M€	108	739 655	28	197 687	1	7 880	-	-
>= 10 M€ and <20M€	55	785 810	8	102 055	1	10 684	-	-
>= 20 M€ and <50M€	23	692 181	5	182 604	-	-	-	-
>= 50M€	12	1 714 330	4	254 498	-	-	-	-
	3 785	5 856 491	8 514	1 936 690	88 960	16 421 245	1 758	55 004

(Euro thousand)

	Corporate, Construction and CRE				Mortgage			
	Real estate		Other collateral		Real estate		Other collateral	
Fair value	Number	Amount	Number	Amount	Number	Amount	Number	Amount
< 0.5 M€	2 722	445 971	8 866	689 744	85 688	14 009 476	1 081	32 564
>= 0.5 M€ and <1M€	436	306 873	288	191 075	1 873	1 185 944	1	500
>= 1 M€ and <5M€	522	1 213 511	219	408 972	166	244 262	1	1 105
>= 5 M€ and <10M€	109	752 075	30	205 200	1	7 880	-	-
>= 10 M€ and <20M€	55	798 234	11	133 103	1	10 684	-	-
>= 20 M€ and <50M€	20	604 978	5	182 604	-	-	-	-
>= 50M€	11	1 659 068	2	102 541	-	-	-	-
	3 875	5 780 710	9 421	1 913 239	87 729	15 458 246	1 083	34 169

The LTV (loan-to-value) ratio of the Corporate, Construction and Real Estate activities and Mortgage segments, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

Segment/Ratio	Jun 2026			Dec 2025		
	Number of properties	Total exposure	Impairment	Number of properties	Total exposure	Impairment
Corporate						
Without associated property (*)	-	5 731 149	97 314	-	5 349 345	99 061
< 60%	1 703	654 816	8 977	1 724	623 717	9 395
>= 60% and < 80%	454	228 589	3 653	498	272 726	5 801
>= 80% and < 100%	381	267 567	5 418	371	252 946	5 323
>= 100%	13	23 235	1 151	13	21 203	1 252
Construction and CRE						
Without associated property (*)	-	783 666	10 631	-	678 276	11 078
< 60%	664	514 965	5 137	680	502 705	5 568
>= 60% e < 80%	283	118 090	3 464	323	100 716	4 080
>= 80% e < 100%	272	109 233	2 587	252	110 247	1 631
>= 100%	15	4 596	264	14	6 293	564
Mortgage						
Without associated property (*)	-	21 348	284	-	22 801	246
< 60%	63 951	3 539 322	7 546	63 048	3 365 980	7 442
>= 60% and < 80%	18 907	2 213 132	4 724	19 010	2 089 834	3 870
>= 80% and < 100%	5 981	1 573 524	3 944	5 562	1 356 847	3 329
>= 100%	121	18 995	245	109	17 146	214

(*) Includes operations with other associated collaterals, namely financial collaterals.

The fair value and the net value of real estate received in recovery of loans, by asset type, as at 30 June 2026 and 31 December 2025, are presented as follows:

(Euro thousand)

Assets	Jun 2026		
	Number of properties	Fair value assets	Book value
Land	**460**	**54 178**	**51 357**
Urban	322	36 699	35 120
Rural	138	17 479	16 237
Buildings under construction	**44**	**4 899**	**3 949**
Commercial	9	400	395
Housing	35	4 499	3 554
Constructed buildings	**350**	**26 727**	**21 340**
Commercial	144	15 412	13 758
Housing	80	10 312	6 823
Other	126	1 003	759
Other	**-**	**-**	**2 157**
	854	85 804	78 803

(Euro thousand)

Assets	Dec 2025		
	Number of properties	Fair value assets	Book value
Land	**529**	**59 899**	**56 909**
Urban	381	41 843	40 062
Rural	148	18 056	16 847
Buildings under construction	**76**	**7 611**	**6 288**
Commercial	14	979	962
Housing	45	6 492	5 195
Other	17	140	131
Constructed buildings	**429**	**33 850**	**27 689**
Commercial	174	21 024	18 741
Housing	89	11 614	7 981
Other	166	1 212	967
Other	**-**	**-**	**2 112**
	1 034	101 360	92 998

The carrying amount reported in the table above takes into account, upon initial recognition and as defined in the accounting policy described in note 1 h), the lower value between its fair value net of selling expenses and the carrying amount of the credit existing on the date on which the transfer was made, and is subsequently updated due, in particular, to changes in the appraised value of the property and/or estimated selling expenses. In situations where a potential capital gain is determined, same is not recognized in the financial statements.

The time elapsed since the receipt in recovery of real estate, as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

Elapsed time since recovery/execution	Jun 2026				
	< 1 year	>= 1 year and < 2.5 years	>= 2.5 years and < 5 years	>= 5 years	Total
Land	**-**	**-**	**417**	**50 940**	**51 357**
Urban	-	-	124	34 996	35 120
Rural	-		293	15 944	16 237
Buildings under construction	**-**	**-**	**-**	**3 949**	**3 949**
Commercial	-	-	-	395	395
Housing	-	-		3 554	3 554
Other	-	-	-		-
Constructed buildings	**10**	**889**	**3 093**	**17 348**	**21 340**
Commercial	10	346	2 060	11 342	13 758
Housing	-	543	774	5 506	6 823
Other	-	-	259	500	759
Other	**-**	**-**	**-**	**2 157**	**2 157**
	10	889	3 510	74 394	78 803

(Euro thousand)

Elapsed time since recovery/execution	Dec 2025				
	< 1 year	>= 1 year and < 2.5 years	>= 2.5 years and < 5 years	>= 5 years	Total
Land	**-**	**49**	**377**	**56 483**	**56 909**
Urban	-	-	120	39 942	40 062
Rural	-	49	257	16 541	16 847
Buildings under construction	**-**	**-**	**182**	**6 106**	**6 288**
Commercial	-	-	-	962	962
Housing	-	-	182	5 013	5 195
Other	-	-	-	131	131
Constructed buildings	**2 264**	**2 454**	**3 919**	**19 052**	**27 689**
Commercial	1 905	1 761	2 139	12 936	18 741
Housing	359	574	1 524	5 524	7 981
Other	-	119	256	592	967
Other	**-**	**-**	**-**	**2 112**	**2 112**
	2 264	2 503	4 478	83 753	92 998

Concentration risk

The concentration risk results from the existence of common or correlated risk factors between different entities or portfolios. The deterioration of any of these factors may have a simultaneous negative impact on the credit quality of each of the counterparties or on the results of each class of assets and liabilities. In a concentration scenario, the loss effects on a small number of exposures may be disproportionate, confirming the importance of managing this risk in the maintenance of adequate solvability levels. In Banco Montepio, concentration risk monitoring focuses mainly on credit concentration, investment portfolio, financing, interest rate and operational risks.

Credit concentration risk is the most important risk for Banco Montepio and, as such, there are several procedures related to its identification, measurement, and management. To control the concentration risk of the exposure to a customer/group of customers that are related, maximum exposure limits were set for the aggregate positions of the credit and investment portfolios.

The concentration risk management is carried out in a centralized manner, with regular monitoring of the concentration indices by the Risk Directorate. In particular, the level of concentration of the largest depositors and, with respect to the credit portfolio, the level of individual concentration and the degree of diversification of the quality of the Corporate portfolio are regularly monitored by the Risk Directorate. Maximum exposure limits are established per customer/group of customers related to each other, activity sectors, as well as limits for the concentration of the largest depositors.

Market risk

The concept of market risk reflects the potential loss that can be registered by a given portfolio as a result of changes in rates (interest and exchange rates) and/or prices of the different financial instruments that compose it, considering both the existing correlations between them and the respective volatilities.

Banco Montepio regularly calculates its “VaR” both for its own trading portfolio as well as for that of the financial assets at fair value through other comprehensive income (these portfolios represent a low materiality in the Bank’s total assets), with same being determined based on a 10-day horizon and a 99% confidence level, using the historical simulation method. The types of risk considered in this methodology are the interest rate, exchange rate, price, spread and commodities’ risks.

Banco Montepio's investment portfolio is mainly concentrated in debt instruments and as at 30 June 2026 this represented 97.0% (31 December 2025: 96.6%) of the total portfolio (excluding notes held of own

securitizations not derecognized), with the dominant position being held by bonds of sovereign issuers of the Eurozone.

Regarding credit derivatives, Banco Montepio held no position in these instruments as at 30 June 2026 and 31 December 2025.

In terms of credit quality of the debt securities (bonds and commercial paper), circa 98.9% of the portfolio is investment grade (31 December 2025: 98.5%). Of note are the Portuguese, Spanish and Italian sovereign bonds with rating A-, A- and BBB, respectively, and that represent 68.0% (31 December 2025: 71.8%) of the debt portfolio. The main changes in the portfolio composition, by issuer, refer mainly to the increase in the exposure to Italian and French sovereign debt, with these also being the reason for the increase in BBB and A+ ratings, respectively.

The distribution of the bond portfolio, recognized in the captions Financial assets held for trading, Financial assets at fair value through other comprehensive income (excluding notes of own securitizations held) and Other financial assets at amortized cost, is presented as follows:

(Euro thousand)

Rating	Jun 2026		Dec 2025		Change	
	Amount	%	Amount	%	Amount	%
AAA	544 848	11.0	483 600	11.1	61 248	12.7
AA+	97 185	2.0	95 449	2.2	1 736	1.8
AA	36 698	0.7	29 096	0.7	7 602	26.1
AA-	124 219	2.5	111 412	2.6	12 807	11.5
A+	526 005	10.6	227 174	5.2	298 831	131.5
A	30 692	0.6	36 238	0.8	(5 546)	(15.3)
A-	1 831 893	37.1	1 906 067	43.7	(74 174)	(3.9)
BBB+	39 718	0.9	41 269	1.0	(1 551)	(3,8)
BBB	1 603 763	32.5	1 286 210	29.5	317 553	24.7
BBB-	52 298	1.1	73 352	1.7	(21 054)	(28,7)
BB+	-	-	9 929	0.2	(9 929)	(100.0)
NR	52 852	1.1	58 117	1.3	(5 265)	(9,1)
Total	4 940 171	100.0	4 357 913	100.0	582 258	13.4

The position in bonds (excluding notes held of own securitizations not derecognized) recognized in the portfolio of Financial assets at fair value through other comprehensive income stood at Euro 477,446 thousand (31 December 2025: Euro 480,556 thousand), the position in Other financial assets at amortized cost stood at Euro 4,444,844 thousand (31 December 2025: Euro 3,870,964 thousand) and the position in Financial assets held for trading stood at Euro 17,880 thousand (31 December 2025: Euro 6,393 thousand).

Regarding the trading portfolio, as at 30 June 2026 and 31 December 2025, the main VaR indicators are as follows:

(Euro thousand)

	Jun 2026				Dec 2025
	Indicator	Average	Minimum	Maximum	Indicator
Market VaR	193	519	129	1 196	347
Interest rate risk	54	120	88	90	70
Exchange risk	69	174	48	401	24
Price risk	264	400	234	757	254
Spread risk	37	51	48	108	34
Diversification effect	(231)	(226)	(289)	(160)	(35)

The value of the VaR of the trading portfolio decreased from 31 December 2025 to 30 June 2026, having remained at moderate or reduced levels during the first half of 2026 and in line with that observed in the previous year.

Bank portfolio's interest rate risk

The assessment of interest rate risk originated by banking portfolio operations is performed by a sensitivity analysis to the risk, on a consolidated basis for the entities integrating Banco Montepio (including the subsidiary recognized in discontinued operations).

Interest rate risk is measured according to the impact on net interest income, economic value and own funds caused by changes in market interest rates. The main risk factors arise from lags in maturities for the resetting of rates and/or residual maturities between assets and liabilities (repricing risk), non-parallel variations in yield curve risk, the lack of a perfect correlation between different indices with the same repricing period (basis risk) and the options associated with instruments that enable different decisions being taken by the players/participants depending on the level of rates contracted and those practiced at the moment (option risk).

Based on the financial characteristics of each contract, a projection of the expected cash flows is made, according to the rate reset dates and eventual behavioural assumptions.

The aggregation, for each currency analysed, of the expected cash flows in each of the time intervals allows one to determine the interest rate gaps by repricing period.

The following tables present the interest rate gaps, on a consolidated basis, as at 30 June 2026 and 31 December 2025:

(Euro thousand)

	30 June 2026					
	Up to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
Assets						
Debt securities	524 070	696 478	475 244	2 658 706	607 885	4 962 383
Loans and advances	5 399 140	3 290 944	1 696 975	2 636 102	353 591	13 376 752
Others	1 464 549	186 063	19 462	120 231	-	1 790 305
Off-balance sheet	116 691	33 910	26 614	-	-	177 215
Total	7 504 450	4 207 395	2 218 295	5 415 039	961 476	20 306 655
Liabilities						
Debt securities issued	27 556	9 381	18 749	1 261 717	593	1 317 996
Term deposits	5 315 533	2 479 346	1 809 551	189 593	-	9 794 023
Others	2 682 583	497 486	(68 952)	1 018 366	3 415 886	7 545 369
Total	8 025 672	2 986 213	1 759 348	2 469 676	3 416 479	18 657 388
GAP (Assets - Liabilities)	(521 222)	1 221 182	458 947	2 945 363	(2 455 003)	1 649 267

(Euro thousand)

	31 December 2025					
	Up to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
Assets						
Debt securities	250 820	154 813	584 261	2 590 865	870 064	4 450 823
Loans and advances	5 398 213	3 128 610	1 745 091	2 064 290	394 699	12 730 903
Others	1 859 053	150 353	358	86 163		2 095 927
Off-balance sheet	102 057	29 102	22 097			153 256
Total	7 610 143	3 462 878	2 351 807	4 741 318	1 264 763	19 430 909
Liabilities						
Debt securities issued	45 493	14 488	87	929 359	890	990 317
Term deposits	5 130 245	2 375 511	1 902 350	180 618	-	9 588 724
Others	3 034 003	480 595	301 452	880 309	2 883 835	7 580 194
Total	8 209 741	2 870 594	2 203 889	1 990 286	2 884 725	18 159 235
GAP (Assets - Liabilities)	(599 598)	592 284	147 918	2 751 032	(1 619 962)	1 271 674

(Euro thousand)

	Jun 2026				Dec 2025			
	June	Annual average	Maximum	Minimum	December	Annual average	Maximum	Minimum
Interest rate GAP	1 649 267	1 460 470	1 649 267	1 271 673	1 271 673	1 113 682	1 386 759	682 616

Sensitivity to the balance sheet interest rate risk is calculated by the difference between the present value of the interest rate mismatch discounted at market interest rates and the discounted value of the same cash flows, simulating parallel shifts of the market interest rate curve.

As at 30 June 2026, based on the interest rate gaps observed, an instantaneous and parallel positive variation in the interest rates by 100 bp would cause a change in the economic value expected from the banking portfolio of a positive Euro 2,386 thousand (31 December 2025: a negative Euro 17,038 thousand).

The following table presents the average interest rates, in relation to Banco Montepio's major asset and liability categories, in the first half of 2026 and financial year 2025, as well as the respective average balances and interest for the financial year:

(Euro thousand)

	Jun 2026			Dec 2025		
	Average balance	Average interest rate (%)	Interest	Average balance	Average interest rate (%)	Interest
Interest assets generators						
Deposits at central banks and other credit institu	915 521	1,44	6 549	1 457 546	1,97	29 136
Loans and advances to credit institutions	262 300	2,98	3 873	183 691	2,85	5 315
Loans and advances to customers	13 148 149	3,40	222 004	12 388 447	3,79	475 935
Securities portfolio	4 575 541	1,54	34 990	4 013 488	1,15	46 696
Other (Includes derivatives)	-	-	3 146	407	3,15	5 707
	18 901 511	**2,89**	**270 562**	**18 043 579**	**3.08**	**562 789**
Interest liabilities generators						
Deposits from ECB	571	2,07	6	-	0.00	-
Deposits from other credit institutions	650 273	1,30	4 197	648 492	1.13	7 455
Deposits from customers	16 452 613	1,01	82 444	15 795 161	1.15	184 875
Senior debt	648 164	4,54	14 583	572 061	5.80	33 632
Subordinated debt	257 024	8,39	10 697	270 851	7.86	21 589
Other (includes derivatives)	-	-	2 312	-	-	7 224
	18 008 645	**1,28**	**114 239**	**17 286 565**	**1.45**	**254 775**
Net interest income		**1,67**	**156 323**		**1.68**	**308 014**

Foreign exchange risk

Regarding the foreign exchange risk of the banking portfolio, the general procedure is to apply funds raised in the various currencies, through assets in the respective money market and for terms not exceeding those of the funding. Thus, existing exchange rate gaps are essentially due to mismatches between the periods of the applications and of the funding.

The breakdown of assets and liabilities, by currency, as at 30 June 2026 and 31 December 2025, is analysed as follows:

(Euro thousand)

	Jun 2026						
	Euro	US Dollar	Sterling Pound	Canadian dollar	Swiss Franc	Other foreign currencies	Total
Assets by currency							
Cash and deposits at central banks	978 071	7 809	1 301	819	467	239	988 706
Loans and advances to credit institutions payable on deman	29 865	5 553	269	452	1 128	692	37 959
Loans and advances to credit institutions	221 148	59 714	11 744	-	18	-	292 624
Loans and advances to customers	13 405 589	3 199	-	-	-	-	13 408 788
Financial assets held for trading	20 185	700	5 250	-	-	68	26 203
Other financial assets at fair value through profit or loss	125 378	-	-	-	-	-	125 378
Other financial assets at fair value through other comprehensive income	502 370	-	-	-	-	-	502 370
Hedging derivatives	1 227	-	-	-	-	-	1 227
Other financial assets at amortized cost	4 379 010	65 834	-	-	-	-	4 444 844
Investments in associated companies	294 061	-	-	-	-	-	294 061
Other tangible assets	185 549	-	-	-	-	-	185 549
Intangible assets	68 260	-	-	-	-	-	68 260
Current tax assets	328	-	-	-	-	-	328
Deferred tax assets	248 931	-	-	-	-	-	248 931
Other assets	294 031	5 387	66	-	-	-	299 484
Total assets	**20 754 003**	**148 196**	**18 630**	**1 271**	**1 613**	**999**	**20 924 712**
Liabilities by currency							
Deposits from other credit institutions	756 565	770	324	90	840	360	758 949
Deposits from customers	16 546 536	171 221	26 366	33 544	3 148	3 537	16 784 352
Debt securities issued	950 207	-	-	-	-	-	950 207
Financial liabilities related to transferred assets	10 785	-	-	-	-	-	10 785
Financial liabilities held for trading	5 936	-	-	-	-	-	5 936
Hedging derivatives	31 966	-	-	-	-	-	31 966
Provisions	10 730	28	-	-	-	-	10 758
Current tax liabilities	7 151	-	-	-	-	-	7 151
Other subordinated debt	257 326	-	-	-	-	-	257 326
Other liabilities	262 260	4 465	232	8 572	3 450	617	279 596
Total liabilities	**18 839 462**	**176 484**	**26 922**	**42 206**	**7 438**	**4 514**	**19 097 026**
Exchange forward transactions		4 680	8 239	40 999	5 746	3 735	
Exchange gap		(23 608)	(53)	64	(79)	220	
Stress Test		4 722	11	(13)	(16)	(44)	

(Euro thousand)

	Dec 2025						
	Euro	US Dollar	Sterling Pound	Canadian dollar	Swiss Franc	Other foreign currencies	Total
Assets by currency							
Cash and deposits at central banks	1 240 620	10 028	1 389	1 112	2 683	214	1 256 046
Loans and advances to credit institutions payable on deman	18 520	17 037	244	359	910	687	37 757
Loans and advances to credit institutions	378 950	74 321	78	-	18	-	453 367
Loans and advances to customers	12 692 611	2 140	-	-	-	-	12 694 751
Financial assets held for trading	13 284	425	-	-	-	-	13 709
Other financial assets at fair value through profit or loss	128 240	-	-	-	-	-	128 240
Other financial assets at fair value through other comprehensive income	505 551	-	-	-	-	-	505 551
Hedging derivatives	23 434	-	-	-	-	-	23 434
Other financial assets at amortized cost	3 807 338	63 626	-	-	-	-	3 870 964
Investments in associated companies	289 193	-	-	-	-	-	289 193
Other tangible assets	188 173	-	-	-	-	-	188 173
Intangible assets	68 268	-	-	-	-	-	68 268
Current tax assets	472	-	-	-	-	-	472
Deferred tax assets	265 228	-	-	-	-	-	265 228
Other assets	294 606	19	1 172	-	506	77	296 380
Total assets	**19 914 488**	**167 596**	**2 883**	**1 471**	**4 117**	**978**	**20 091 533**
Liabilities by currency							
Deposits from other credit institutions	641 807	3 125	94	59	698	272	646 055
Deposits from customers	14 961 873	171 262	25 006	31 103	2 945	3 337	15 195 526
Debt securities issued	467 647	-	-	-	-	-	467 647
Financial liabilities related to transferred assets	33 334	-	-	-	-	-	33 334
Financial liabilities held for trading	11 202	-	-	-	-	-	11 202
Hedging derivatives	27 037	-	-	-	-	-	27 037
Provisions	29 317	-	-	-	-	-	29 317
Current tax liabilities	599	-	-	-	-	-	599
Other subordinated debt	271 824	-	-	-	-	-	271 824
Other liabilities	224 348	1 764	-	2 241	54	3 709	232 116
Total liabilities	**16 668 988**	**176 151**	**25 100**	**33 403**	**3 697**	**7 318**	**16 914 657**
Exchange forward transactions		(8 902)	22 316	31 949	(429)	6 495	
Exchange gap		(17 457)	99	17	(9)	155	
Stress Test		3 491	(20)	(3)	2	(30)	

The result of the stress test performed corresponds to the estimated impact (before tax) on equity, due to a devaluation of 20.0% in the exchange rate of each currency against the Euro.

Liquidity risk

Liquidity risk reflects Banco Montepio's inability to meet its obligations at due date, without incurring in significant losses arising from a deterioration in financing conditions (financing risk) and/or the sale of its assets at values lower than market values (market liquidity risk).

The assessment of the liquidity risk is made using regulatory indicators defined, as well as other internal metrics for which internal limits are defined. This control is reinforced with the monthly execution of stress tests, to characterize the risk profile of Banco Montepio and ensure that Banco Montepio fulfils its obligations in a liquidity crisis scenario. The calculation of the LCR and NSFR prudential ratios is performed monthly.

As at 30 June 2026, the LCR value was 180.6% (31 December 2025: 185.5%).

As regards the net stable funding ratio, designated NSFR, same stood at 138.6% (31 December 2025: 138.3%).

As at 30 June 2026 and 31 December 2025, Banco Montepio's financing structure was as follows:

(Euro thousand)

	30 June 2026					
	Total	Undetermined	Up 3 months	3 - 6 months	6 - 12 months	> 1 year
Deposits from other credit institutions	758 949	-	446 941	-	-	312 008
Deposits from customers	16 784 352	-	11 676 162	2 457 506	1 802 614	848 070
Debt securities issued	950 207	-	1 679	-	-	948 528
Financial liabilities associated with transferred assets	10 785	-		-	-	10 785
Financial liabilities held for trading	5 936	-	130	192	683	4 931
Other subordinated debt	257 326	-	1 048	130	-	256 148
Other liabilities	279 596	279 596	-	-	-	-
	19 047 151	**279 596**	**12 125 960**	**2 457 828**	**1 803 297**	**2 380 470**

(Euro thousand)

	31 December 2025					
	Total	Undetermined	Up 3 months	3 - 6 months	6 - 12 months	> 1 year
Deposits from other credit institutions	795 137	-	532 631	-	-	262 506
Deposits from customers	16 307 596	-	11 293 300	2 287 545	1 868 313	858 438
Debt securities issued	616 124	-	-	-	14 665	601 459
Financial liabilities associated with transferred assets	16 568	-	-	-	-	16 568
Financial liabilities held for trading	5 870	-	107	101	504	5 158
Other subordinated debt	270 084	-	-	-	-	270 084
Other liabilities	243 312	243 312	-	-	-	-
	18 254 691	**243 312**	**11 826 038**	**2 287 646**	**1 883 482**	**2 014 213**

In the context of the European Banking Authority's guidance on the disclosure of encumbered and unencumbered assets, taking into account the recommendation made by the European Systemic Risk Board, and in accordance with Commission Implementing Regulation (EU) 2021/637 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for the disclosure of encumbered and unencumbered assets, we present the following information, with reference to 30 June 2026 and 31 December 2025, relating to assets and their collateral:

(Euro thousand)

	Jun 2026			
Assets	**Carrying amount of encumbered assets**	**Fair value of encumbered assets**	**Carrying amount of encumbered assets**	**Fair value of encumbered assets**
Assets from the reporting institution	814 026	-	20 110 686	-
Equity instruments	-	-	152 621	153 258
Debt securities	781 709	707 977	5 061 831	4 052 666
Other assets	-	-	1 134 927	-

(Euro thousand)

	Dec 2025			
Assets	**Carrying amount of encumbered assets**	**Fair value of encumbered assets**	**Carrying amount of encumbered assets**	**Fair value of encumbered assets**
Assets from the reporting institution	680 262	-	19 411 271	-
Equity instruments	-	-	154 708	160 542
Debt securities	652 214	609 922	4 617 555	3 532 560
Other assets	-	-	1 292 126	-

(Euro thousand)

Encumbered assets, encumbered collateral received and associated liabilities	**Jun 2026**	**Dec 2025**
	Carrying amount of selected financial liabilities	
Associated liabilities, contingent liabilities and securities borrowed	696 069	612 898
Assets, collateral received and own debt securities issued other than covered bonds and encumbered ABS	776 713	672 142

The encumbered assets are mostly related to Banco Montepio's funding operations, namely loans obtained from of the EIB, repos operations, issuance of covered bonds and securitization programs. The type of assets used as collateral for securitization programs and for the issuance of covered bonds, whether those placed outside Banco Montepio, or those used to reinforce the collateral pool with the ECB, are constituted by customers' loans contracts. Repos transactions in the money market are collateralized, essentially, by sovereign debt bonds.

The amounts presented in the previous tables correspond to the position as at 30 June 2026 and 31 December 2025 and reflect the high level of collateralization of the wholesale funding of Banco Montepio. The buffer of eligible assets for funding from the ECB, after haircuts, uncommitted and available for use in new operations amounts, as at 30 June 2026, to Euro 4,952,514 thousand (31 December 2025: Euro 4,727,699 thousand).

It should be noted that the total value of collaterals available at the European Central Bank (ECB), as at 30 June 2026, amounts to Euro 4,627,484 thousand (31 December 2025: Euro 4,556,009 thousand) with a usage of Euro 92,000 thousand associated with the Bank of Portugal's intraday credit line (31 December 2025: Euro 85,000 thousand):

(Euro thousand)

	Jun 2026	Dec 2025
Total eligible collateral	**5 770 167**	**5 522 433**
Total collateral in the pool	4 627 484	4 556 009
Collateral outside the pool	1 142 683	966 424
Used collateral	**817 653**	**794 734**
Collateral used for ECB	92 000	85 000
Collateral committed to other financing operations	725 653	709 734
Collateral available for ECB	**4 535 484**	**4 471 009**
Total available collateral	**4 952 514**	**4 727 699**

Note: collateral amount considers the applied haircut

As at 30 June 2026 and 31 December 2025, the level 1 and 2 High-quality liquid assets, were as follows:

(Euro thousand)

High-Quality Liquid Assets (HQLA)	Jun 2026		Dec 2025	
	Amount	%	Amount	%
Nível 1				
Coins and banknotes	138 968	2.9	155 803	3.3
Withdrawable central bank reserves	849 738	17.4	1 100 243	23.3
Central government assets	3 492 770	72.0	3 156 516	66.9
Local government assets	10 052	0.2	-	-
Extremely high quality covered bonds	259 612	5.4	238 021	5.0
Nível 2				
Local government securities (RW20%)	26 102	0.5	-	-
Corporate debt securities (CQS1)	21 435	0.4	14 393	0.3
Asset-backed securities (residential, CQS1)	230	0.0	250	0.0
Corporate debt securities (CQS2/CQS3)	51 951	1.1	51 069	1.1

As at 30 June 2026 and 31 December 2025, the (undiscounted) contractual outflows of the financial liabilities, including interest flows, presented the following structure:

(Euro thousand)

	Jun 2026							
Liabilities	Total	In cash [1]	Up 3 months	3 - 6 months	6 - 12 months	1 - 2 years	2 - 5 years	> 5 years
Deposits from other credit institutions	764 359	68 379	379 386	37 775	521	38 544	164 740	75 014
Deposits from customers	16 855 363	6 869 145	4 903 491	2 429 192	1 811 434	548 513	293 588	-
Debt securities issued	1 082 946	-	-	-	39 000	289 249	754 697	-
Financial liabilities associated with transferred assets	12 253	20	2 202	2 028	3 603	3 959	440	1
Financial liabilities held for trading	5 936	5 936	-	-	-	-	-	-
Other subordinated debt	437 070	-	160	-	21 425	21 612	67 230	326 643
Other liabilities	297 506	-	297 506	-	-	-	-	-
	19 455 433	**6 943 480**	**5 582 745**	**2 468 995**	**1 875 983**	**901 877**	**1 280 695**	**401 658**

[1] It includes trading liabilities, including derivatives, measured at fair value.

(Euro thousand)

Liabilities	Dec 2025 Total	In cash [1]	Up 3 months	3 - 6 months	6 - 12 months	1 - 2 years	2 - 5 years	> 5 years
Deposits from other credit institutions	796 096	83 191	450 206	25	37 525	37 543	112 585	75 021
Deposits from customers	16 380 217	6 608 541	4 684 595	2 311 026	1 907 012	486 458	382 585	-
Debt securities issued	691 874	-	-	26 313	-	32 691	632 870	-
Financial liabilities associated with transferred assets	19 046	26	2 962	2 711	4 659	6 788	1 883	17
Financial liabilities held for trading	5 870	5 870	-	-	-	-	-	-
Other subordinated debt	456 923	-	160	21 250	160	21 574	65 743	348 036
Other liabilities	256 190	-	256 190	-	-	-	-	-
	18 606 216	**6 697 628**	**5 394 113**	**2 361 325**	**1 949 356**	**585 054**	**1 195 666**	**423 074**

(1) It includes trading liabilities, including derivatives, measured at fair value.

Furthermore, as at 30 June 2026, Banco Montepio has irrevocable commitments related to credit lines amounting to Euro 1,039,812 thousand (31 December 2025: Euro 975,718 thousand), as described in note 42, which represent potential liquidity outflows.

Real estate risk

Real estate risk results from possible negative impacts on Banco Montepio's results or equity due to fluctuations in the market price of real estate.

The real estate risk results from the exposure in real estate assets, whether from the foreclosure of properties or judicial auction in the scope of credit recovery processes or from investment units in real estate funds held in the securities' portfolio. These exposures are monitored through scenario analyses that attempt to estimate the potential impacts of changes in the real estate markets in the portfolios of these real estate assets and make available the information elements necessary for the definition of the real estate risk management policy.

As at 30 June 2026 and 31 December 2025, the exposure to real estate and investment units in real estate funds presented the following values:

(Euro thousand)

	Jun 2026	Dec 2025
Real estate received in recovery of credit	76 646	90 886
Investment units in real estate funds	68 934	71 775
	145 580	162 661
Stress test	(14 558)	(16 266)

Stress test results correspond to the estimated impact on equity (before taxes) of a negative 10% variation in the values of real estate and investment units in real estate funds.

Still regarding real estate risk, Banco Montepio has defined in its own internal regulations a plan to reduce the prudential value of properties received in recovery of credit. This prudential deduction, with no impact on the financial statements, is carried out through the application of a gradual haircut plan applicable to the properties considering their ageing in the balance sheet. Regarding the portfolios of properties received in recovery of credit, the Bank considered, as at 30 June 2026, a specific prudential deduction of Euro 86,686 thousand (31 December 2025: Euro 63,628 thousand).

Notwithstanding, as described in the accounting policy disclosed in note 1 h) in relation to properties, the net realizable value of the inventories is determined based on a valuation made by an independent appraiser. Real estate appraisals are based on assumptions on which the influence of the economic and financial situation and the market's ability to transact the available offer, at each moment, are decisive. In this way, the realization of the appraisal value determined by the independent appraisers is dependent on the verification of the assumptions used in the respective appraisals, meaning that the evolution of the macroeconomic conditions and the real estate market may translate into changes in these same assumptions, and, consequently, have an impact on the recoverability of the appraised value of the properties.

Operational risk and Going concern

Operational risk corresponds to the probability of the occurrence of negative impacts on results or equity resulting from failures or the inadequacy of internal processes, human resources or information systems and technology. It also includes potential losses resulting from external events.

Banco Montepio adopted the standard method to quantify own capital requirements associated with operational risk, supported by an operational risk management system based on the identification, assessment, monitoring, control and measurement of this type of risk.

The operational risk management model implemented complies with the 3-lines-of-defence principle.

The Resilience Directorate ("DRE") exercises the corporate function of operational risk management of Banco Montepio which is supported by the existence of participants in different organic units that ensure the proper implementation of the operational risk management.

One of the core aspects in the management of operational risk resides in its prior identification whenever products, processes or systems are implemented or revised. This process is complemented with rigorous monitoring of action plans defined with the objective of mitigating the materialization of the risks with greater frequency or severity, as well as those with greater residual value identified within the scope of the self-assessment processes.

Monitoring

Within the scope of Banco Montepio's Operational Risk Management System, the key risk indicators (KRIs) aim to monitor the exposure factors associated with the main risks, allowing to measure and monitor the risk appetite and anticipate the occurrence of losses through preventive actions.

In this sense, the defined limits are regularly monitored, and action plans were promoted in cases where they are exceeded.

These indicators are part of the Operational Risk Reports presented to the Risk Committee and the Executive Committee.

Operational Risk Self-Assessment

The operational risk management cycle implemented at Banco Montepio is based on the preparation of a table of activities, operational risks and respective controls, allowing the identification of the exposure to the risk of the different organic units, the definition of the respective risk profile and supporting the prioritization of the necessary risk mitigation actions.

Operational risks are classified according to the categories defined in Basel II regulations, and their identification and assessment, as well as that of the associated controls, are carried out periodically through self-assessment exercises developed collaboratively between representatives of the respective organic units and the DRE.

Based on the results of these self-assessments, which assess risks in terms of impact and frequency, and controls in terms of effectiveness, the residual risk matrix is constructed. This approach allows for the identification of risks that exceed the tolerance levels defined by Banco Montepio, promoting the implementation of appropriate mitigation measures and the continuous strengthening of the internal control environment.

Business Continuity Management

Business Continuity Management at the Bank is based on a Business Continuity Management System ("BCMS"), which aims to ensure the capacity for prevention, response and recovery in the face of disruptive events, guaranteeing the continuity of critical processes and essential services. Based on a logic of continuous improvement, the BCMS integrates activities of impact analysis, risk assessment, definition of continuity strategies, implementation of recovery measures, and performance of exercises and tests, contributing to strengthening the operational resilience of the Institution.

Information and Communication Technologies ("ICT") Risk

The information and communication technologies ("ICT") risk integrates the universe of non-financial risks monitored by Banco Montepio, assuming a growing relevance given the high level of digitalization of the banking activity, the growing dependence on technological infrastructures and the sophistication of cybernetic and technological threats.

The ICT risk is understood as the risk of losses arising from the inadequacy or failure of information systems, technological processes or the management of ICT resources, including events likely to compromise the confidentiality, integrity, availability or authenticity of systems and data, as well as the lack of agility in adapting information technologies ("IT") to new requirements or changes in the operational context, within reasonable timeframes and costs.

ICT risk management is based on an integrated approach of governance, control and monitoring, involving various structures of the Bank. In 2026, the Bank created the Resilience Directorate ("DRE"), a structure dedicated to the integrated management of operational, technological and cybersecurity risks, reinforcing the governance model and the Bank's ability to prevent, respond to and recover from events that could compromise business continuity and the Bank's digital operational resilience. The new structure aims to promote a more coordinated approach to the management of ICT risks, cybersecurity and business continuity, while simultaneously driving alignment with regulatory requirements.

The Resilience Directorate ("DRE") plays a central role, assuming overall responsibility for coordinating activities related to digital operational resilience and with ICT risk management. The Resilience Directorate – Cybersecurity Department ("DRE-DCS") centralizes expertise and resources in implementing a robust security risk mitigation framework and defining incident response plans. The Information Systems Directorate ensures the operationalization of technical controls, the management of technological infrastructure and the implementation of corrective and preventive measures. These areas work closely with the Operational Risk and ICT Department of the Resilience Directorate ("DRE-DRO"), guaranteeing an integrated and coordinated approach to ICT risk management.

Environmental, Social and Governance Risks

The guiding principles adopted by Banco Montepio, regarding ESG risk, aim to ensure the alignment with the expectations referenced in the European Central Bank's - Guide on climate-related and environmental risks, published in November 2020.

ESG risks are based on the assessment of the following components: environmental, social and governance ("ESG"). Environmental risks – which include "climate and environmental risk via physical risk" and "climate risk via transition risk" - are defined in Banco Montepio's Risk Taxonomy, being individually identified and assessed in the scope of the risk materiality assessment process. Likewise, social and governance risks are also defined in Banco Montepio's Risk Taxonomy, under the titles "social risk" and "governance risk".

Within the context of the Banco Montepio's global risk management framework, the materiality of ESG risks is assessed and an internal policy establishing the principles and guidelines for their management has been adopted. This policy includes the ESG governance and risk management model, aligned with the three lines of defence principle, incorporating mechanisms for monitoring and reporting risk exposure. Furthermore, risk tolerance limits are established, integrated into Banco Montepio's risk appetite framework ("RAF").

Considering Banco Montepio's business model, credit risk is identified as the main transmission channel of ESG risks to the traditional risks. This conclusion is based on the reduced exposure to market risk, the robust liquidity position of the Institution, supported by comfortable liquidity levels (buffers), and on the reduced incidence history of losses associated with operational risk events.

In this context, and within the framework of Banco Montepio's risk management, three climate scenarios defined by the Network for Greening the Financial System ("NGFS") are used to support the assessment and identification of material risks. These scenarios allow one to assess the potential impact of the materialization of climate risks on portfolio quality and on credit losses due to the materialization of climate risks over three-time horizons: short-term (up to 3 years), medium-term (up to 8 years), and long-term (up to 30 years).

Banco Montepio uses three NGFS-developed climate scenarios - "Current Policies", "Net Zero 2050" and "Delayed Transition" – as support for the assessment of the materiality of climate risks and the analysis of their potential impacts on the risk profile of the Institution.

Banco Montepio integrates climate and environmental risks into its strategy, deepening the existing analysis. It also assessed in detail how these risks affect the business, considering different activities, geographies, sectors and portfolios. Additionally, climate and environmental impacts were comprehensively identified, by business model, to support management in defining strategic decisions and mitigation measures. Furthermore, the severity of potential impacts was quantified, allowing for the prioritization of the most relevant risks and the guidance of mitigation actions.

Additionally, Banco Montepio integrates climate stress tests into its ICAAP and ILAAP exercises, aiming to demonstrate that economic capital requirements for traditional risks are robust enough to accommodate climate risk scenarios. These tests suggest that Banco Montepio has adequate capital and liquidity levels to respond to potential equity degradation caused by climate-related events.

Furthermore, Banco Montepio integrated climate and environmental factors into its market risk monitoring process (Market Risk Report), through the definition and implementation of ESG risk criteria and limits in its investment policy, reinforcing the consideration of these factors in investment decisions and risk management. The Bank includes climate risk analyses in risk opinions for a set of high-value credit operations, including a sensitivity analysis of the operations in relation to the climate risk indicators followed in the RAF.

Pension Fund risk

The Pension Fund risk results from the potential devaluation of the Fund's asset portfolio or the decrease in the respective expected returns, as well as the increase in the Fund's liabilities as a result of the evolution of the different actuarial assumptions. In such scenarios, Banco Montepio will have to make unplanned contributions in order to maintain the benefits defined by the Fund.

Regular analysis and monitoring of Banco Montepio's Pension Fund management is carried out by the Financial Risks Committee. In addition, the Risk Directorate ensures the production of monthly reports with the evolution of the market value of the Pension Fund's portfolio and the associated risk indicators.

Besides verifying compliance with the investment policy and the legal and prudential limits, the management entity (Futuro) has strengthened control and monitoring through a variety of risk measures and a set of internal procedures aimed at maintaining the prudent management of the risk. On this basis, a risk management model based on the technical perspective of EIOPA's "QIS Pension Funds" studies is used. The development of tolerance indicators for this model allows for the monitoring of the variations of these indicators, in accordance with the investment policy defined for the Pension Fund.

Market risk monitoring is based on the VaR calculation, with a confidence level of 99.5% for a one-year time horizon. Since VaR does not totally guarantee that risks do not exceed the probability used, stress tests are also carried out, with the purpose of calculating the impact of several extreme scenarios on the value of the portfolio.

The assessment of the liquidity level of the share-based and bond-based components of the Pension Fund is assessed through a liquidity test. With shares, this analysis is done based on the number of days for their liquidation, considering the assets in the portfolio. This test consists of verifying the liquidity of the share-based segment, assessing how many days are necessary for its settlement in the market, considering the costs associated with these transactions and the average historical volume of transactions in the various markets. In addition, in the bond-based segment, the cash receipts (positive cash flows) resulting from bond coupon (interest) payments and amortizations, or possible call option exercises are calculated for one year. All these tests allow for the assessment of the degree of liquidity in the short term and to monitor or act in the event of a possible shortage of liquidity, in a timely manner.

Other risks

Regarding other risks – reputation, compliance, strategy and business risks - these are also monitored by the Board of Directors, with the risks being controlled and corrective measures being taken based on the results obtained compared with the objectives/limits established, of note being, namely, the monitoring and control of deviations from the approved strategic plan and budget.

In the scope of emerging risks, where ESG risks stand out, the Bank is implementing its own framework for managing these risks, ensuring their interconnection with credit, market, liquidity, operational and real estate risks, among others. Within the scope of this framework, the management and supervisory bodies will monitor the current and prospective evolution of the institution's risk profile in relation to these risks. We point out that, in the scope of the Bank's risk appetite, KRIs are included to regulate exposure to ESG risks (namely, climate risks), since 2022.

Hedging policies and Risk reduction

For the purpose of reducing credit risk, the risk mitigation elements associated with each operation are considered. In particular, real mortgage guarantees, and financial collateral are relevant, as well as the provision of personal credit protection, namely of guarantees.

In terms of the direct reduction of the exposure value, credit operations collateralized by financial collateral are considered, namely, term deposits. In financial collaterals, the market and foreign exchange risks of the assets involved are considered, and, when applicable, the value of the collateral is adjusted.

Regarding real mortgage guarantees, Banco Montepio has defined valuation and revaluation models to be applied to properties that may or already constitute real collateral for credit operations. The asset valuations are carried out by independent expert appraisers, and the management of the valuations and inspections is centralized in a unit that is independent of the commercial area. In accordance with (EU) Regulation no. 575/2013 (CRR), the requirements for the verification and revaluation of the assets' value, depending on the cases, either by statistical and computerized methods or by review or revaluation of the valuation amount by an expert appraiser are assured.

For credit guarantees, the principle of the substitution of the customer's risk by that of the protection provider is applied, provided that the risk of the latter is not inferior to that of the prior.

Banco Montepio does not usually use on-balance sheet and off-balance sheet offsetting processes, nor does it hold credit derivatives on positions in its portfolio.

Trading portfolio market risk mitigation techniques essentially consist of hedging exposures with financial products with a symmetric risk to decrease the total risk of the exposures or the partial or total sale of exposures to reduce exposure or cancel it completely.

Regarding the banking portfolio, interest rate and foreign exchange risk mitigation techniques correspond to the negotiation of hedging operations with derivatives and the closure of exposures through the sale of open exposures.

Own funds and Capital ratios

The capital monitoring and management process at Banco Montepio has as its objective to ensure the accuracy of the determination and assessment of the level of regulatory and economic capital, taking into account the risk profile determined by the Board of Directors and the Bank of Portugal add-ons of in the scope of the SREP, as well as assess the potential effects, on Banco Montepio's financial conditions, resulting from changes in risk factors due to exceptional but plausible events (stress tests).

The process of monitoring the evolution of regulatory capital adequacy is carried out monthly, while economic capital adequacy is monitored on a quarterly basis. The global monitoring of the risk profile and the respective capital adequacy are an integral part of the regular reports to the Risk Committee, Executive Committee, Audit Committee and Board of Directors, as well as the Bank's Risk Appetite framework. This process has a governance structure and procedures to monitor the evolution of capital (within the objective and risk tolerance limits defined by the Board of Directors), including the definition of roles and responsibilities for

escalating and resolving breaches of the defined limits. The responsibility for identifying breaches of the risk limits defined at the Bank level, as well as of the entities that assume the risk management function, lies with the Risk Directorate. Whenever a situation of non-compliance with the aforementioned limits is identified, the Risk Directorate carries out an analysis of this situation including the following elements:

- Identification of the limit breached;
- Identification of the risk factors that justify said breach;
- Information on the perspective future evolution of these risk factors;
- Proposal of risk reduction, assumption, mitigation or transfer measures, as applicable; and
- Proposal of reallocation of risk limits, if applicable.

The responsibility for defining action plans to remedy the breaches of the limits verified lies with the Risk Directorate, together with the first-line organic units.

The own funds of Banco Montepio are determined in accordance with Regulation (EU) no. 575/2013, in its current wording ("CRR3"), and with Directive 2013/36/EU, as amended by Directive (EU) 2024/1619 ("CRD VI"), as well as other applicable regulations, technical standards and applicable prudential guidelines, including Bank of Portugal Notice no. 10/2017, where applicable.

Own funds include level 1 own funds (tier 1) and level 2 own funds (tier 2). Tier 1 includes level 1 core own funds (common equity tier 1 – CET1) and the additional level 1 own funds with the following composition:

- Level 1 Core Own Funds or Common Equity Tier 1 (CET1): this category includes the realized share capital (with the deduction of treasury shares held), eligible reserves (including fair value reserves), retained earnings, positive and certified retained earnings for the period or, if negative, the full amount. The value of reserves and retained earnings, if existing, is adjusted for the reversal of the results in financial liabilities at fair value through profit or loss in the part corresponding to the risk of the institution's own credit. The book value of the amounts related to goodwill, if existing, other intangible assets (not associated with software), as well as the gap, if positive, between the assets and liabilities of the Pension Fund, is deducted. The amount of the prudent valuation calculated in accordance with articles 34 and 105 of the CRR is also deducted, as are the deferred tax assets related to tax losses. Deductions are also made of equity tranches according to article 36 paragraph k) of the CRR, resulting from synthetic and traditional securitizations made. Regarding financial shareholdings in financial sector entities and deferred tax assets arising from timing differences that depend on future profitability, the values in these captions are deducted when, individually, they exceed 10.0% of CET1, or, subsequently, 15.0% of CET1 when considered in aggregate (only on the part not deducted in the first barrier of 10.0% and considering only significant shareholdings). The values not deducted will be subject to the weighting of 250% to the total risk-weighted assets. Regarding shareholdings in financial institutions, the deduction is proportionally realized in the corresponding capital levels held. Still in accordance with Regulation (EU) no. 575/2013, and Circular Letter no. CC/2024/00000049 of the Bank of Portugal, the applicable amount of insufficient coverage for non-productive exposures is deducted. Banco Montepio also deducts the amount of the Irrevocable Payment Commitments (IPC) associated with the Single Resolution Fund ("SRF"). In addition to the regulatory deductions, Banco Montepio defined in its own internal regulations a plan to reduce the prudential value of properties received in recovery of loans. This reduction is carried out through a prudential deduction resulting from the application of a gradual plan of haircuts applied to properties considering their ageing on the balance sheet. Regarding portfolios of property received in recovery of credit and investment properties, the Bank considered, as at 30 June 2026, a specific prudential deduction of Euro 86,686 thousand (with a negative impact of 84 basis points on CET1) resulting from the internal prudential haircut policy, considering the coefficients defined in Circular Letter no. CC/2024/00000050, of the Bank of Portugal. However, Banco Montepio continues to make efforts to reduce its exposure to properties, namely on those with a greater ageing in its portfolio, to reduce the amount of this potential prudential impact;

- Level 1 Own Funds or Tier 1 (T1): includes capital equivalent instruments, which conditions are in accordance with article 52 of Regulation (EU) no. 575/2013 and that have been approved by the Bank of Portugal. Non-controlling interests relating to additional own funds' minimum requirements of the institutions in which Banco Montepio does not hold full ownership, if they exist, are also eligible. The eventual shareholdings of T1 capital of financial institutions subject to deduction are deducted from this capital; and
- Level 2 Own Funds or Tier 2 (T2): includes capital equivalent instruments, which conditions are in accordance with article 63 of Regulation (EU) no. 575/2013 and that have been approved by the Bank of Portugal. Non-controlling interests relating to the own fund's minimum requirements of the institutions in which Banco Montepio does not hold full ownership, if they exist, are also eligible. The eventual shareholdings of T2 capital of financial institutions subject to deduction are deducted from this capital.

Total Own Funds or Total Capital are constituted by the sum of the three levels of own funds previously referred.

Regarding the calculation of risk-weighted assets, in addition to credit, operating and market risk requirements, reference is made to the weighting of 250% of deferred tax assets associated with timing differences that depend on future profitability and financial shareholdings that are within the limit established for non-deduction from CET1. With respect to deferred tax assets associated with timing differences that do not depend on future profitability, these are subject to a 100% weighting for capital requirement purposes. The CVA requirement (Credit Valuation Adjustment) is also determined.

Considering the relation between own funds (in their different levels) and the risk-weighted assets, it can be verified whether an entity has own funds for an amount not below the own funds' minimum requirements, thus certifying the adequacy of its capital. This relation is reflected in the different capital ratios, namely CET1 ratio, T1 ratio and total capital ratio (ratio corresponding to the respective capital level as a percentage of the amount corresponding to 12.5 times the own funds' requirements).

For these ratios, regulatory minimums are indicated by CRR of 4.5% for CET1, of 6.0% for Tier 1 and of 8.0% for Total Capital. However, on these regulatory minimums are applied reserves of own funds (such as Conservation Reserve, Counter-Cyclical Reserve and Reserves for Other Systemic Institutions). For 30 June 2026, the Bank of Portugal maintained a Counter-Cyclical Reserve of 0.75% for exposures to Portuguese non-financial companies. However, considering the geographic dispersion of its exposures and capital requirements, Banco Montepio, as at 30 June 2026, had a Counter-Cyclical Reserve of 0.746%. Regarding the Conservation Reserve, its value is 2.5%. Pursuant to these provisions, as at 30 June 2026 and 31 December 2025, the Common Equity Tier 1, Tier 1 and Total regulatory minimum ratios were 7.75%, 9.25% and 11.25%, respectively.

The summary of the calculation of Banco Montepio's capital requirements as at 30 June 2026 and 31 December 2025, is presented as follows:

(Euro thousand)

	Jun 2026	Dec 2025
Capital Common Equity Tier 1		
Realized share capital	1 214 810	1 214 810
Net income/(loss), reserves and retained earnings	593 524	545 056
Other regulatory adjustments	(379 746)	(363 107)
	1 428 588	1 396 759
Capital Tier 2		
Subordinated loans	256 323	256 323
Regulatory adjustments	-	-
	256 323	256 323
Total own funds	1 684 911	1 653 082
Own funds requirements		
Credit risk	599 975	573 107
Market risk	1 349	1 186
Operating risk	66 851	66 851
Other requirements	10 862	15 953
	679 037	657 096
Prudential Ratios		
Common Equity Tier 1 Ratio	16.83%	17.01%
Tier 1 Ratio	16.83%	17.01%
Total Capital Ratio	19.85%	20.13%

It should be noted that the ratios, as at 30 June 2026 and 31 December 2025, consider the impact of the adherence to the Special Regime Applicable to Deferred Tax Assets, as described in note 29.

49 Recently issued accounting policies

IFRS Disclosures – Standards (new an amended) as at 30 June 2026, for annual periods beginning on 1 January 2026:

1. Impact of the adoption of standards (new and amended) that became effective for annual periods beginning on 1 January 2026:

a) **IFRS 9** (amendment) and **IFRS 7** (amendment), 'Amendments to the classification and measurement of financial instruments. The amendments relate to: i) clarification of the concept of the date of recognition and derecognition of some financial assets and liabilities, introducing a new exception for financial liabilities settled through an electronic payment system; ii) clarification and examples of when a financial asset meets the criterion that contractual cash flows correspond to "principal and interest payments only" ("SPPI"), such as: 1) non-recourse assets; 2) contractually linked instruments and 3) instruments with features linked to compliance with environmental, social and governance ("ESG") goals; iii) new disclosure requirements for instruments with contractual terms that may alter cash flows in terms of period and amount; and iv) new disclosures required for equity instruments designated at fair value through other comprehensive income. These amendments apply on the date they become effective without restatement of the comparative.

b) **IFRS 9** (amendment) and **IFRS 7** (amendment), 'Contracts negotiated with reference to electricity generated from renewable sources'. The amendments aim to improve the reporting of the financial effects of negotiated contracts based on the production of electricity from renewable sources, subject to variability in the amount generated due to the fact that this is dependent on uncontrollable natural conditions. These amendments are intended to: i) clarify the application of the requirements of the IFRS 9 "own use" exemption; (ii) allow the application of hedge accounting when renewable electricity purchase agreements are designated as a hedging instrument; and iii) add new disclosure requirements to IFRS 7 to better understand the impact of these contracts on the entity's financial performance and cash flows. This amendment will apply retrospectively without restating the comparative periods, except for the designation of coverage, which must be applied prospectively.

c) **Annual Improvements – 'Volume 11'**. The annual IFRS improvement cycles aim to clarify application issues or correct inconsistencies in the standards. This volume of improvements affects the following standards: IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. These amendments are still subject to endorsement by the European Union.

Banco Montepio does not anticipate any significant impact resulting from the application of these amendments on its financial statements.

2. Standards (new and amended) published, which application is mandatory for annual periods beginning on or after 1 January 2027, already endorsed by the European Union:

a) **IFRS 18** (new standard), 'Presentation and Disclosure in Financial Statements'. IFRS 18 will replace the current IAS 1. While maintaining many of the principles in IAS 1, IFRS 18 focuses on the specification of the presentation structure of the income statement, consisting of mandatory categories and subtotals. Income statement items will now be classified into 5 categories: operating, investing, financing, income tax and discontinued operations. Mandatory subtotals and totals and specified subtotals are defined, with the main change being the mandatory inclusion of the subtotal "Operating profit/(loss)" in the income statement. This standard also includes improvements in the disclosure of management performance measures used in public announcements, including their reconciliation with the closest IFRS 18 subtotals defined. The application of the principle of aggregation and disaggregation of information contained in the financial statements and related notes, based on their shared characteristics, is also reinforced, in order to reduce the disclosure of significant amounts in residual non-specified captions. This standard applies retrospectively.

Banco Montepio does not anticipate any significant impact resulting from the application of this new standard on its financial statements except on the presentation and disclosure of the financial statements, with a focus on the income statement.

3. Standards (new and amended) published, which application is mandatory for annual periods beginning on or after 1 January 2027, not yet endorsed by the European Union:

f) **IAS 21** (amendment), 'Translation to a hyperinflationary presentation currency' (effective for annual periods beginning on or after 1 January 2027). This amendment is still subject to endorsement by the European Union. This amendment establishes the requirements for converting currencies between entities belonging to hyperinflationary economies and entities belonging to non-hyperinflationary economies. Thus, it is established that to convert the functional currency of an entity belonging to a non-hyperinflationary economy to a presentation currency of a hyperinflationary economy, all financial statement values (including comparatives) must be converted using the closing rate at the last reporting date. The amendment also provides an exception for situations where the functional and presentation currency of an entity belonging to a hyperinflationary economy and the functional currency of its foreign operations belonging to a non-hyperinflationary economy, in which case the comparatives of the foreign operations do not need to be retranslated, but rather restated by applying the variation of the general price index, as provided in IAS 29. Except for the aforementioned exception, this amendment is applied retrospectively with the restatement of the comparative.

g) **IAS 28** (amendment), 'Fair value measurement option' (effective for annual periods beginning on or after 1 January 2027). This amendment is still subject to endorsement by the European Union. This amendment clarifies the definition of entities authorized to exercise the option to measure investments in associates and joint ventures at fair value through profit or loss. Consequently, it determines the replacement of the term "similar entities" with "entities that have a core business activity of investing in certain types of assets," as defined in IFRS 18. Eligibility to apply the fair value measurement option under IAS 28 does not directly imply the income and expense category in which the income and expenses of these investments are classified. This amendment should be applied retrospectively, with the restatement of comparative information, on the same date as the adoption of IFRS 18.

h) **IFRS 19** (new standard), 'Non-publicly reporting subsidiaries: Disclosures' (effective for annual periods beginning on or after 1 January 2027). This new standard is still subject to endorsement by the European Union. IFRS 19 is a voluntary standard that allows eligible subsidiaries to use IFRS with reduced disclosure requirements. IFRS 19 is a standard that only deals with disclosures and is applied in conjunction with the requirements of the other IFRS for the purpose of recognition, measurement and presentation. A subsidiary is considered eligible if: (i) it is not subject to a public reporting obligation; and (ii) the parent entity prepares consolidated financial statements for public reporting in accordance with IFRS. IFRS 19 may be applied by eligible subsidiaries in the preparation of their own consolidated, separate or individual financial statements. Full comparative information is required unless an exemption applies.

i) **IFRS 19** (amendment), 'Change in disclosure requirements' (effective for annual periods beginning on or after 1 January 2027). This amendment is still subject to endorsement by the European Union. This amendment aims to reduce disclosure requirements for amendments in standards and new standards issued between February 2021 and May 2024, namely: IFRS 18: Presentation and disclosure in financial statements; Amendments to IAS 7 – Supplier financing arrangements; IAS 12 – International tax reform – Pillar 2 model rules; Amendments to IAS 21 – Effects of changes in exchange rates: Lack of interchangeability. Presentation of full comparative information is mandatory unless an exemption applies.

j) **IFRS 20** (new standard), 'Regulatory assets and regulatory liabilities' (effective for annual periods beginning on or after 1 January 2029). This new standard is still subject to endorsement by the European Union. This standard applies to companies operating under a regulatory agreement in which the regulator determines the amount that can be invoiced and when those amounts can be invoiced. IFRS 20 requires entities to account in their financial statements for the effects of "timing differences" generated by the recognition of regulatory assets and regulatory liabilities, so that the entity recognizes the total permitted remuneration for the regulated goods or services in the same reporting period in which it provides those regulated goods or services, recognizing, in addition to the revenue determined in accordance with IFRS 15, the respective regulatory revenues and regulatory expenses in the income statement. Regulatory assets and liabilities are measured as specified by the regulator and, where this is not specified, based

on estimated future cash flows, discounted using the regulatory interest rate, and these estimates are subsequently revised whenever necessary. This standard is applied retrospectively in accordance with IAS 8 or based on a modified retrospective application, and the presentation of comparative information is always mandatory.

Banco Montepio does not anticipate any significant impact resulting from the application of these new standards and amendments on its financial statements.

50 Transfer of assets

Banco Montepio carried out several financial asset sale operations, namely loans and advances to customers, to Funds specialized in the recovery of loans. These Funds take responsibility for the management of the companies or assets received as collateral with the objective of ensuring a pro-active management through the implementation of plans to explore/increase the value of same.

The financial assets sold under these operations are derecognized from the balance sheet of Banco Montepio, since the operations result in the transfer to the Funds of a substantial portion of the risks and rewards associated with the assets as well as the control of same.

The Funds specialized in the recovery of credit that acquired financial assets from Banco Montepio are closed Funds, in respect of which the holders have no possibility of requesting the redemption of their investment units throughout the useful life of same.

These investment units are held by several banks in the market that ceded the loans, in percentages that vary throughout the useful life of the Funds, but it is ensured that each bank, separately, does not hold units representative of more than 50% of the capital of the Funds.

The Funds have a specific management structure (General Partner), fully independent from the seller banks, and that is selected on the date of the incorporation of the Funds.

The management structure of the Funds has as main responsibilities to:

- Define the objective of the Funds; and
- Manage the Funds on an exclusive basis, determining the objectives and investment policy and the conduct of the management and business of the Funds.

The management structure is remunerated through management commissions charged to the Funds.

Generally, these Funds, in which Banco Montepio holds minority positions, incorporate companies under Portuguese law to acquire the loans from the banks, which are financed through the issuance of senior and junior bonds.

The value of the senior bonds, fully subscribed by the Funds that hold the share capital of the companies, matches the fair value of the asset transferred, determined in accordance with a negotiation process based on valuations performed by both parties. These bonds are remunerated at an interest rate that reflects the risk of the company holding the assets. The value of the junior bonds is equivalent to the difference between the fair value based on the valuation of the senior bonds and the transfer value of the loans to the Portuguese-law companies.

These junior bonds, when subscribed by Banco Montepio, grant the right to a contingent positive value if the value of the assets transferred exceeds the nominal value of the senior bonds plus their related interest.

However, considering that these junior bonds reflect a valuation difference of the assets transferred, based on valuations performed by independent entities and a negotiation process between the parties, the junior bonds are fully provided against.

Therefore, following the asset sale operations carried out, Banco Montepio subscribed:

- Investment units of the Funds, in which the cash flows that will allow their recovery arise mainly from a broad set of assets transferred by the various participant banks (where Banco Montepio has a clear minority interest). These securities are booked in the portfolio of financial assets at fair value through profit or loss and are measured at fair value based on the quotation value, as disclosed by the Funds and audited at each year end; and
- Junior bonds (with a higher subordination level), issued by the Portuguese-law companies controlled by the Funds, which are fully provided against because they reflect the best estimate of the impairment of the financial assets transferred.

In this context, of not holding control but maintaining some exposure to certain risks and rewards, Banco Montepio, in accordance with IFRS 9 performed an analysis of the exposure to the variability of risks and rewards in the assets transferred, before and after the operation, having concluded that it does not hold substantially all the risks and rewards.

Considering that it does not hold control and does not exercise significant influence over the Funds or the companies holding the assets, Banco Montepio derecognized the assets transferred and recognized the assets received in return as follows:

(Euro thousand)

	Jun 2026			Dec 2025		
	Amounts associated with the transfer of assets			Amounts associated with the transfer of assets		
	Net assets transferred	Amount received	Result obtained with the transfer	Net assets transferred	Amount received	Result obtained with the transfer
Fundo Vega, FCR	27 857	43 124	15 267	27 857	43 124	15 267
Discovery Portugal Real Estate Fund	13 698	15 415	1 717	13 698	15 415	1 717
Fundo Aquarius, FCR	13 060	13 485	425	13 060	13 485	425
	54 615	72 024	17 409	54 615	72 024	17 409

As at 30 June 2026 and 31 December 2025, the assets received under these operations are analysed as follows:

(Euro thousand)

	Jun 2026	Dec 2025
	Senior Securities	
Fundo Vega, FCR	19 958	18 661
Discovery Portugal Real Estate Fund	15 135	14 544
Fundo Aquarius, FCR	6 819	6 988
	41 912	40 193

Although the subordinated securities are fully provided against, Banco Montepio also has an indirect exposure to the financial assets transferred, in the scope of the minority investment in the pool of all the assets transferred by other financial institutions, through the shares and investment units in the Funds acquired in the scope of the operations (designated in the table as senior bonds).

51 Contingencies

Resolution Fund

The Resolution Fund is a legal person governed by public law with administrative and financial autonomy, created by Decree-Law no. 31-A / 2012, of 10 February, which is governed by the Legal Framework of Credit Institutions and Financial Companies ("RGICSF ") and by its regulations and its mission is to provide financial support for the resolution measures implemented by the Bank of Portugal, in its quality as national resolution authority, and to perform all other functions conferred by law in the implementation of such measures.

As with the majority of the financial institutions operating in Portugal, Banco Montepio is one of the institutions participating in the Resolution Fund, making contributions that result from the application of a rate defined annually by the Bank of Portugal based, among others, on the amount of its liabilities. As at 30 June 2026, the periodic contribution made by Banco Montepio amounted to Euro 2,888 thousand (30 June 2025: Euro 2,780 thousand), based on a contribution rate of 0.0009%.

Resolution measure applied to Banco Espírito Santo, S.A. (BES)

As part of its responsibility while supervisory and resolution authority of the Portuguese financial sector, the Bank of Portugal, on 3 August 2014, decided to apply to Banco Espírito Santo, S.A. ("BES") a resolution measure pursuant to article 145-G(5) of the RGICSF, which consisted of the transfer of most of its activity to a transition bank called Novo Banco, S.A. ("Novo Banco"), created especially for this purpose.

To realize the share capital of Novo Banco, the Resolution Fund, while sole shareholder, provided Euro 4,900 million, of which Euro 365 million corresponding to its own financial resources. A loan was granted by a bank syndicate to the Resolution Fund, in the amount of Euro 635 million, with the participation of each credit institution weighted according to several factors, including their size. The remaining amount (Euro 3,900 million) came from a repayable loan granted by the Portuguese State.

Following the implementation of the referred resolution measure, on 7 July 2016, the Resolution Fund stated that it would review and evaluate the steps to be taken following the publication of the report on the results of the independent valuation exercise, carried out to estimate the level of credit recovery for each class of lenders in the hypothetical scenario of a normal insolvency process of BES as at 3 August 2014. Under the applicable law, if it turns out that lenders which credits have not been transferred to Novo Banco assume a greater loss than they would hypothetically have had BES entered into a liquidation process immediately prior to the application of the resolution, these lenders are entitled to receive the difference from the Resolution Fund.

On 31 March 2017, the Bank of Portugal announced that it had selected Lone Star Fund for the purchase of Novo Banco, which was concluded on 17 October 2017, through the injection by the new shareholder of Euro 750 million, which will be followed by a new capital injection of Euro 250 million, to be completed within the period of three years. With this operation, Novo Banco's status as transition bank ceased, with Lone Star Fund now holding 75% of the share capital of Novo Banco and the Resolution Fund the remaining 25%, albeit without the corresponding voting rights.

On 26 February 2018, the European Commission released the non-confidential version of the State aid approval decision underlying the sale process of Novo Banco, which includes a contingent capitalization mechanism whereby the Resolution Fund may be called upon to carry out capital injections if certain conditions materialize related to the performance of a restricted set of assets of Novo Banco and the evolution of the bank's capital levels.

This mechanism is triggered annually, based on the annual accounts of Novo Banco certified by the respective auditor, with the possibility of intra-annual assessments being foreseen, but only in the event of non-compliance, by Novo Banco, with the prudential requirements. For the purpose of this mechanism, the differences in the valuation of assets (positive or negative) are considered in relation to their book value, net of impairments, recorded as at 30 June 2016 (circa Euro 7.9 thousand million according to the information provided by Novo Banco). Hence, economic losses or gains resulting from, for example, the sale of assets

or the restructuring of loans, but also the impairment, or its reversal, recorded by Novo Banco, in accordance with the accounting standards, as well as the costs of financing associated with the maintenance of the assets in the balance sheet of Novo Banco, are considered.

Under the referred mechanism, own financial resources resulting from contributions paid, directly or indirectly, by the banking sector, complemented by a State loan amounting to Euro 430 million under the framework agreement celebrated between the Portuguese State and the Resolution Fund were used. According to the information provided by Novo Banco, as at 31 December 2017, the net value of the assets covered by the perimeter of the contingent capitalization mechanism amounted to approximately Euro 5.4 thousand million.

On 6 May 2019, the Resolution Fund made the payment of Euro 1,149 million to Novo Banco with reference to the accounts of 2018, having used its own resources, resulting from contributions due, directly and indirectly, by the banking sector, and resorted to a loan from the State in the amount of Euro 850 million, which corresponds to the maximum annual financing limit agreed between the Resolution Fund and the State in October 2017.

In May 2020, the Resolution Fund made the payment of Euro 1,035 million to Novo Banco with reference to the accounts of 2019, which resulted from the execution of the agreements celebrated in 2017, in connection with the sale of 75% of the Resolution Fund's shareholding in Novo Banco, complying with all the procedures and limits defined therein, and resorted to a loan from the State in the amount of Euro 850 million.

On 4 June 2021, the Resolution Fund made a payment to Novo Banco of Euro 317 million, referring to the accounts for financial year 2020, which was fully financed with resources from a loan obtained from seven national credit institutions. The amount calculated by the Resolution Fund for the purpose of the payment to Novo Banco was Euro 429 million.

On 23 December 2021, the Resolution Fund made the payment of Euro 112 million, after having obtained all analyses from a financial, economic and legal point of view, which was pending verification in June 2021 and was already provided against.

On 9 December 2024, the Resolution Fund announced, in a statement, the signing of an agreement terminating the Contingent Capitalization Mechanism (CCM), signed in 2017 in the scope of the sale of Novo Banco. This agreement brings forward by approximately one year the termination of the CCM, initially scheduled for the end of 2025, and definitively eliminates any possibility of new payment requests being made to the Resolution Fund by Novo Banco. With the termination of the CCM, disbursements made by the Fund are limited to Euro 3,405 million, the amount considered due between 2018 and 2021.

On 13 June 2025, a Memorandum of Understanding was announced between the Lone Star Fund and Banque Populaire Caísse d'Épargne Group ("BPCE") for the sale of the 75% stake held by Lone Star in Novo Banco, for an estimated value of Euro 6,400 million for the entire capital, which culminated in the celebration of the acquisition agreement dated 1 August 2025.

Subsequently, on 29 October 2025, the agreements related to the acquisition of the remaining 25% of the capital, held by the Portuguese State (11.5%) and the Resolution Fund (13.5%).

On 30 April 2026, the Resolution Fund announced the completion of the sale of all the share capital of Novo Banco, S.A. to the French group BPCE, which became the sole shareholder of the institution. The total price paid by BPCE amounted to Euro 6,692 million. For the sale of its 13.54% stake, the Resolution Fund received Euro 906 million. This amount, together with the amounts received in 2025 as dividends and in the scope of the capital reduction operation of Novo Banco, raised the total value received by the Resolution Fund as a result of its stake in that institution to Euro 1,082 million. With the completion of the operation, the Resolution Fund ceased to hold any shareholding in Novo Banco. The Resolution Fund stated that the increased resources resulting from the operation will contribute to meeting its obligations, particularly the repayment of loans received from the State and from a set of national credit institutions.

Resolution measure applied to Banif – Banco Internacional do Funchal, S.A. (Banif)

The Board of Directors of the Bank of Portugal deliberated, on 19 December 2015, to declare that Banif – Banco Internacional do Funchal, S.A. ("Banif") was "at risk or in a situation of insolvency" and to start the urgent resolution of the institution through the mode of the partial or total disposal of its activity, and which materialized, on 20 December 2015, with the disposal of the rights and obligations, representing assets, liabilities, off-balance sheet items and assets under management of Banif to Banco Santander Totta S.A. ("Santander Totta") for Euro 150 million.

Most of the assets that were not disposed of were transferred to an asset management vehicle called Oitante, S.A. ("Oitante"), created specifically for this purpose, which has as sole shareholder the Resolution Fund. Oitante issued debt securities in the amount of Euro 746 million, with a guarantee being provided by the Resolution Fund and a counter-guarantee by the Portuguese State.

This operation involved public support estimated at Euro 2,255 million that aimed to cover future contingencies and that was financed in Euro 489 million by the Resolution Fund and Euro 1,766 million directly by the Portuguese State.

On 21 July 2016, the Resolution Fund made a payment to the State, amounting to Euro 163,120 thousand, as an early partial repayment of the resolution measure applied to Banif.

As noted above for BES, if lenders are found to assume a greater loss than they hypothetically would have had Banif entered into a liquidation process immediately prior to the application of the resolution measure, those creditors are entitled to receive the difference from the Resolution Fund.

Liabilities and funding of the Resolution Fund

Following the resolution measures applied to BES and Banif and the sale agreement of Novo Banco to Lone Star, the Resolution Fund contracted the loans referred to above and assumed liabilities and contingent liabilities resulting from:

- the effects of the application of the principle that no creditor of an institution under resolution may assume a greater loss than it would have assumed had that institution entered into liquidation;
- the negative effects arising from the resolution process resulting in additional liabilities or contingencies for Novo Banco, which must be neutralized by the Resolution Fund;
- legal proceedings against the Resolution Fund;
- the guarantee provided to the bonds issued by Oitante. This guarantee is counter-guaranteed by the Portuguese State; and
- the contingent capitalization mechanism associated with the sale process of Novo Banco to Lone Star.

To preserve the financial stability through the promotion of conditions that provide predictability and stability to the contributory effort to the Resolution Fund, the Portuguese Government has agreed with the European Commission to change the conditions of the financing provided by the Portuguese State and the participating banks to the Resolution Fund. To this end, an amendment to the Resolution Fund's financing agreements have been formalized, introducing a number of changes to the repayment plans, remuneration rates, and other terms and conditions associated with these loans, to adjust them to the Resolution Fund's ability to fully meet its obligations on the basis of its regular revenues, i.e. without the need for any charges to be made to the participating banks for special contributions or any other type of extraordinary contribution.

According to the Resolution Fund's announcement of 31 March 2017, the revision of the conditions of the financing granted by the Portuguese State and the participating banks was aimed at ensuring the sustainability and financial equilibrium of the Resolution Fund, based on a stable, predictable and affordable burden for the banking sector. Based on this revision, the Resolution Fund considered that the full payment of its liabilities as well as their respective remuneration was ensured, without the need for special contributions or any other extraordinary contributions from the banking sector.

Notwithstanding the possibility provided for in the applicable legislation for the collection of special contributions, given the renegotiation of the terms of the loans granted to the Resolution Fund by the

Portuguese State and by a bank syndicate, in which the Bank is included, and the public announcements made by the Resolution Fund and the Office of the Minister of Finance, these financial statements reflect the expectation of the Board of Directors that the Bank will not be called upon to make special contributions or any other extraordinary contributions to finance the Resolution Fund.

Any significant changes in this regard could have material implications on these financial statements.

Competition Authority

On 9 September 2019, Caixa Económica Montepio Geral, caixa económica bancária, S.A. (Banco Montepio) was notified of the final Decision of the Competition Authority ("CA") on administrative process PRC-2012/9 ("Decision"), under which this entity applied on Banco Montepio a fine of Euro 13 million due to breach of article 9 of Law no. 19/2012, of 8 May (as per the wording in force) and article 101 of the Treaty on the Functioning of the European Union ("TFEU").

Banco Montepio, as well as several other targeted institutions in the CA process, filed an appeal to challenge this Decision before the Competition, Regulation and Supervision Court ("CRSC") on 21 October 2019 (process no. 225/15.4YUSTR). The judicial challenge suspended the effects of the CA Decision, and in particular the obligation to pay the fine, following the CRSC ruling and the subsequent provision of security under the terms determined by the Court. In April 2022 the CRSC decided to stay the proceedings and refer two preliminary questions to the Court of Justice of the European Union ("CJEU"), pursuant to article 267 of the TFEU.

By judgment given on 29 July 2024, the CJEU concluded that article 101 of the TFEU should be interpreted as meaning that an exchange of information between competing credit institutions, such as that described by the CRSC in the referral can be qualified as a restriction of competition by object.

By judgment given on 20 September 2024, the CRSC confirmed the CA's decision and maintained the fine applied to Banco Montepio in the amount Euro 13 million.

On 15 October 2024, Banco Montepio appealed the CRSC sentence to the Lisbon Court of Appeal ("LCA").

By ruling of 10 February 2025, the Lisbon Court of Appeal declared the administrative offense proceedings against all defendants, including Banco Montepio, to be time-barred and ordered the case dismissed. The Competition Authority and the Public Prosecutor's Office appealed the Lisbon Court of Appeal's ruling to the Constitutional Court. On 4 June 2025, the Constitutional Court issued a summary decision, deciding not to hear the appeals filed by the CA and the Public Prosecutor's Office. On 26 June 2025, the CA filed an appeal seeking review of the Constitutional Court's summary decision. By Ruling issued on 25 August 2025, the Constitutional Court dismissed the appeal filed by the CA. The Court of Appeal's ruling became final on 9 September 2025 and the case is closed.

In March and April 2024, Banco Montepio was summoned to the collective cases brought by the association Ius Omnibus (processes no. 2/24.1YQSTR and no. 6/24.4YQSTR) and by Ampemep - Associação de Micro, Pequenas e Médias Empresas Portuguesas (process no. 10/24.1YQSTR) at the CRSC, in which other Credit Institutions are also defendants.

These processes take the form of private enforcement cases for the alleged violation of competition law arising from information sharing that is the subject of the aforementioned process PRC/2012/9 of the Competition Authority. The cases brought allege general estimates of damages based on economic studies and do not include specific compensation claims against each of the defendants.

Banco Montepio filed objections in processes no. 2/24.1YQSTR, 6/24.4YQSTR and 10/24.1YQSTR.

In January 2025, the Competition Court appended processes no. 6/24.4YQSTR and no. 10/24.1YQSTR. By order of 8 July 2025, the CSRC acquitted all Defendants in the proceedings regarding the case brought by Ius Omnibus (proc. 6/24.4YQSTR). In July 2025, the CSRC dismissed, for procedural reasons, the process brought by the association Ius Omnibus against the Defendants (including Banco Montepio) in process 6/24.4YQSTR, and this decision became final. Also in July 2025, regarding the case filed by Ampemep

(process 10/24.1YQSTR), the CSRC issued a ruling dismissing the claims made against the Defendants (including Banco Montepio) regarding the payment of compensation to the alleged injured parties and the reimbursement of legal expenses to the funds financing the case, determining that the case should proceed solely for the assessment of the possible illegality of the Defendants' conduct, thus converting the Ampemep case into a merely declaratory case. Both Ampemep and the Defendants, including Banco Montepio, appealed the decision in the part that was unfavourable to them.

In March 2026, Banco Montepio and other credit institutions were cited in a new class action lawsuit filed by the association Ius Omnibus (process no. 3/26.5YQSTR), running its course in the Competition, Regulation and Supervision Court ("CRSC"), with the intention of obtaining, from the Defendants – including Banco Montepio -, information that allows establishing the companies that contracted, in Portugal, corporate credit products between May 2002 and May 2013. The defence was filed on 28 April 2026.

Bank of Portugal

The Bank has been the subject of some administrative offense processes instituted by the Bank of Portugal, for alleged practices and infractions in supervisory matters.

The evolution of these processes is regularly monitored by Banco Montepio's Board of Directors, with technical-legal intervention under the responsibility of its Legal Directorate and, in certain cases, by law firms, which services are contracted on a case-by-case basis.

For most of these processes, the Bank of Portugal issued decisions in the scope of summary proceedings, whereby it proposed a single fine of substantially less than the amount of the potential maximum fine, and, as regards the two processes still underway, these are still in preliminary phases, which significantly limits the risk analysis; even so, it is considered that the Bank has serious and reasonable lines of defence, whether in terms of factual support, or in terms of the legal framework, regarding most of the infractions that might hypothetically be imputed to it.

Thus, and notwithstanding the Board of Directors considering as possible that the Bank's lines of defence will be successful, in whole or in part, in relation to any of the infractions that are imputed to it, even if the respective risk of being sentenced still exists, it is the Board's conviction that the amount of the consequent sanctions will not exceed the amount of provisions recognized by the Bank as at 30 June 2026.

52 Subsidiaries and associates

As at 30 June 2026, the companies directly or indirectly held by Banco Montepio are as follows:

Subsidiary	Head office	Share capital social	Currency	Activity	% of control	% of effective part
Montepio Holding, S.G.P.S., S.A.	Lisbon	175 000 000	Euro	Managements of shareholding	100.00%	100.00%
Montepio Serviços, A.C.E.	Lisbon	-	-	Managements of support services	78.00%	78.00%

(Euro)

Subsidiary	Head office	Share capital	Activity	% held
CESource, ACE	Lisbon	-	Management of IT systems	18.00%

As at 31 December 2025, the companies directly or indirectly held by Banco Montepio are as follows:

Subsidiary	Head office	Share capital	Currency	Activity	% of control	% of effective part
Montepio Holding, S.G.P.S., S.A.	Lisbon	175 000 000	Euro	Managements of shareholding	100.00%	100.00%
Montepio Serviços, A.C.E.	Lisbon	-	-	Managements of support services	80.00%	80.00%

(Euro)

Subsidiary	Head office	Share capital	Activity	% held
HTA - Hotéis, Turismo e Animação dos Açores, S.A.	S. Miguel Island	10 000 000	Accommodation, catering and similar/hotels with restaurant	20.00%
CESource, ACE	Lisbon	-	Management of IT systems	18.00%

As at 30 June 2026 and 31 December 2025, Banco Montepio held investment units in investment funds as follows:

Subsidiary	Establishment year	Acquisition year	Head office	% of controlling interest	Consolidation method
Valor Arrendamento – Fundo de Investimento Imobiliário Fechado	2013	2013	Lisbon	100%	Integral
Polaris - Fundo de Investimento Imobiliário Fechado	2009	2012	Lisbon	100%	Integral
Carteira Imobiliária - Fundo Especial de Investimento Imobiliário Aberto (FEIIA)	2013	2013	Lisbon	100%	Integral

53 Subsequent events

Since February 2026 and subsequent to June 2026, the escalation of geopolitical tensions associated with the conflict between the United States and Israel with Iran has resulted in increased levels of volatility in international financial markets. Uncertainty regarding the development of these events may impact the activities of Banco Montepio, particularly in the event of widespread asset devaluations; however, at this time, there is no information available to quantify potential effects. Banco Montepio will pay close attention to the evolution of the situation and market conditions, adopting, whenever necessary, the management measures appropriate to mitigating any adverse impacts.

In August 2026, the European Central Bank (“ECB”) decided to revoke the authorization of the subsidiary Montepio Investimento, SA, which operated under the brand BEM – Banco Empresas Montepio. The ECB's decision was adopted under point (d) of number 1 of article 22 of the Legal Framework of Credit Institutions and Financial Companies and considers, in the ECB's view, there to be an absence of sufficient evidence that the planned sale of the share capital of BEM, communicated to the market on 8 September 2023, can be completed within the contractually stipulated period.

Between 30 June 2026 and the date of approval of these financial statements by the Board of Directors of the Banco Montepio, there were no subsequent events that required adjustments or modifications to them.

REPORT AND ACCOUNTS

DECLARATION OF CONFORMITY

1ST HALF 2026

Banco Montepio

DECLARATION OF CONFORMITY

This declaration is issued under the terms of paragraph c) of no. 1 of article 29-J of the Securities Code approved by Decree-Law no. 486/99, of 13 November, in the wording introduced by Law No. 99-A/2021, of 31 December.

It is the responsibility of the Board of Directors to prepare the management report and the financial statements, presenting, in a true and appropriate manner, the financial position of Caixa Económica Montepio Geral, caixa económica bancária, S.A. (Banco Montepio), the result of operations as well as the adoption of adequate accounting policies and criteria and the maintenance of an appropriate internal control system to prevent and detect any errors or irregularities.

We confirm, to the best of our knowledge and belief, that:

- All individual and consolidated financial information contained in the accounting documents, with reference to 30 June 2026, was prepared in accordance with the applicable accounting standards, giving a true and appropriate image of the assets and liabilities, the financial situation and the results of Banco Montepio and the companies included in the consolidation perimeter;
- The management report truly exposes the evolution of the business, the performance and the position of the Institution and the companies included in the consolidation perimeter and contains a description of the main risks and uncertainties they face.

BOARD OF DIRECTORS

Chairman	Manuel Ferreira Teixeira
Members	Ângela Isabel Sancho Barros
	Eugénio Luís Correia Martins Baptista
	Isabel Cristina dos Santos Pereira da Silva
	José António de Azevedo Pereira
	José Carlos Sequeira Mateus
	Laura Abrantes Pinheiro da Silva Chaves
	Manuel Luís Pires Domingues
	Maria Alexandra de Matos Sequeira Thadeu
	Maria Lúcia Ramos Bica
	Nuno Miguel Sousa Figueiredo Carvalho
	Sara Eusébio da Fonseca

Lisbon, 29 September 2026

REPPORT AND ACCOUNTS

EXTERNAL AUDITOR REPORTS

1ST HALF 2026

Banco Montepio

Limited Review Report on the Interim Condensed Consolidated Financial Statements

(Free translation from the original in Portuguese)

Introduction

We have reviewed the accompanying condensed consolidated financial statements of Caixa Económica Montepio Geral, caixa económica bancária, S.A. ("Banco Montepio"), which comprise the interim condensed consolidated balance sheet as at 30 June 2026 (which shows total assets of Euros 20.700.767 thousands and total equity of Euros 1.801.633 thousands, including a net profit of Euros 58.441 thousands), the interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and the accompanying explanatory notes to these interim condensed consolidated financial statements.

Management's responsibility

The Management is responsible for the preparation of the interim condensed consolidated financial statements in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union, as well as to create and maintain appropriate systems of internal control to enable the preparation of interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying interim condensed consolidated financial statements. We conducted our review in accordance with ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Those standards require that we conduct the review in order to conclude whether anything has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

A review of financial statements is a limited assurance engagement. The procedures performed mainly consist of making inquiries and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISAs). Accordingly, we do not express an opinion on these consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of Caixa Económica Montepio Geral, caixa económica bancária, S.A. as at 30 June 2026 are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

29 September 2026

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
Represented by:

Carlos José Figueiredo Rodrigues, ROC n.º 1737
Registered with the Portuguese Securities Market Commission under no. 20161347

Limited Review Report on the Interim Condensed Individual Financial Statements

(Free translation from the original in Portuguese)

Introduction

We have reviewed the accompanying condensed individual financial statements of Caixa Económica Montepio Geral, caixa económica bancária, S.A. ("Banco Montepio"), which comprise the interim condensed individual balance sheet as at 30 June 2026 (which shows total assets of Euros 20.924.712 thousands and total equity of Euros 1.827.686 thousands, including a net profit of Euros 64.511 thousands), the interim condensed individual statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and the accompanying explanatory notes to these interim condensed individual financial statements.

Management's responsibility

The Management is responsible for the preparation of the interim condensed individual financial statements in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union, as well as to create and maintain appropriate systems of internal control to enable the preparation of interim condensed individual financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying interim condensed individual financial statements. We conducted our review in accordance with ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Those standards require that we conduct the review in order to conclude whether anything has come to our attention that causes us to believe that the interim condensed individual financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

A review of financial statements is a limited assurance engagement. The procedures performed mainly consist of making inquiries and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISAs). Accordingly, we do not express an opinion on these individual financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed individual financial statements of Caixa Económica Montepio Geral, caixa económica bancária, S.A. as at 30 June 2026 are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

29 September 2026

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
Represented by:

Carlos José Figueiredo Rodrigues, ROC n.º 1737
Registered with the Portuguese Securities Market Commission under no. 20161347

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CAIXA ECONÓMICA MONTEPIO GERAL, caixa económica bancária, S.A., referred to as Banco Montepio, registered at Banco de Portugal under number 36. Head office: Rua Castilho, 5, 1250-066 Lisbon | Share capital: €1.214.809.544 | Registered at the Lisbon Commercial Registry under the single registration and tax identification number 500792615.

Banco Montepio